



Critical Resources Limited
ACN 145 184 667

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at the Parmelia Hilton,
14 Mill Street, Perth, Western Australia
on 24 May 2022 at 10:00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6268 2641.**

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

**Shareholders are urged to attend the Meeting or vote by lodging the Proxy Form
attached to the Notice.**

Critical Resources Limited
ACN 145 184 667
(Company)

Notice of Annual General Meeting

Notice is given that the annual general meeting of Shareholders of Critical Resources Limited (**Company**) will be held at the Parmelia Hilton, 14 Mill Street, Perth, Western Australia on 24 May 2022 at 10:00am (WST) (**Meeting**).

The Board is continuing to monitor Australian Government restrictions on public gatherings in the context of the COVID-19 pandemic. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly by way of an announcement on the ASX platform.

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 as at 5:00pm (WST) on 20 May 2022. The Directors encourage all eligible Shareholders to lodge Proxy Forms prior to 10:00am (WST) on 22 May 2022.

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

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Financial Statements and Reports

To receive and consider the Company's Financial Report for the year ended 31 December 2021, together with the Directors' Report and the Auditor's Report.

There is no requirement for Shareholders to approve these reports.

2 Resolutions

Resolution 1 – Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report set out in the Company's Financial Report for the year ended 31 December 2021 is adopted.”

Note: *The vote on this resolution is advisory only and does not bind the Directors of the Company.*

Resolution 2 – Re-election of Director – Mr Alex Cheeseman

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

“That, for the purposes of Listing Rule 14.5 and for all other purposes, Mr Alex Cheeseman, who retires by rotation in accordance with the Constitution of the Company, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.”

Resolution 3 – Ratification of prior issue of Securities under First Placement (LR 7.1)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

- (a) 689,654 Shares; and
- (b) 229,885 free attaching Options,

on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 4 – Ratification of prior Share issue under Second Placement (LR 7.1)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 5 – Ratification of prior Share issue under Second Placement (LR 7.1A)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 132,058,824 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Resolution 6 – Approval of 10% Placement Facility (LR 7.1A)

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Resolution 7 – Approval of Employee Incentive Plan (LR 7.2)

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the future issue of up to 145,000,000 Equity Securities under the Employee Incentive Plan (a summary of which is set out in Schedule 3) within three years after the date of this Meeting, on the terms and conditions in the Explanatory Memorandum.”

Resolution 8 – Approval for issue of Performance Rights to Director – Mr Alex Cheeseman (LR 10.14)

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

“That, for the purposes of Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the issue of up to 6,000,000 Performance Rights to Mr Alex Cheeseman (or his nominee) under the Employee Incentive Plan and on the terms and conditions in the Explanatory Memorandum.”

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolutions 3(a) and (b), 4 and 5 by any person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons;
- (b) Resolution 6 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons;
- (c) Resolution 7 by any person who is eligible to participate in the Employee Incentive Plan and any associate of that person; and
- (d) Resolution 8 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;

- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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 prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolutions 7 and 8: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, 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 the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Chris Achurch', with a horizontal line underneath.

Chris Achurch
Company Secretary
Critical Resources Limited
Dated: 5 April 2022

Critical Resources Limited
ACN 145 184 667
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Parmelia Hilton, 14 Mill Street, Perth, Western Australia on 24 May 2022 at 10:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Financial Statements and Reports
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Alex Cheeseman
Section 6	Resolution 3(a) and (b) – Ratification of prior issue of Securities under First Placement (LR 7.1)
Section 7	Resolution 4 and 5 – Ratification of prior Share issues under Second Placement (LR 7.1 and 7.1A)
Section 8	Resolution 6 – Approval of 10% Placement Facility (LR 7.1A)
Section 9	Resolution 7 – Approval of Employee Incentive Plan (LR 7.2)
Section 10	Resolution 8 – Approval for issue of Performance Rights to Director – Mr Alex Cheeseman (LR 10.14)
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Residual Options
Schedule 3	Employee Incentive Plan – Summary of key terms
Schedule 4	Terms and conditions of Performance Rights
Schedule 5	Company's valuation of the Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The Board is continuing to monitor Australian Government restrictions and guidelines on public gatherings in the context of the COVID-19 pandemic. Based on the information available to the Board at the time of approving this Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will notify Shareholders accordingly by way of an announcement on the ASX platform.

2.2 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Voting by proxy

A Proxy Form is attached to 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 encouraged to vote by completing and returning 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.

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 not vote on a show of hands;

- (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).

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

- (iv) 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;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and
- (vii) either the proxy is not recorded as attending the meeting or 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.

2.4 Chair's voting intentions

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1. by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the section 224 of the Corporations Act, the voting prohibition statement applicable to Resolutions 7 and 8 apply and the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention on the Proxy Form.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at chris@westarcapital.com.au by 5pm on 21 May 2022 (WST).

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Financial Statements and Reports

In accordance with section 317 of the Corporations Act and the Company's Constitution, Shareholders will be offered the opportunity to discuss the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2021.

There is no requirement for Shareholders to approve these reports.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Financial Report, Directors' Report and Auditor's Report, which are included in the Company's Annual Report available online at www.criticalresources.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

A 'No' vote of more than 25% was not received at last year's AGM.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

4.2 Board recommendation

Resolution 1 is an ordinary resolution.

Given the personal interests of the Relevant Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director – Mr Alex Cheeseman

5.1 General

The Company's Constitution requires that a Director must retire and stand for re-election at the first annual general meeting of the Company following their appointment unless they have previously stood for re-election at an earlier general meeting. In addition, Listing Rule 14.5 provides that at least one Director must stand for election or re-election at each annual general meeting.

In accordance with the Constitution and Listing Rule 14.5, Mr Alex Cheeseman, who was appointed as a Non-Executive Director in January 2022, retires and stands for re-election at this Meeting pursuant to Resolution 2.

Mr Cheeseman has over 20 years' experience in leadership and management roles across a range of industries. His focus in the last 10 years has been on the resources sector and in particular, project development, commercial optimisation and marketing across iron ore and lithium commodities. Mr Cheeseman was intimately involved in project delivery, commissioning and ramp-up to commercial production of the former Altura Pilgangoora operations. He has an active, global lithium supply chain network, encompassing lithium raw material developers, downstream converters and refiners, electric vehicle supply chain participants, industry analysts and market commentators.

Mr Cheeseman currently holds the position of Chief Executive Officer of lithium explorer Morella Corporation Limited (ASX:1MC) and Non-Executive Director of privately owned, UK based Green Lithium Refining Limited.

Further information on Mr Cheeseman, including his qualifications and experience, is available on the Company's website at www.criticalresources.com.au.

5.2 Additional information

Resolution 2 is an ordinary resolution.

If Resolution 2 is passed, Mr Alex Cheeseman will be re-elected as a Non-Executive Director of the Company.

If Resolution 2 is not passed, Mr Cheeseman will not be re-elected as a Non-Executive Director of the Company and, accordingly Resolution 8 will not be put to Shareholders at this Meeting (meaning that the Company will not issue any Performance Rights to Mr Cheeseman pursuant to this Resolution).

5.3 Board recommendation

Mr Alex Cheeseman's skills and experience are highly complementary to the existing skill set of the Board and will continue to prove of great worth to the Company. The Board (other than Mr Cheeseman) recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3(a) and (b) – Ratification of prior issue of Securities under First Placement (LR 7.1)

6.1 Background

As announced on 25 October 2021, the Company launched an equity raising to raise \$4,000,000 (before costs) through the proposed issue of 137,931,034 Shares at an issue price of \$0.029 (**First Placement Shares**) and 45,977,011 free attaching Options (**Attaching Options**) on a one for three basis (**First Placement**).

On 5 January 2022, the Company issued:

- (a) 137,241,380 First Placement Shares and 45,747,126 Attaching Options (including Director participation of 9,482,759 First Placement Shares and 3,160,917 Attaching Options) pursuant to Shareholder approval obtained at the Company's general meeting held on 15 December 2021; and issued on 5 January 2022.
- (b) 689,654 First Placement Shares (**Residual Shares**) and 229,885 Attaching Options (**Residual Options**) (together, the **Residual Securities**) to sophisticated and institutional investors using the Company's available 15% annual placement capacity under Listing Rule 7.1.

In its notice of meeting dated 10 November 2021, the Company sought Shareholder approval to issue the First Placement Shares and Attaching Options to Mr Jeremy Whybrow, who at the date of notice of meeting was a Director. Mr Whybrow subsequently resigned as a Director. Some of the First Placement Shares and Attaching Options to be issued to Mr Jeremy Whybrow were subsequently issued to incoming Director, Mr Alex Biggs (as per the addendum to the notice of meeting dated 16 November 2021). The balance of the First Placement Shares and Attaching Options that were originally intended to be issued to Mr Whybrow (being the Residual Shares and Residual Options) were subsequently agreed to be issued to applicants under the First Placement.

Resolution 3(a) and (b) seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Residual Securities.

6.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Residual Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the placement capacity available under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Residual Securities.

6.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 3(a) and (b) seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Residual Securities.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 3(a) and (b) are passed, the Residual Securities will be excluded in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Residual Securities.

If Resolution 3(a) and (b) are not passed, the Residual Securities will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Residual Securities.

6.5 Technical information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the Residual Securities issued under the Company's placement capacity and the subject of Resolution 3(a) and (b):

- (a) the Residual Securities were issued to SMH Capital Pty Ltd;
- (b) the Residual Securities comprise:
 - (i) 689,654 fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares; and
 - (ii) 229,885 Options exercisable at \$0.04 each and expiring on 3 December 2024 and are otherwise subject to the terms and conditions in Schedule 2;

- (c) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of Residual Securities were:
 - (i) a related party of the Company;
 - (ii) Key Management Personnel;
 - (iii) a substantial holder of the Company;
 - (iv) an adviser to the Company; or
 - (v) an associate of any of the above,
 who were issued more than 1% of the Company's issued capital (as at the date of issue);
- (d) the Residual Securities were issued on 5 January 2022;
- (e) the issue price of Residual Shares was \$0.029 each. The Residual Options were free attaching Options and were therefore issued for nil additional cash consideration. The Company has not and will not receive any other consideration for the issue of the Residual Securities;
- (f) the purpose of the issue of the Residual Securities was to raise funds:
 - (i) to undertake drilling at Halls Peek and continue to develop existing projects, assets and investments that the Company has;
 - (ii) to undertake drilling at the Mavis Lake Lithium Project;
 - (iii) to pay costs associated with the acquisition of the Mavis Lake Lithium Project; and
 - (iv) for general working capital and corporate costs;
- (g) a voting exclusion statement for Resolution 3(a) and (b) is included in the Agenda of this Notice.

7. Resolution 4 and 5 – Ratification of prior Share issues under Second Placement (LR 7.1 and 7.1A)

7.1 Background

As announced on 17 February 2022, the Company launched an equity raising to raise \$12,500,000 (before costs) to accelerate exploration works at the Company's high priority lithium and base metals project and otherwise fund evaluation and development of existing projects, project generation and general working capital.

The equity raising has been undertaken by way of a placement of 147,058,824 Shares (**Second Placement Shares**) to sophisticated and institutional investors (**Second Placement Participants**) at an issue price of \$0.085 per Share (**Second Placement**).

The Second Placement Shares were issued on 24 February 2022 as follows:

- (a) 15,000,000 Second Placement Shares were issued to Second Placement Participants pursuant to the Company's capacity under Listing Rule 7.1 (the subject of Resolution 4); and
- (b) 132,058,824 Second Placement Shares were issued to Second Placement Participants pursuant to the Company's capacity under Listing Rule 7.1A (the subject of Resolution 5), which was approved by Shareholders at the annual general meeting of the Company held on 27 May 2021 (**2021 AGM**).

The Company engaged Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Sixty Two Capital Pty Ltd (ACN 611 480 169) (together the **Joint Lead Managers**) to act as joint lead managers for the Second Placement (**Placement Agreement**). Under the Placement Agreement, the Company will pay the Joint Lead Managers (in their respective proportions) a fee of 6% of the funds raised under the Second Placement.

Resolution 4 and Resolution 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Second Placement Shares.

7.2 Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to have an additional placement capacity broadly equivalent to 10% of its fully paid ordinary issued capital.

The Company obtained approval to utilise the additional 10% placement capacity at the 2021 AGM.

The issue of the Second Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the placement capacity available under Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Second Placement Shares.

7.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, Resolution 4 and Resolution 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Second Placement Shares.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 4 and Resolution 5 are passed, the Second Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively

increasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Second Placement Shares.

If Resolution 4 and Resolution 5 are not passed, the Second Placement Shares will be included in calculating the Company's 15% and 10% placement capacity under Listing Rules 7.1 and 7.1A respectively, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Second Placement Shares.

7.5 Technical information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided in relation to the Second Placement Shares issued under the Company's placement capacity and the subject of Resolution 4 and Resolution 5:

- (a) the Second Placement Shares were issued to sophisticated and institutional investors who are clients of the Joint Lead Managers. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the Second Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of Second Placement Shares are:
 - (i) a related party of the Company;
 - (ii) Key Management Personnel;
 - (iii) a substantial holder of the Company;
 - (iv) an adviser to the Company; or
 - (v) an associate of any of the above,who will be issued more than 1% of the Company's current issued capital under the Second Placement;
- (c) the Second Placement Shares were issued on the following basis:
 - (i) 15,000,000 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
 - (ii) 132,058,824 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5);
- (d) the Second Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Second Placement Shares were issued on 23 February 2022;
- (f) the issue price was \$0.085 per Second Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Second Placement Shares;

- (g) the purpose of the issue of the Second Placement Shares was to raise funds to accelerate exploration works at the Company's high priority lithium and base metals project and otherwise fund evaluation and development of existing projects, project generation and general working capital; and
- (h) a voting exclusion statement for Resolution 4 and Resolution 5 is included in the Agenda of this Notice.

8. Resolution 6 – Approval of 10% Placement Facility (LR 7.1A)

8.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to have an additional placement capacity broadly equivalent to 10% of its fully paid ordinary issued capital (**10% Placement Facility**).

An "eligible entity" means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the 10% Placement Facility, which would allow the Company to issue additional Equity Securities (calculated in Section 8.3 below) over a 12-month period without Shareholder approval pursuant to Listing Rule 7.1A.

8.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval under Listing Rule 7.1.

8.3 Information on 10% Placement Facility

(a) Quoted Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX, being its fully-paid ordinary Shares.

(b) **Formula for 10% Placement Facility**

If Resolution 6 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
- less the number of fully-paid ordinary securities cancelled in the relevant period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

8.4 **Technical information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the 10% Placement Facility:

(a) **Period for which the approval will be valid**

The 10% Placement Facility would commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after this Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) **Minimum price at which equity securities may be issued**

Any Equity Securities issued under the 10% Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 10 Trading Days of the above date, the date on which the securities are issued.

(c) **Purposes for which the funds raised by an issue of equity securities may be used**

The Company may issue Equity Securities under the 10% Placement Facility for cash consideration only, and the Company intends to apply any funds raised under such an issue to exploration, evaluation and development of the Company's existing projects, project generation, acquisition of new assets and general working capital.

(d) **Risk of economic and voting dilution**

If Resolution 6 is passed and the Company issues securities under the 10% Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the 10% Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Facility	Funds raised based on issue price of \$0.037 (50% decrease in issue price)	Funds raised based on issue price of \$0.074 (issue price)	Funds raised based on issue price of \$0.148 (100% increase in issue price)
1,485,386,502 (Current)	148,538,650	\$5,495,930	\$10,991,860	\$21,983,720
1,485,386,502 (50% increase)	222,807,975	\$8,243,895	\$16,487,790	\$32,975,580
1,485,386,502 (100% increase)	297,077,300	\$10,991,860	\$21,983,720	\$43,967,440

Notes: The above table has been prepared on the following bases/assumptions:

1. The latest available market price of Shares as at the date of the Notice was \$0.074.
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
3. Existing Shareholders' holdings do not change from the date of this Notice to the date of the issue under the 10% Placement Facility.
4. The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the 10% Placement Facility.
5. The impact of additional issues of Equity Securities under ASX Listing Rule 7.1 or following the exercise of Options is not included in the calculations.
6. Economic dilution for the table above is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;

MP = the market price of Shares traded on ASX, expressed as in dollars;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total Shares on issue following new Equity Security issue.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the 10% Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the 10% Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any Equity Securities under the 10% Placement Facility.

(f) **Previous issues under Listing Rule 7.1A in previous 12 months**

The Company issued a total of 132,058,824 Equity Securities under Listing Rule 7.1A in the 12 months prior to the Meeting, which represents 1.34% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The Company made the following issues pursuant to Listing Rule 7.1A in the 12 months prior to the Meeting:

General	
Number of Equity Securities issued	132,058,824
Class of Equity Securities Issued	Ordinary fully paid shares
Basis upon which allottees were identified	Professional and sophisticated investors identified through a bookbuild process, which involved the Company seeking expressions of interest to participate in the Placement from non-related parties of the Company.
Pricing	
Issue price	\$0.085
Premium to closing market price on date of issue (if any)	10%
Consideration and use of funds	
Total cash consideration received	11,225,000
Amount of cash consideration spent as at the date of this Notice and purpose of spending	Nil
Intended use of remaining cash consideration (if any)	Funds raised will be applied to exploration, evaluation and development of the Company's existing projects, as well as project generation and general working capital.

8.5 Voting exclusion

A voting exclusion statement for Resolution 6 is included in the Agenda of this Notice.

8.6 Board recommendation

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 6.

9. Resolution 7– Approval of Employee Incentive Plan (LR 7.2)

9.1 Background

At the 2021 AGM, Shareholders approved the adoption of the Company's Employee Incentive Plan (EIP) and the issue of a maximum of 50,945,043 Equity Securities pursuant to the EIP (EIP Securities) (ASX Limit).

The purpose of the EIP is to attract, incentivise and retain directors, employees and consultants of the Company. The EIP incorporates both broad based equity participation for eligible participants as well as key executive incentive schemes.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of Equity Securities under an employee incentive scheme if, within 3 years before the issue date, Shareholders have approved the issue of Equity Securities proposed to be issued under the scheme.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the employee incentive scheme does not exceed the ASX Limit, being the maximum number set out in the Company's notice of meeting dispatched to Shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2.

Since the 2021 AGM, the Company has issued 47,600,000 EIP Securities pursuant to Listing Rule 7.2 (Exception 13(b)) (including 6,000,000 Securities which were subsequently forfeited).

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, to renew the EIP and approve the future issue of a maximum of 150,000,000 Equity Securities under the EIP (New ASX Limit).

It is not envisaged that the maximum number of Equity Securities for which Shareholder approval is sought will be issued immediately (other than the Performance Rights the subject of Resolution 8).

9.2 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to issue EIP Securities to eligible participants over a period of 3 years. The issue of any EIP Securities to eligible participants will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rules 7.1 and 7.1A, provided that the Company does not issue EIP Securities in excess of the New ASX Limit.

For the avoidance of doubt, any future issues of Equity Securities under the EIP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of the Additional EIP Securities to eligible participants, but any issues of Additional EIP Securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the issue of the Additional EIP Securities.

9.3 Terms of the Employee Incentive Plan

A summary of the key terms of the EIP is set out in Schedule 3.

9.4 Voting exclusion

A voting exclusion statement for Resolution 7 is included in the Agenda of this Notice.

9.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

10. Resolution 8 – Approval for issue of Performance Rights to Director – Mr Alex Cheeseman

10.1 General

Subject to Shareholders approving Resolution 2 and Resolution 7, Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 6,000,000 performance rights (**Performance Rights**) to Mr Alex Cheeseman (or his nominee) under the Company's EIP.

Subject to Shareholders approving the respective Resolutions, the Performance Rights will be issued in the following proportions:

Director	Tranche 1 Performance Rights	Tranche 2 Performance Rights	Tranche 3 Performance Rights	Total
Mr Alex Cheeseman	2,000,000	2,000,000	2,000,000	6,000,000

The proposed issue of the Performance Rights forms part of the Company's remuneration strategy for Non-Executive Directors in lieu of a portion of cash remuneration. The Performance Rights are proposed to be issued to Mr Cheeseman to provide an equity based component to his remuneration package.

The Board considers that the proposed issue of the Performance Rights is reasonable in the circumstances in order to further align the interests of Mr Cheeseman with those of the Shareholders and to provide appropriate remuneration for Mr Cheeseman's ongoing commitment and contribution to the Company whilst minimising the expenditure of the Company's cash resources.

10.2 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Cheeseman.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company may consider other forms of performance-based remuneration, including by the payment of cash.

10.3 Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

10.4 Specific information required by Listing Rule 10.15

In accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) Mr Alex Cheeseman is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1;
- (b) the number of Performance Rights proposed to be issued is set out in Section 10.1;
- (c) the respective current total remuneration package of Mr Cheeseman as at the date of this Notice is set out in the table below:

Director	Position	Cash salary and fees (\$)	Super-annuation (\$)	Equity settled Shares (\$)	Equity settled Performance rights (\$)	Total (\$)
Mr Alex Cheeseman	Non-Executive Director	48,000	-	-	-	48,000

- (d) Mr Cheeseman has not previously been issued Securities under the EIP;
- (e) the Performance Rights will vest in three equal tranches, subject to applicable vesting conditions relating to the achievement of a VWAP calculated over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded, as set out in the table below:

Tranche	Number of Performance Rights that vest	Vesting condition
1	33.3%	VWAP of at least \$0.07 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded

2	33.3%	VWAP of at least \$0.09 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded
3	33.3%	VWAP of at least \$0.12 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded

- (f) the Performance Rights will otherwise be issued on the terms and conditions set out in Schedule 4;
- (g) a valuation of the Performance Rights is set out in Schedule 5. the Performance Rights will be issued as soon as practicable following the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- (h) the Performance Rights will have an issue price of nil as they will be issued as part of Mr Cheeseman's remuneration package;
- (i) any Performance Rights that have not vested on or before the date that is five years after the date of issue will automatically lapse and become incapable of vesting into Shares;
- (j) a summary of the key terms of the EIP is set out in Schedule 3;
- (k) no loan will be provided to Mr Cheeseman in relation to the issue of the Performance Rights;
- (l) details of any Securities issued under the Plan will be published in the annual report of the Company 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;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the EIP after Resolution 8 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (n) a voting exclusion statement for Resolution 8 is included in the Agenda of this Notice.

10.5 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 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 Mr Cheeseman is a related party of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to Mr Cheeseman pursuant to Resolution 8.

10.6 Information requirements for Chapter 2E of the Corporations Act

In accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

(a) **Identity of the related parties to whom Resolution 8 permits a financial benefit to be given**

The Performance Rights will be issued to Mr Alex Cheeseman (or his nominee).

(b) **Nature of the financial benefit**

Resolution 8 seeks approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 10.1 above to Mr Cheeseman (who is a related party of the Company) or his nominee.

The Performance Rights are to be issued in accordance with the EIP and otherwise on the terms and conditions in Schedule 4, subject to Shareholder approval pursuant to Resolution 7.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A valuation of the Performance Rights is set out in Schedule 5.

(d) **Remuneration of Relevant Directors**

The total annual remuneration arrangement for Mr Cheeseman is described in Section 10.4(c) above.

(e) **Existing relevant interests**

At the date of this Notice, Mr Cheeseman holds the following relevant interests in Equity Securities of the Company:

Director	Shares	Unquoted Options	Performance Rights
Mr Alex Cheeseman	-	-	-

Assuming that Resolution 8 is approved by Shareholders and, all of the Performance Rights applicable to this Resolution are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the interests of Mr Cheeseman in the Company would represent approximately 0.406% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest:	\$0.14 per Share on 20 January 2022
Lowest:	\$0.014 per Share on 11 May 2021, 12 May 2021, 14 May 2021, 17 May 2021

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.074 per Share on 30 March 2022.

(g) **Dilution**

The issue of the Performance Rights will have a dilutive effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Director	Proposed maximum issue of Performance Rights	Dilutive effect
Mr Alex Cheeseman	6,000,000	0.404%

The above table assumes the current Share capital structure of the Company as at the date of this Notice (being 1,485,386,502 Shares on 30 March 2022) and that no other Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 0.406% (assuming that all of the Performance Rights are vested and exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges the grant of the Performance Rights to Mr Cheeseman as Non-Executive Directors is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers that the grant of Performance Rights is reasonable in the circumstances for the reasons set out in Section 10.1 above.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(j) **Board recommendation**

The Board (other than Mr Cheeseman who has a material personal interest in the outcome of Resolution 8) recommends that Shareholder vote in favour of Resolution 8.

10.7 Other information

Resolution 8 is an ordinary resolution.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 8.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 8.1.
2021 AGM	has the meaning given in Section 7.1.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 December 2021.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Limit	has the meaning given in Section 9.1.
Attaching Options	has the meaning given in Section 6.1.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	has the meaning given in Section 9 of the Corporations Act.
Company	means Critical Resources Limited (ACN 145 184 667).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
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.
EIP	means the Company's Employee Incentive Plan.
EIP Securities	has the meaning given in Section 9.1.
Employee Incentive Plan	means the Company's Employee Incentive Plan.
Equity Security	has the same meaning as in the Listing Rules.
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.
First Placement	has the meaning given in Section 6.1.

First Placement Shares	has the meaning given in Section 6.1.
Joint Lead Managers	has the meaning given in Section 7.1.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing Rules	means the listing rules of ASX.
Market Price	means the published closing price of the Shares on the ASX market on the date of issue of the relevant Shares.
Meeting	has the meaning given in the introductory paragraph of the Notice.
New ASX Limit	has the meaning given in Section 9.1.
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Performance Rights	has the meaning given in Section 10.1.
Placement Agreement	has the meaning given in Section 7.1.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Residual Options	has the meaning given in Section 6.1.
Residual Securities	has the meaning given in Section 6.1.
Residual Shares	has the meaning given in Section 6.1.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Second Placement	has the meaning given in Section 7.1.
Second Placement Participants	has the meaning given in Section 7.1.
Second Placement Shares	has the meaning given in Section 7.1.
Section	means a Section of this Notice.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).

Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	has the meaning given in Section 4.1.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Residual Options

The terms of the Placement Options, Director Placement Options and Lead Manager Options are as follows:

- (i) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (ii) **(Issue Price)**: No cash consideration is payable for the issue of the Options.
- (iii) **(Exercise Price)**: The Options have an exercise price of \$0.04 per Option **(Exercise Price)**.
- (iv) **(Expiry Date)**: The Options expire at 5.00 pm (WST on 3 December 2024 **(Expiry Date)**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (v) **(Exercise Period)**: The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (vi) **(Quotation of the Options)**: The Company will not apply for quotation of the Options on ASX.
- (vii) **(Transferability of the Options)**: The Options are not transferable, except with the prior written approval of the Company.
- (viii) **(Notice of Exercise)**: The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.

- (ix) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the later of the following:
 - (a) the Exercise Date; and
 - (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,the Company will:
 - (c) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (d) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (x) **(Restrictions on transfer of Shares)**: If the Company is required but unable to give ASX a notice under paragraph 9(d), or such a notice for any reason is not effective to ensure that an Page 31 offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (xi) **(Shares issued on exercise)**: Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

- (xii) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.
- (xiii) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (xiv) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (xv) **(Adjustment for bonus issues of Shares):** 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):
 - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Schedule 3 Employee Incentive Plan – Summary of key terms

Eligibility

The Board has the discretion to determine which employees are eligible to participate in the Employee Incentive Plan (**EIP**). The definition of employee under the rules of the EIP includes any full time or permanent part time employee or officer or director of the Company or consultant of the Company or any related body corporate of the Company.

Vesting conditions

The vesting of any securities issued under the EIP, excluding Exempt Shares and Stock Appreciation Rights, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of securities

Vested securities issued under the EIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.

Price

Securities issued under the EIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

Lapse/forfeiture

Securities issued under the EIP will lapse or be forfeited on the earliest of:

- any expiry date applicable to the securities;
- any date which the Board determines that vesting conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the EIP; and
- the Board determining that a participant has committed an act of fraud, is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct.

Board may elect to settle in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reason to issue or transfer Shares upon satisfaction of its obligations under the EIP, the Company may make a cash payment to the participant in accordance with the terms of the EIP.

Waiving the restricted period

The Board may waive or shorten the restriction period applicable to securities issued under the EIP, as contained in the offer to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the EIP), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the EIP shall be dealt with.

Cessation of employment

All unvested securities issued under the EIP lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.

No dealing or hedging

Dealing restrictions apply to securities issued under the EIP in accordance with the rules of the EIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the EIP.

Rights attaching to Shares

Shares issued under the EIP will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

Company may issue or acquire shares

The Company may, in its discretion, either issue new shares or acquire shares already on issue, or a combination of both, to satisfy the Company's obligations under the EIP.

Adjustments

Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the EIP, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction.

Limits on securities issued

The number of shares that may be issued under the EIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus and made in accordance with a Notice of Reliance (CF 08). These limits provide that the number of shares that may be issued, when aggregated with a number of shares issued during the previous three years from share issues under all employee share schemes established by the Company (including as a result of exercise of options to acquire shares granted to the previous three years under any such employee share scheme), must not exceed 5% of the total number of shares on issue. Certain unregulated offers, including offers to senior managers and overseas residents are excluded.

An overall limit of 15% for employee share scheme (ESS) offers is imposed.

Continued operation of the EIP

The EIP may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.

Schedule 4 Terms and conditions of Performance Rights

The grant of the Performance Rights are subject to the terms and conditions set out below:

- (i) **Conversion on achievement of milestone:** Each Performance Right will automatically convert into one new ordinary fully paid share in the Company on satisfactory achievement of the following condition (**Vesting Condition**):
 - (a) **Tranche 1:** The Company achieves a VWAP of at least \$0.07 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's shares have actually traded
 - (b) **Tranche 2:** The Company achieves a VWAP of at least \$0.09 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's shares have actually traded
 - (c) **Tranche 3:** The Company achieves a VWAP of at least \$0.12 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's shares have actually traded
- (ii) **Lapse:** A Performance Right will lapse on the earliest to occur of:
 - (a) subject to any automatic vesting in accordance with other terms, if applicable Vesting Condition has not been met; or
 - (b) the expiry date which will be 5:00PM WST on the five-year anniversary from the date of grant.
- (iii) **Transfer:** The Performance Rights are not transferable.
- (iv) **No voting rights:** The Performance Rights do not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (v) **No dividend rights:** The Performance Rights do not entitle the holder to any dividends.
- (vi) **No rights to return of capital:** The Performance Rights do not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (vii) **Rights on winding up:** Upon the winding up of the Company, the Performance Rights may not participate in the surplus profits or assets of the Company.
- (viii) **Change of Control:** All unvested Performance Rights automatically vest and are automatically exercised on the occurrence of a Change of Control, subject to the total number of ordinary shares that the Performance Rights, in aggregate, convert into not being more than 10% of the issued ordinary capital of the Company as at the date of conversion.
- (ix) **Reorganisation:** In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights holder is entitled will be adjusted in the manner provided for in the ASX listing rules applicable at the time the reorganisation comes into effect.
- (x) **No quotation:** The Performance Rights will not be quoted on ASX. However if the Company is listed on the ASX, at the time of conversion of the Performance Rights into Shares in accordance with these terms, the Company will within seven (7) days after the later of conversion and any escrow period ending, apply for the official quotation of the Shares arising from the conversion on ASX.

- (xi) **Participation in entitlements and bonus issues:** Holders of Performance Rights will not be entitled (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (xii) **No other rights:** The Performance Rights give the holders 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.

Change of Control means a person who does not control the Company at the time the Performance Rights are issued achieving control of more than 50% of the ordinary voting securities in the Company.

Schedule 5 Company's valuation of the Performance Rights

The average value of the Performance Rights determined applying a conventional binomial approximation pricing model is \$0.053 per Performance Right, based on the following inputs as at 31 March 2022:

- Risk-free rate: 1.81% (Derived from the 5-year Commonwealth Treasury Bond Rate)
- Historical Volatility: 100% (based on the Company's closing share price for the previous 12 months)
- Closing Share Price: \$0.074 (closing ASX price on 31 March 2022)
- Dividend Yield: 0.00% (based on actual dividends paid in the previous 12 months)

Based on the above factors, the value of the three tranches of Performance Rights proposed to be issued to the Relevant Director the subject of Resolution 8 is as follows:

	Alex Cheeseman (Resolution 8)	TOTAL
Tranche 1 Subject to vesting condition: VWAP of at least \$0.07 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded	\$112,000	\$112,000
Tranche 2 Subject to vesting condition: VWAP of at least \$0.09 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded	\$106,000	\$106,000
Tranche 3 Subject to vesting condition: VWAP of at least \$0.12 over 20 consecutive trading days (commencing after the date of the Meeting) on which the Company's Shares have actually traded	\$100,000	\$100,000
Total	\$318,000	\$318,000

As the vesting of the Performance Rights is subject to vesting conditions linked to the Company's Share price, the Relevant Director (or his respective nominees) will not be able to realise any value from the grant of the Performance Rights unless and until the applicable vesting conditions have been satisfied.