



**Critical Resources Limited
ACN 145 184 667**

Notice of General Meeting

The General Meeting of the Company will be held at the offices of the Company, at Level 11, 40 The Esplanade, Perth Western Australia on Wednesday 15 December at 09:00am (WST).

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified 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 or vote by lodging the proxy form attached to the Notice

Critical Resources Limited
ACN 145 184 667
(Company)

Notice of General Meeting

Notice is given that the general meeting of Critical Resources Limited will be held at **the offices of the Company**, at Level 11, 40 The Esplanade Western Australia on Wednesday, 15 December at 09:00am **(WST) (Meeting)**.

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

Resolution 1 – Approval to issue Consideration Shares to Sellers

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

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 68,000,000 Consideration Shares to Essential Metals and International Lithium Corporation as partial consideration to exercise the option to acquire the Mavis Lake Lithium Project, on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval to issue Facilitator Shares

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

'That, subject to each of the other Transaction Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Facilitator Shares as partial consideration for facilitating the Proposed Acquisition, on the terms and conditions in the Explanatory Memorandum.'

Resolution 3- Approval to issue Facilitator Milestone Shares

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

'That, subject to the Transaction Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Facilitator Milestone Shares as partial and deferred consideration for facilitating the Proposed Acquisition, on the terms and conditions in the Explanatory Memorandum, in the following tranches:

- (a) 4,000,000 Shares upon the satisfaction of Milestone 1; and
- (b) 4,000,000 Shares upon the satisfaction of Milestone 2."

Resolution 4 – Approval to issue Placement Shares

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

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 127,758,621 Shares at \$0.029 per Share on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval to issue Placement Options

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

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 42,586,209 free attaching Options on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 – Approval to issue Director Placement Shares

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

'That, subject to the Transaction Resolutions being passed, for the purposes of Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue the following:

- (a) up to 2,413,793 Shares to Mr Robert Martin (or his nominee/s);
- (b) up to 1,379,310 Shares to Mr Jeremy Whybrow (or his nominee/s);
- (c) up to 5,172,414 Shares to Mr Jihad Malaeb (or his nominee/s); and
- (d) up to 1,206,897 Shares to Mr Michael Leu (or his nominee/s); and

on the terms and conditions in the Explanatory Memorandum.'

Resolution 7 – Approval to issue Director Placement Options

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

'That conditional on Resolution 6 being approved and pursuant to and in accordance with Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue the following Options:

- (a) up to 804,597 Options to Mr Robert Martin (or his nominee/s);
- (b) up to 459,770 Options to Mr Jeremy Whybrow (or his nominee/s);
- (c) up to 1,724,137 Options to Mr Jihad Malaeb (or his nominee/s); and
- (d) up to 402,298 Options to Mr Michael Leu (or his nominee/s),

on the terms and conditions in the Explanatory Memorandum.'

Resolution 8 – Approval to Issue Lead Manager Options

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

'That, subject to each of the other Transaction Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of 15,000,000 Lead Manager Options 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) Resolution 1: by or on behalf of Essential Metals Limited and International Lithium Corporation (or their respective nominee/s) and any person 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 of their respective associates;
- (b) Resolution 2 and Resolution 3 by or on behalf of the Facilitator (or his respective nominee/s) and any person 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 of their respective associates;
- (c) Resolution 4 and Resolution 5: by or on behalf the Placement Participants and any person who is 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 of their respective associates;
- (d) Resolution 6 and Resolution 7: by or on behalf:
 - (i) Mr Robert Martin in respect of Resolution 6(a) and Resolution 7(a) (or his respective nominee/s);
 - (ii) Mr Jeremy Whybrow in respect of Resolution 6(b) and Resolution 7(b) (or his respective nominee/s);
 - (iii) Mr Jihad Malaeb in respect of Resolution 6(c) and Resolution 7(c) (or his respective nominee/s); and
 - (iv) Mr Michael Leu in respect of Resolution 6(d) and Resolution 7(d) (or his respective nominee/s),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder), or any of their respective associates;

- (e) Resolution 8: by or on behalf of the Lead Manager (or their nominee/s) and any person 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 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; or

- (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 6 and Resolution 7: 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in respect of Resolution 6 and Resolution 7, 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.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast 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.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

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: 8 November 2021

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 offices of the Company**, at Level 11, 40 The Esplanade, Western Australia on Wednesday, 15 December at 09:00am (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 information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 – Approval to issue Consideration Shares
Section 4	Resolution 2 – Approval to issue Facilitator Shares
Section 5	Resolution 3 - Approval to issue Facilitator Milestone Shares
Section 6	Resolution 4 – Approval to issue Placement Shares
Section 7	Resolution 5 – Approval to issue Placement Options
Section 8	Resolution 6 – Approval to issue Director Placement Shares
Section 9	Resolution 7 – Approval to issue Director Placement Options
Section 10	Resolution 8 – Approval to Issue Lead Manager Options
Schedule 1	Definitions
Schedule 2	Terms and conditions of Placement Options, Director Placement Options

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

1.1 Transaction Resolutions

The Transaction Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Transaction Resolutions is not approved at the Meeting, none of the Transaction Resolutions will take effect and the Proposed Acquisition and other matters contemplated by the Transaction Resolutions will not be completed pursuant to this Notice.

The Transaction Resolutions are Resolution 1 to Resolution 5 (inclusive) and Resolution 8.

2. **Action to be taken by Shareholders**

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 health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

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, while complying with the restrictions regarding gatherings and physical distancing. 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 provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements 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 **Chair's voting intentions**

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.

2.4 **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 Monday 13 December at 09:00am (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. **Resolution 1 – Approval to issue Consideration Shares**

3.1 **General**

On 25 October, the Company announced that it is proposing to enter into an option agreement with Essential Metals Limited and International Lithium Corporation (**Sellers**) whereby the Company would acquire the Mavis Lake Lithium Project (**Project**) in Ontario, Canada (**Option Agreement**) (**Proposed Acquisition**).

The Project is 19 kilometres east of the town of Dryden, Ontario. The Project is in close vicinity to the Trans-Canada highway and railway major transportation arteries linking larger cities such as Thunder Bay, Ontario, to the southeast and Winnipeg, Manitoba, to the west.

The region boasts excellent infrastructure with hydro-power located a few kilometres to the south-west of the project.

The region is a well-established lithium province with multiple projects located within the vicinity. The parties to the Option Agreement expect to execute a full form Option Agreement prior to the date of the Meeting.

Completion of the Acquisition will be subject to the satisfaction or waiver of the following material conditions precedent:

- (a) satisfaction of the Company's due diligence investigations;
- (b) the Company raising not less than \$3,500,000 (before costs) (the subject of Resolution 4) during the 90-day exclusivity period;
- (c) the Company and the Sellers entering into a formal agreement in respect of the Acquisition (**Sale Agreement**); and
- (d) the Company obtaining any necessary shareholder approvals, which form the basis of this Notice.

Subject to the satisfaction of the conditions precedent, in order to exercise its rights under the Option Agreement and acquire the Project, the Company will be required to:

- (a) pay \$1,500,000 cash to the Sellers upon execution of the Sale Agreement;
- (b) issue 68,000,000 Shares (**Consideration Shares**) to the Sellers (or their nominees) upon execution of the Sale Agreement (the subject of Resolution 1);
- (c) issue up to 8,000,000 Shares to the Facilitator (the subject of Resolution 2);
- (d) pay and issue the following deferred consideration of the satisfaction of the following milestones:

Milestone 1:

- (i) upon the definition of JORC Compliant Resource of not less than 5.00 million tonnes of lithium ore containing not less than 50,000 tonnes of Li₂O using a cut-off grade of not less than 0.40% Li₂O (**Milestone 1**), the Company will be required to:
 - (A) pay \$1,500,000 cash to the Sellers; and
 - (B) issue up to 4,000,000 Shares to the Facilitator (the subject of Resolution 3(a)),

Milestone 2:

- (ii) upon definition of JORC Compliant Resource of not less than 10.0 million tonnes of lithium ore containing not less than 100,000 tonnes of Li₂O using a cut-off grade of not less than 0.40% Li₂O (**Milestone 2**), the Company will be required to:
 - (A) pay a further \$1,500,000 cash to the Sellers; and

- (B) issue up to a further 4,000,000 Shares to the Facilitator (the subject of Resolution 3(b)),

Resolution 1 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of 68,000,000 Consideration Shares to the Sellers (or their nominee/s) pursuant to the Option Agreement as consideration to exercise the option to acquire the Project.

As at the date of this Notice, the Company has not made a decision as to whether it will exercise its Option under the Option Agreement.

3.2 **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 shares it had on issue at the start of that period.

The issue of Consideration Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end and subject to Shareholders approving the other Transaction Resolutions, Resolution 1 seeks shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.1. Shareholder approval under this Resolution will remain valid for three months after the date of the Meeting (**Approval Period**).

If Resolution 1 is passed, in the event that the Company elects to exercise its Option under the Option Agreement during the Approval Period, the Company can proceed to issue the Consideration Shares without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Transaction Resolutions will not be approved and the Company will not proceed with the issue of the Consideration Shares or the Proposed Acquisition on the terms set out in this Notice.

3.3 **Specific information required under 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

- (a) The Consideration Shares will be issued to the Sellers on the following basis:
 - (i) Up to 34,000,000 Consideration Shares to Essential Metals Limited (or its nominee/s); and
 - (ii) Up to 34,000,000 Consideration Shares to International Lithium Corporation (or its nominee/s).
- (b) A maximum of 68,000,000 Shares are to be issued as Consideration Shares.

- (c) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) In the event the Company exercises its rights to acquire the Project under the Option Agreement, the Consideration Shares will be issued on a fixed date coinciding with the execution of the Sale Agreement and in any event, no later than three months after the date of the Meeting.
- (e) The Consideration Shares will be issued for nil cash consideration as consideration for the Project. The Consideration Shares have a deemed issue price of \$0.022. Accordingly, no funds will be raised from the issue.
- (f) A summary of the material terms of the Option Agreement is set out in Section 3.1 above.
- (g) A voting exclusion statement is included in the Notice.

3.4 **Additional information**

Resolution 1 is an ordinary Resolution and is a Transaction Resolution.

The Board recommends Shareholders vote in favour of Resolution 1.

4. **Resolution 2 – Approval to issue Facilitator Shares**

4.1 **General**

Resolution 2 and Resolution 3 seek Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 16,000,000 Shares to the Facilitator (or its nominee/s) in consideration for services provided in connection with to the Option Agreement (refer to Section 3.1 above) on the following basis:

- (a) up to \$200,000 in Shares at the deemed issue price equal to the VWAP of the Shares traded over the 15 trading days immediately prior to the announcement of the Proposed Acquisition, subject to a maximum issue of 8,000,000 Shares (**Facilitator Shares**);
- (b) up to \$100,000 in Shares at the Deemed Issue Price M1, subject to a maximum issue of 4,000,000 Shares (**Facilitator M1 Shares**) by way of deferred consideration; and
- (c) up to \$100,000 in Shares at the Deemed Issue Price M2, subject to a maximum issue of 4,000,000 Shares (**Facilitator M2 Shares**) by way of deferred consideration.

A summary of the Proposed Acquisition is in Section 3.1 above.

The Company notes that, pursuant to the Option Agreement, the respective issue of the Facilitator Shares will be completed in tranches owing to the separate conditions precedent attaching to the Facilitator Shares, set out in the below table.

Tranche	Shares	Price	Condition Precedent
Facilitator Shares Resolution 2	\$200,000 in Shares, subject to a maximum of 8,000,000 Shares	The VWAP of the Shares traded over the 15 Consecutive Trading Days immediately prior to the announcement of the Proposed Acquisition	Completion of the Proposed Acquisition pursuant to the Option Agreement.
Facilitator M1 Shares Resolution 3(a)	\$100,000 in Shares, subject to a maximum of 4,000,000 Shares	The VWAP of the Shares traded over the 15 Consecutive Trading Days immediately prior to the announcement of satisfaction of Milestone 1	Within 5 years of execution of the Option Agreement, satisfaction of Milestone 1.
Facilitator M2 Shares Resolution 3(b)	\$100,000 in Shares, subject to a maximum of 4,000,000 Shares	The VWAP of the Shares traded over the 15 Consecutive Trading Days immediately prior to the announcement of satisfaction of Milestone 2.	Within 5 years of execution of the Option Agreement, satisfaction of Milestone 2.

The issue of the Facilitator Milestone Shares is conditional on the Company receiving a waiver from ASX to permit the Company to issue Facilitator Milestone Shares in the manner set out above (**Waiver**), rather than within three months of the date of the Meeting, as would otherwise be required by Listing Rule 7.3.4.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 3.2.

The issue of Consideration Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, and subject to Shareholders approving the other Transaction Resolutions, Resolution 2 seeks shareholder approval to the issue of the Facilitator Shares under and for the purposes of Listing Rule 7.1. Shareholder approval under this Resolution will remain valid for three months after the date of the Meeting (**Approval Period**).

If Resolution 2 is passed, in the event that the Company elects to exercise its Option under the Option Agreement during the Approval Period, the Company can proceed to issue the Consideration Shares without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Transaction Resolutions will not be approved and the Company will not proceed with the Proposed Acquisition on the terms set out in this Notice.

4.3 **Specific information required under 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facilitator Shares:

- (a) The Facilitator Shares will be issued to Mr Sadun Anjana Edward Kobala Vidhanage (**Facilitator**), who is an unrelated party of the Company.
- (b) The Company will issue up to \$200,0000 in Shares at the deemed issue price equal to the VWAP of the Shares traded over the 15 trading days immediately prior to the announcement of the Proposed Acquisition, subject to a maximum issue of 8,000,000 Shares.
- (c) The Facilitator Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) In the event that the Company elects to exercise its Option under the Option Agreement, the Consideration Shares will be issued on a fixed date no later than three months after the date of the Meeting.
- (e) The Facilitator mutually assisted the Company and the Sellers agree the terms of the Proposed Acquisition. The Facilitator Shares will be issued for nil cash consideration as consideration for services provided by the Facilitator at a deemed issue price set out in Section 4.3(b). Accordingly, no funds will be raised from the issue.
- (f) There is no formal agreement between the Facilitator and the Company.
- (g) A voting exclusion statement is included in the Notice.

4.4 **Additional information**

Resolution 2 is an ordinary Resolution and is a Transaction Resolution.

The Board recommends Shareholders vote in favour of Resolution 2.

5. **Resolution 3 - Approval to issue Facilitator Milestone Shares**

5.1 **General**

Resolution 3 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of the Facilitator Milestone Shares set out in Section 4.1.

The maximum number of Shares that may be issued pursuant to the Facilitator Milestone Shares is 8,000,000 Shares. The Company:

- (a) currently has on issue 1,053,345,302 Shares. Based on the existing number of Shares on issue, the maximum dilutionary impact of the issue of the Milestone Shares is 0.8%;
- (b) expects to have at least 1,275,276,337 Shares at completion of the Proposed Acquisition. The Company expects the maximum dilutionary impact of the issue of the Milestone Shares upon the issue of the Milestone Shares will be 0.6%.

Listing Rule 7.3.4 requires the Company to state in this Notice that the Facilitator Milestone Shares will be issued within 3 months of the date of the Meeting. The Company intends to issue the Facilitator Milestone Shares as a form of deferred consideration to be issued on the satisfaction of Milestone 1 and Milestone 2, which may occur at any stage within 5 years from the date of the Option Agreement. Accordingly, the issue of the Facilitator Milestone Shares is conditional on the Company receiving a Waiver from Listing Rule 7.3.4.

On 3 November 2021, the Company granted the Company a waiver from Listing Rule 7.3.4 as follows:

"to the extent necessary to permit the Company to, in its notice of meeting ('Notice') seeking shareholder approval for the issue of up to 8,000,000 deferred consideration shares to be issued on the achievement of various milestones ('Milestone Shares') pursuant to an agreement between the Company, Essential Metals Limited and International Lithium Corporation ('Agreement'), not to state that the Milestone Shares will be issued within three months from the date of the shareholder meeting, on the following conditions:

- 1.1 *The Milestone Shares are to be issued immediately upon satisfaction of each of the relevant milestones and in any event no later than:*
 - 1.1.1 *five years from the date of the terms sheet between the Company, Essential Metals Limited and International Lithium Corporation; and*
 - 1.1.2 *25 October 2026,**whichever occurs first.*
- 1.2 *The milestones must not be varied.*
- 1.3 *The maximum number of Milestone Shares to be issued is to be capped at 8,000,000.*
- 1.4 *Adequate details regarding the dilutionary effect of the Milestone Shares on the Company's capital structure be included in the Notice.*
- 1.5 *For any annual reporting period during which any of the Milestone Shares have been issued or any of them remain to be issued, the Company's annual report sets out the number of Milestone Shares issued in that annual reporting period, the number of Milestone Shares that remain to be issued and the basis on which the Milestone Shares may be issued.*
- 1.6 *In any half year or quarterly report for a period during which any of the Milestone Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Milestone Shares issued during the reporting period, the number of Milestone Shares that remain to be issued and the basis on which the Milestone Shares may be issued.*
- 1.7 *The Notice contains the full terms and conditions of agreement pursuant to which the Milestone Shares are to be issued as well as the conditions of this waiver."*

For the avoidance of doubt, if the Waiver is not received prior to the Meeting, Shareholders may still vote on Resolution 3 and the Transaction Resolutions may still be approved,

however, the Company will not be permitted to issue to the Facilitator Milestone Shares later than 3 months after the date of the Meeting without either seeking a new approval from Shareholders or otherwise undertaking to issue the Facilitator Milestone Shares utilising its existing placement capacity under Listing Rule 7.1.

5.2 **Listing rule 7.1**

A summary of Listing Rule 7.1 is in Section 3.2 above.

The issue of the Facilitator Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, and subject to Shareholders approving the other Transaction Resolutions, Resolution 3 seeks shareholder approval to the issue of the Facilitator Milestone Shares pursuant to and in accordance with Listing Rule 7.1. Subject to the Company obtaining a Waiver from ASX, Shareholder approval under this Resolution will remain valid until 5 years from the date of execution of the Option Agreement (**Facilitator Milestone Shares Period**).

If Resolution 3 is passed, in the event that the Company elects to exercise its Option under the Option Agreement within the Facilitator Milestone Shares Period, the Company can proceed to issue the Facilitator Milestone Shares Period without using up any of the Company's 15% limit on issuing Equity Securities without shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Transaction Resolutions will not be approved and the Company will not proceed with the issue of the Facilitator Milestone Shares or the Proposed Acquisition on the terms set out in this Notice.

5.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Facilitator Shares:

- (a) The Facilitator Milestone Shares will be issued to the Facilitator.
- (b) The Company will issue by way of deferred and contingent consideration:
 - (i) upon the satisfaction of Milestone 1, up to \$100,000 in Shares at the Deemed Issue Price M1, subject to a maximum issue of 4,000,000 Facilitator M1 Shares; and
 - (ii) upon the satisfaction of Milestone 2, up to \$100,000 in Shares at the Deemed Issue Price M2, subject to a maximum issue of 4,000,000 Facilitator M² Shares.
- (c) The Facilitator Milestone Shares, once issued, will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue. Until such time as the Facilitator Milestone Shares are issued, the Facilitator will have contractual rights to be issued the Shares, on the terms set out in Schedule 3.

- (d) The Company will issue the Facilitator Milestone Shares upon:
 - (i) in respect of the Facilitator M1 Shares, upon the satisfaction of Milestone 1; and
 - (ii) in respect of the Facilitator M2 Shares, upon the satisfaction of Milestone 2, and in any event, no later:
 - (iii) 3 months after the date of the Meeting; or
 - (iv) In the event the Company obtains the Waiver, a date no later than 5 years from the date of the Meeting (or as ASX otherwise decides).
- (e) The Facilitator Milestone Shares will be issued for nil cash consideration as consideration for facilitating the Proposed Acquisition. Based on the current market price of the Company's Shares, the Facilitator Shares have a deemed value of \$0.036 and represent total consideration value of \$288,000. Accordingly, no funds will be raised from the issue.
- (f) A summary of the material terms of the Option Agreement is set out in Section 3.1 above.
- (g) A voting exclusion statement is included in the Notice.

5.4 **Additional information**

Resolution 3 is an ordinary Resolution and a Transaction Resolution.

The Board recommends Shareholders vote in favour of Resolution 3.

6. **Resolution 4 – Approval to issue Placement Shares**

6.1 **General**

The background of the Proposed Acquisition and Option Agreement is in Section 3.1 above.

In conjunction with the Proposed Acquisition, the Company intends to undertake a placement to raise approximately \$4,000,000 (before costs) through the issue of 137,931,034 Shares in total (127,758,621 Shares excluding Directors Shares, which are subject to approval of Resolution 6) at an issue price of \$0.029 (**Placement**) (**Placement Shares**). The Company will issue one free attaching Option with an exercise price of \$0.04 and an expiry date of 3 December 2024, for each 3 Placement Shares subscribed for (**Placement Option**).

Resolution 4 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 for the issue of up to 127,758,621 Shares.

The effect of Resolution 4 will be to allow the Company to issue the Placement Shares pursuant to Resolution 4 during the period of 3 months after the Meeting (or a longer period, if the Company receives a waiver from ASX as set out in 5.1), without using the Company's 15% annual placement capacity.

6.2 **Listing Rules 7.1**

A summary of Listing Rules 7.1 is in Section 3.2 above.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

To this end, and subject to Shareholders approving the other Transaction Resolutions, Resolution 4 seeks Shareholder approval to the issue of Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the issue of Placement Shares can proceed.

If Resolution 4 is not passed, the Transaction Resolutions will not be approved and the Company will not proceed with the Proposed Acquisition or the associated Placement on the terms set out in this Notice. In the event that Shareholders vote against Resolution 4 or any of the other Transaction Resolutions, it is likely that the Company will still be required to raise capital through the issue of Shares and the Company may still seek to undertake a placement of Securities to the proposed Placement Participants using its Listing Rule 7.1 capacity.

6.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Placement Shares to be issued is 127,758,621 Placement Shares.
- (b) the Placement Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Placement Shares will occur on a fixed date. Con
- (c) the Placement Shares will have an issue price of \$0.029.
- (d) The Placement Shares will be issued to clients of the Lead Manager and persons known to the Company, all of which will be sophisticated and professional investors to whom a disclosure document does not need to be provided under the Corporations Act (**Placement Participants**). None of the Placement Participants will be a related party or a Material Investor of the Company (noting that Directors will separately subscribe for Placement Shares and Placement Options subject to the approval of Resolution 5 and Resolution 6 respectively). The Lead Manager identified investors through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
- (e) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) the Placement Shares are not being issued under any agreement.
- (g) the Company intends to use the funds raised from the issue of the Placement Shares:

- (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 new Project and pay costs associated with the Proposed Acquisition; and
 - (iii) general working capital and corporate costs.
- (h) A voting exclusion statement is included in the Notice.

6.4 **Additional Information**

Resolution 4 is an ordinary resolution and is a Transaction Resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

7. **Resolution 5 – Approval to issue Placement Options**

7.1 **General**

The background to the proposed issue of the Placement Options as a part of the issue of Placement Shares, the subject of Resolution 4, is in Section 3.1 above.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of 42,586,209 free-attaching Placement Options.

7.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Shareholders passing Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

To this end and subject to Shareholders approving the other Transaction Resolutions, Resolution 5 seeks shareholder approval to the issue of the Placement Options under and for the purposes of Listing Rule 7.1. Shareholder approval under this Resolution will remain valid for three months after the date of the Meeting.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Placement Options.

If Resolution 5 is not passed, the Transaction Resolutions will not be approved and the Company will not proceed with the Proposed Acquisition, the associated Placement or the issue of the Placement Options on the terms set out in this Notice.

7.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Placement Options:

- (a) The Placement Options will be issued to the Placement Participants, as described in Section 6.3.

- (b) A maximum of 42,586,209 Placement Options will be issued.
- (c) The Placement Options will be exercisable at \$0.04 each and will expire on 3 December 2024 and are otherwise subject to the terms and conditions in Schedule 2.
- (d) The Placement Options will be issued no later than 3 months after the date of the Meeting and will be issued on the same date as the Placement Shares.
- (e) The Placement Options are proposed to be issued for nil cash consideration as they are free-attaching to the Placement Shares on a one for three basis. Accordingly, no funds will be raised from the issue of the Placement Options.
- (f) No additional funds will be raised by the issue of the Placement Options and it is the Company's current intention that any funds raised from the exercise of the Placement Options will be applied to the items set out in Section 6.3(g).
- (g) There are no other material terms to the agreement for the issue of the Placement Options.
- (h) A voting exclusion statement is included in the Notice.

7.4 Additional information

Resolution 5 is an ordinary resolution and is a Transaction Resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

7.5 Additional information

8. Resolution 6 – Approval to issue Director Placement Shares

8.1 General

The background to the Placement is in Section 6.1 above.

Subject to Shareholders approving Resolution 4, Resolution 5 and Resolution 7(a), (b), (c) and (d), the Company seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of up to 10,172,414 Director Placement Shares as part of the Placement on the following basis:

- (a) up to 2,413,793 Director Placement Shares to Robert Martin (or his nominee/s);
- (b) up to 1,379,310 Director Placement Shares to Jeremy Whybrow (or his nominee/s);
- (c) up to 5,172,414 Director Placement Shares to Jihad Malaeb (or his nominee/s); and
- (d) up to 1,206,897 Director Placement Shares to Michael Leu (or his nominee/s).

8.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following

persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

The Directors are related parties of the Company by virtue of being Directors. Shareholder approval pursuant to Listing Rule 10.11 is therefore required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares to the Directors (or their respective nominees) will not be included in the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Shareholders passing Resolution 6(a), (b), (c) and (d) will be to allow the Company to issue the Director Placement Shares.

If Resolution 6(a), (b), (c) and (d) are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares, and the Directors of the Company will not be able to participate in the proposed Placement.

8.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

- (a) The Director Placement Shares will be issued to Mr Martin, Mr Whybrow, Mr Malaeb and Mr Leu (or their respective nominee/s) in the amounts set out in Section 8.1.
- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 10,172,414 Director Placement Shares will be issued to the Directors (or their respective nominees) as follows:
 - (iii) up to 2,413,793 Director Placement Shares to Robert Martin (or his nominee/s);

- (iv) up to 1,379,310 Director Placement Shares to Jeremy Whybrow (or his nominee/s);
 - (v) up to 5,172,414 Director Placement Shares to Jihad Malaeb (or his nominee/s); and
 - (vi) up to 1,206,897 Director Placement Shares to Michael Leu (or his nominee/s).
- (c) The Director Placement Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
 - (d) The Director Placement Shares will be issued no later than one month after the date of the Meeting and will be issued on a fixed date.
 - (d) The Director Placement Shares are proposed to be issued at an issue price of \$0.029 each, being the same price at which the Placement Shares were issued.
 - (e) A summary of the intended use of funds raised from the Placement is in Section 6.3(g) above.
 - (e) The proposed issue of the Director Placement Shares is not intended to remunerate or incentivise the Directors.
 - (f) There are no other material terms to the proposed issue of the Director Placement Shares.
 - (g) A voting exclusion statement is included in the Notice.

8.4 **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 proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Director Placement Shares will be issued on the same terms as those Placement Shares issued to non-related Placement Participants and as such the giving of the financial benefit is on arm's length terms.

8.5 **Additional information**

Each of the resolutions which forms part of Resolution 6 is an ordinary resolution.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 6 due to their personal interests in the outcome of the Resolution.

9. **Resolution 7 – Approval to issue Director Placement Options**

9.1 **General**

The background for the Placement is in Section 6.1 above

Conditional on Shareholder approval of Resolution 4, Resolution 5 and Resolution 6(a), (b), (c) and (d), the Company is proposing, subject to obtaining Shareholder approval, to issue Options to Directors as part of the Placement detailed in Section 6.1 by the issue of up to 3,390,802 (**Director Placement Options**) on the following basis:

- (a) up to 804,597 Director Placement Options to Robert Martin (or his nominee/s);
- (b) up to 459,770 Director Placement Options to Jeremy Whybrow (or his nominee/s);
- (c) up to 1,724,137 Director Placement Options to Jihad Malaeb (or his nominee/s); and
- (d) up to 402,298 Director Placement Options to Michael Leu (or his nominee/s).

The Director Placement Options will be issued:

- (a) as free attaching Options to the Director Placement Shares;
- (b) on the same terms as the Placement Options; and
- (c) in the same ratio that the Placement Options attach to the Placement Shares (being a one for three basis).

The Director Placement Options will be issued for nil cash consideration, exercisable at \$0.04 expiring 3 December 2024. The full terms and conditions of the Director Placement Options are set out in Schedule 2.

Resolution 7 seeks the approval of Shareholders for the issue of the Director Placement Options to each Director or their nominees under and for the purposes of Listing Rule 10.11.

9.2 **Listing Rule 10.11**

The background to Listing Rule 10.11 is set out in Section 8.2.

The effect of Shareholders passing Resolution 7 will be to allow the Company to issue the Director Placement Options.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Director Placement Options.

9.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Options:

- (a) The Director Placement Options will be issued to the Directors (or their respective nominees).
- (b) The Directors fall into the category stipulated by Listing Rule 10.11.1 by virtue of being Directors of the Company.
- (c) A maximum of 3,390,802 Director Placement Options will be issued as follows:
 - (i) up to 804,597 Director Placement Options to Robert Martin (or his nominee/s);
 - (ii) up to 459,770 Director Placement Options to Jeremy Whybrow (or his nominee/s);
 - (iii) up to 1,724,137 Director Placement Options to Jihad Malaeb (or his nominee/s); and
 - (iv) up to 402,298 Director Placement Options to Michael Leu (or his nominee/s).
- (e) The Director Placement Options are to be issued on the terms and conditions set out in Schedule 2.
- (f) The Director Placement Options will be issued no later than one month after the date of the Meeting.
- (g) The Director Placement Options will be issued for nil consideration;
- (h) No additional funds will be raised by the issue of the Director Placement Options and it is the Company's current intention that any funds raised from the exercise of the Director Placement Options will be applied to the items set out in Section 6.3(g).
- (i) Other than those stated, there are no other material terms to the proposed issue of the Director Placement Options.
- (j) A voting exclusion statement is included in the Notice.

9.4 **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 proposed issue of the Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Options because the Director Placement Options will be issued on the same terms as those Placement Options issued to non-related Placement Participants and as such the giving of the financial benefit is on arm's length terms.

9.5 **Additional information**

Each of the resolutions which form part of Resolution 7 are ordinary resolutions.

The Board declines to make a recommendation in relation to each of the resolutions which form part of Resolution 7 due to their personal interests in the outcome of the Resolutions.

10. **Resolution 8 – Approval to Issue Lead Manager Options**

10.1 **General**

The background to the Placement is in Section 6.1 above.

As part of the Placement, the Company intends to engage a lead manager to assist in completion of the Placement. Sixty Two Capital Pty Ltd will act as Lead Manager to the Placement (**Lead Manager**). As part consideration for the provision of lead manager services, the Company intends, as part of the Lead Manager Mandate, to offer the Lead Manager 15,000,000 Options (**Lead Manager Options**).

While the issue of the Lead Manager Options does not exceed the 15% limit in Listing Rule 7.1, the Company wishes to retain as much flexibility as possible to additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. and to do this, the Company is asking Shareholders to approve the issue of the Lead Manager Options under Listing Rule 7.1 so that it does not use up its 15% placement capacity on issuing Equity Securities under Listing Rule 7.1.

10.2 **Summary of Lead Manager Mandate**

The Company has entered into an agreement with the Lead Manager in relation to the Placement. On completion of a successful Placement, the Company will pay the Lead Manager a fee of 6% of the total amount of the raised under the Placement and, subject to Shareholder approval of this Resolution 8, the Company will issue the 15,000,000 Lead Manager Options.

The Lead Manager Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

10.3 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is in Section 3.2 above.

The effect of Shareholders passing Resolution 8 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Lead Manager Options.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options and will not be able to complete the Transaction Resolutions.

10.4 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Lead Manager Options:

- (a) The Lead Manager Options will be issued to the Lead Manager (or its nominee/s).
- (b) A maximum of 15,000,000 Lead Manager Options will be issued in the manner and form set out in Section 10.1 above.
- (c) The Lead Manager Options are exercisable at \$0.04 each and expire on 3 December 2024.
- (d) The Lead Manager Options are subject to the terms and conditions in Schedule 2.
- (e) The Lead Manager Options will be issued no later than 3 months after the date of the Meeting and will be issued on the same day as the Placement Shares, Placement Options, Director Placement Shares and Director Placement Options are issued.
- (a) The Lead Manager Options will be issued for nil cash consideration and no funds will be raised by their issue. No additional funds will be raised by the issue of the Lead Manager Options and it is the Company's current intention that any funds raised from the exercise of the Lead Manager Options will be applied to the items set out in Section 6.3(g).
- (f) A summary of the material terms of the Lead Manager Mandate is in Section 10.2 above.
- (g) A voting exclusion statement is included in the Notice.

10.5 **Additional information**

Resolution 8 is an ordinary resolution and is a Transaction Resolution.

The Board recommends Shareholders vote in favour of Resolution 8.

Schedule 1 Definitions

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

\$ or A\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
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	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company	means Critical Resources Limited (ACN 145 184 667).
Consecutive Trading Days	means consecutive trading days in which the Shares actually traded on a recognised stock exchange. For example, if Shares trade on a Monday, Tuesday, Thursday and Friday, then this will comprise four consecutive trading days, notwithstanding that no trades occurred on the Wednesday and that Wednesday was a trading day.
Consideration Shares	means up to 68,000,000 Shares to be issued to the Vendor (or its nominees) pursuant to the Option Agreement, which are the subject of Resolution 1.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Deemed Issue Price M1	means the VWAP of the Shares traded over the 15 Consecutive Trading Days immediately prior to the announcement of satisfaction of Milestone 1.
Deemed Issue Price M2	means the VWAP of the Shares traded over the 15 Consecutive Trading Days immediately prior to the announcement of satisfaction of Milestone 2.
Director	means a director of the Company.
Director Placement Options	has the meaning given in Section 9.1.
Director Placement Shares	has the meaning given in Section 8.1.
Equity Security	has the same meaning as in the Listing Rules.
Essential Metals	means Essential Metals Limited (ACN 103 423 981).

Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Facilitator	means Mr Sadun Anjana Edward Kobala Vidhanage.
Facilitator Share Period	means the period within 5 years from the date of the Option Agreement.
Facilitator Shares	has the meaning given in Section 4.1.
Facilitator Milestone 1 Shares	has the meaning given in Section 4.1(b).
Facilitator Milestone 2 Shares	has the meaning given in Section 4.1(c).
Facilitator Milestone Shares	means the Facilitator M1 Shares and Facilitator M2 Shares.
Holder	means the holder of a right to receive a Facilitator Milestone Share.
Independently Verified	means where an independent Competent Person verifies that the Milestone has been achieved.
International Lithium Corporation	means International Lithium Corporation (Company Number: BC0848521)
JORC Code	means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
JORC Compliant Resource	means a mineral resource estimate of any one or more of the categories inferred, indicated or measured, which is successfully announced on the ASX Markets Announcement Platform in a manner which complies with the JORC Code.
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.
Lead Manager	means Sixty Two Capital Pty Ltd (ACN 611 480 169).
Lead Manager Options	has the meaning given in Section 10.1.
Listing Rules	means the listing rules of ASX.
Material Investor	means, in relation to the Company: (a) a related party; (b) Key Management Personnel; (c) a substantial Shareholder; (d) an advisor; or (e) an associate of the above,

who received or will receive Securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue.

Meeting	has the meaning given in the introductory paragraph of the Notice.
Milestones	has the meaning given in Section 3.1(d).
Notice	means this notice of general meeting.
Option	means an option to acquire a Share.
Option Agreement	has the meaning given in Section 3.1.
Placement	has the meaning given in Section 6, the subject of Resolution 4.
Placement Options	means 42,586,209 Options with an exercise price of \$0.04 and an expiry date of 3 December 2024, issued as one free attaching Option for each 3 Placement Shares issued and otherwise issued on the terms set out in Schedule 2.
Placement Participants	means the sophisticated and professional investors described in Section 6.3(d).
Placement Shares	means the 127,758,621 Shares to be issued to subscribers under the Placement under Resolution 4.
Project	means the Mavis Lake Lithium Project in Ontario, Canada.
Proposed Acquisition	has the meaning given in Section 3.1.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Rights	means the rights to receive a Facilitator Milestone Share.
Sale Agreement	has the meaning given in Section 3.1.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Sellers	means Essential Metals and International Lithium Corporation.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Trading Day	has the meaning given in the Listing Rules.
Transaction Resolutions	means Resolution 1 to Resolution 5 (inclusive) and Resolution 8.

VWAP	means volume weighted average market price.
Waiver	means a waiver from Listing Rule 7.3.4 to permit the Facilitator Milestone Shares to be issued within 5 years from the date of the Option Agreement.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 **Terms and conditions of Placement Options, Director Placement Options and Lead Manager Options**

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

1. **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
2. **(Issue Price):** No cash consideration is payable for the issue of the Options.
3. **(Exercise Price):** The Options have an exercise price of \$0.04 per Option (**Exercise Price**).
4. **(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.
5. **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
8. **(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**).

9. **(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.

10. **(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

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.

11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
12. **(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.
13. **(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.
14. **(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.
15. **(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 Terms and Conditions of Facilitator Milestone Shares

1. **(Milestones)** The rights to receive Facilitator Milestone Shares (the **Rights**) have the following milestones attached to them (each referred to as a **Milestone**).

Class	Performance Milestone	Expiry Date
M1	The Rights to the Facilitator M1 Shares will vest upon the definition of JORC Compliant Resource of not less than 5.00 million tonnes of lithium ore containing not less than 50,000 tonnes of Li ₂ O using a cut-off grade of not less than 0.40% Li ₂ O	25 October 2026 (being 5 years from the date of the Option Agreement)
M2	The Rights to the Facilitator M2 Shares will vest upon definition of JORC Compliant Resource of not less than 10.0 million tonnes of lithium ore containing not less than 100,000 tonnes of Li ₂ O using a cut-off grade of not less than 0.40% Li ₂ O.	25 October 2026

2. **(Independent verification)** The Milestones set out above must be Independently Verified prior to the Facilitator Shares being able to be converted into Shares.
3. **(Vesting)** Subject to the satisfaction of the relevant Milestone, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Milestone has been satisfied.
4. **(Exercise)** Upon receipt of a Vesting Notice, the Holder may apply to receive the Facilitator Milestone Shares by delivering a signed application form to the Company Secretary (**Application Form**). The Holder is not required to pay a fee in order to apply for the Facilitator Milestone Shares
5. **(Expiry Date)** Any Rights that have not been exercised prior to the date that is specified in condition 1 (**Expiry Date**), will expire and lapse on the Expiry Date.
6. **(Transfer)** The Rights are not transferable.
7. **(Entitlements and bonus issues)** Subject always to the rights under condition 8, Holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
8. **(Reorganisation of capital)** In the event that the issued capital of the Company is reconstructed, all the Holder's rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the Holder's economic and other rights are not diminished or terminated.
9. **(Voting rights)** A Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.

10. **(Dividend rights)** A Right does not entitle the Holder to any dividends.
11. **(Return of capital rights)** The Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
12. **(Rights on winding up)** The Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
13. **(Change in control)**: The Rights will not automatically vest on a change of control.
14. **(Issue of Shares)** As soon as practicable after the later of the following:

- (a) the Company receives an Application Form; 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) issue the Shares specified in the Application Form;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (e) if admitted to the official list of ASX at the time, apply for official quotation on ASX the relevant Facilitator Milestone Shares.

If the Company is unable to deliver a notice under condition (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the relevant Facilitator Milestone Shares 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.

All Facilitator Milestone Shares issued upon the conversion of will upon issue rank pari passu in all respects with other Shares.

15. **(Quotation)** the Rights will not be quoted on ASX. The Company will apply for quotation of the Facilitator Milestone Shares in accordance with condition 14(d).
16. **(No other rights)** A Performance Right does not give a Holder any 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.
17. **(Amendments required by ASX)** The terms of the Rights may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.