

20 September 2022

Appointment of Experienced Lithium Executive Alex Cheeseman as Managing Director

Critical Resources Limited (**ASX:CRR**) (“Critical Resources” or “the Company”) is pleased to announce the appointment of a highly experienced lithium-focused executive, Mr Alex Cheeseman as the Company’s new Managing Director, effective 10 October 2022.

The appointment of Mr Cheeseman, who has held the role of Non-Executive Director at the Company since January 2022, follows a wide-ranging and thorough global executive search process initiated in July 2022. Mr Cheeseman was selected due to his exceptional lithium industry experience, his proven leadership skills and his clear vision and plan to take Critical Resources from explorer through to producer.

With formal undergraduate and post graduate qualifications in capability development and acquisition, Mr Cheeseman has 21 years’ experience in a range of leadership and management roles, across a diverse array of industries. As a former military officer with numerous operational deployments, Mr Cheeseman has extensive experience managing high performance teams operating in multiple jurisdictions. The last decade of his career has been in the resources sector, with the last six and a half years focused exclusively within the lithium industry.

At Altura Mining, Mr Cheeseman held a key role in the delivery of the Altura lithium mine and processing plant, commencing at the start of bulk earthworks in early 2017, through to declaration of commercial production in 2019. Mr Cheeseman became responsible for marketing and export logistics, developing and extensive network throughout the lithium supply chain. During a challenging period for the lithium industry, he worked alongside the Chief Executive Officers’ of Pilbara Minerals and Galaxy Resources to lobby and be awarded royalty relief from the Western Australian state Government. In early 2021, Mr Cheeseman provided supply chain strategy and advisory services to both Rocktech Lithium and Green Lithium Refining Limited, and pre-IPO due diligence support to what is now Green Technology Metals (**ASX:GTI**). Since April 2021 Mr Cheeseman has held the position as CEO at Morella Corporation, which under his leadership has secured and advanced multiple lithium projects in Australia and the United States, recapitalized and re-enstated with the ASX, with the company growing from an implied market capitalization of \$25M to approximately \$150M.



Critical Resources' Chairman Mr Robert Martin said:

"It is a pleasure to welcome Alex to the full time roll as Managing Director. Since joining the Company in January, Alex has been influential in developing a robust corporate strategy, orientating the Company to focus on lithium and taking initial steps to transition from explorer to producer.

As the lithium industry undergoes unprecedented global growth, there are very few executives that have been involved in the delivery of a hard-rock lithium project. With Alex's project delivery experience, and his exceptional global network through out the lithium supply chain, we are extremely fortunate to have secured someone with both his industry experience and broader corporate leadership abilities.

The Board and I look forward to working with Alex and we are confident that this next stage of growth is going to be very an exciting time for the Company."

A summary of Mr Cheeseman's employment agreement can be seen in Appendix A.

Vesting of Performance Rights as a Non-Executive Director

The Company advises that, in accordance with the terms of its Tranche 1 Performance Rights issued to Mr Cheeseman in July 2022 (and as approved by Shareholders in May 2022), a total of 2,000,000 of Mr Cheeseman's tranche 1 performance rights have vested.

The performance milestone for the tranche 1 performance rights was achieving a volume weighted average price (VWAP) of the Company's Shares of at least \$0.07, calculated over 20 consecutive trading days (20 day VWAP).

It is the Company's intention to seek shareholder approval at the upcoming shareholder meeting for the cancellation of all unvested Performance Rights previously issued to Mr Cheeseman at the respective meeting date.

This announcement has been approved for release by the Chairmam.

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For further information please contact

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ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is advancing and developing critical metals projects for a decarbonised future.

The Company's primary objective is the rapid development of its flagship Mavis Lake Lithium Project, located in Ontario, Canada. Mavis Lake is an advanced exploration project with near-term development potential. Importantly, Critical has an exciting opportunity for further regional growth through exploration at its Graphic Lake, Plaid and Whitloon prospects, along with expanding its Canadian portfolio through potential increased land holdings and merger and acquisitions.

The Company's other projects include the Halls Peak Project in NSW, Australia, a high-quality base metals project with significant scale potential and the Block 4 and Block 5 copper project, located in Oman.



Appendix A

Summary of Material Terms of appointment of Managing Director

The material terms of Mr Cheeseman's employment agreement are as follows:

- Permanent full time employee commencing 10 October 2022
- A Total Remuneration Salary Package of \$391,500 (gross) per annum (inclusive of superannuation and director fees) to be reviewed periodically (TRP).
- Participation in the Company's Short Term Incentive (STI) and Long Term Incentive (LTI) plans (at the sole discretion of the Board) on the basis of the following:
 - STI of up to 60% of TRP, subject to agreed annual performance hurdles.
 - STI to be paid in cash, Shares or a combination of cash and Shares (as agreed by the Company).
 - LTI includes 14 million performance rights (PR) to be awarded subject to shareholder approval and any requirements under the Corporations Act or ASX Listing Rules, which will be subject to the following vesting performance periods and milestones:
 - 1,500,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum 1.0% Li₂O on or before June 2024;
 - 1,500,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum 1.0% Li₂O on or before June 2024;
 - 1,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform on or before 30 September 2023;
 - 1,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market Announcements Platform on or before June 2024;
 - 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project on or before June 2025;
 - 1,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving a market capitalisation of greater than \$150,000,000 for 30 consecutive trading days on or before 10 October 2025;
 - 1,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving a market capitalisation of greater than \$200,000,000 for 30 consecutive trading days on or before 10 October 2025;
 - 2,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company achieving a market capitalisation of greater than \$300,000,000 for 30 consecutive trading days on or before 10 October 2025;



- 2,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company entering into and successfully announcing on the ASX Market Announcements Platform a binding and definitive strategic partnership agreement with a bankable strategic industry partner (operating in one or more of the following fields: chemical conversion; cathode manufacturing; battery manufacturing or Automotive OEM) with a total aggregate contract value (including in kind commitments or cash commitments) of not less than \$5,000,000 on or before 10 October 2025; and
- 2,000,000 Performance Rights which convert on a 1:1 basis into Shares in the Company upon the Company securing a mutually binding (take or pay) Offtake Agreement with a bankable counterparty for at least 30% of a Phase 1 production plan 10 October 2025.
- Subject to the ASX Listing Rules and any requirements under the Corporations Act, all Performance Rights will immediately vest in the event of a Change of Control.
- All Performance Rights are only eligible to be exercised while Mr Cheeseman is employed with the Company and is not serving a period of notice.
- All unvested securities issued under the LTI lapse immediately on termination of employment unless any Leaver's Policy applies or the Board determines otherwise depending on the circumstances.
- The full terms and conditions of the Performance Rights will be set out in the company's Notice of Meeting and will be issued under the ESOP.
- Other than for termination with cause, three months' notice is required from both parties in the event of employment ceasing.
- The other terms of Mr Cheeseman's employment contract are considered standard under Australian law for a position of this nature.