

15 November 2022

Dear Shareholder,

**RE: GENERAL MEETING – NOTICE AND PROXY FORM**

Notice is given that a General Meeting (**Meeting**) of Shareholders of Critical Resources Limited (ACN 145 184 667) (**Company**) will be held as follows:

**Time and date:** 10.00 am (AWST) on Thursday, 15 December 2022

**Location:** The Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting to shareholders unless a shareholder has requested to receive a hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded at the following link: [www.criticalresources.com.au](http://www.criticalresources.com.au) or from the ASX Company Announcements Platform at [asx.com.au](http://asx.com.au) (ASX: CRR).

Shareholders are strongly encouraged to submit their Proxy Form to the Company's share registry, Computershare, using any of the following methods:

Online At [www.investorvote.com.au](http://www.investorvote.com.au)

By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)

By mobile Scan the QR code on your proxy form and follow the prompts

Custodian Voting For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

Your proxy voting instruction must be received by 10:00 am (AWST) on Tuesday, 13 December 2022 being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

Circumstances relating to COVID-19 can change rapidly and shareholders are urged to monitor applicable government guidance. The Company will update shareholders if changing circumstances will impact planning or the arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website.

In order to receive electronic communications from the Company in the future, please update your Shareholder details with Computershare Investor Services Pty Limited by:

1. Go online to [www.computershare.com.au/easyupdate/crr](http://www.computershare.com.au/easyupdate/crr)
2. Enter your Holder Identification number (including the I or X)
3. Enter your postcode
4. Follow the prompts

The Meeting Materials are important and should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. If you have any difficulties obtaining a copy of the Meeting Materials please contact the Company's share registry, Computershare Investor Services Pty Limited on, 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours faithfully  
**Harry Spindler**  
Company Secretary

**Critical Resources Ltd**

ABN 12 145 184 667  
ASX:CRR

Level 50, 108 St Georges Terrace, Perth WA 6000  
P. +61 9389 4499 W. [criticalresources.com.au](http://criticalresources.com.au) E. [info@criticalresources.com.au](mailto:info@criticalresources.com.au)



**Critical  
Resources  
Limited**

**Critical Resources Limited  
ACN 145 184 667**

## **Notice of General Meeting**

**A general meeting of the Company will be held as follows:**

**Time and date: 10.00 am (AWST) on Thursday, 15 December 2022**

**Location: The Palace Meeting Room  
Ground Floor  
108 St Georges Terrace  
Perth, Western Australia, 6000**

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 their suitably qualified advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08)9389 4499 or email at [cosec@criticalresources.com.au](mailto:cosec@criticalresources.com.au).**

**Shareholders are urged to vote by lodging a Proxy Form if they are unable to attend the meeting in person**

**CRITICAL RESOURCES LIMITED**  
**ACN 145 184 667**  
**(Company)**

**Notice of General Meeting**

Notice is hereby given that a general meeting of Shareholders of Critical Resources Limited will be held at the Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia 6000 on 15 December 2022 at 10.00 am (AWST) (**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.

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 as Shareholders on 13 December 2022 at 7.30 pm (AWST).

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

## **Agenda**

### **1 Resolutions**

#### **Resolution 1 – Approval of New Plan**

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

*'That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the new employee incentive scheme of the Company known as the "Critical Resources Limited Employee Securities Incentive Plan" (**New Plan**) and the issue of up to 74,500,000 Securities under the New Plan, on the terms and conditions in the Explanatory Memorandum.'*

#### **Resolution 2 – Approval of potential termination benefits under the New Plan**

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

*'That, conditional on Resolution 1 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the New Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'*

#### **Resolution 3– Approval of issue of Performance Rights to Managing Director**

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

*'That, pursuant to and in accordance Listing Rule 10.14 of the Corporations Act and for all other purposes, Shareholders approve the issue up to 14,000,000 Performance Rights to Alex Cheeseman (or his nominee/s), on the terms and conditions in the Explanatory Memorandum.'*

## **Resolution 4 – Cancellation of Existing Performance Rights**

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

*'That, pursuant to and in accordance with Listing Rule 6.23.2, subject to passing of Resolution 3, Shareholders approve the cancellation of 4,000,000 performance rights approved by shareholders at the Annual General Meeting held on 24 May 2022.'*

## **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 a person who is eligible to participate in the New Plan, or any of their respective associates.
- (b) **Resolution 3:** 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, or their nominees.
- (c) **Resolution 4:** by or on behalf of Alex Cheeseman or an associate of Alex Cheeseman.

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, Resolution 2, Resolution 3 and Resolution 4:** 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 the relevant 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.

**Resolution 2:** In addition to the above, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

**BY ORDER OF THE BOARD**



Harry Spindler  
Company Secretary  
**Critical Resources Limited**  
Dated: 15 November 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 Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, Western Australia 6000 on Thursday, 15 December 2022 at 10.00 am (AWST).

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	Action to be taken by Shareholders
Section 3	Resolution 1 – Approval of New Plan
Section 4	Resolution 2 – Approval of potential termination benefits under the New Plan
Section 5	Resolution 3 – Approval of issue of Performance Rights to Managing Director
Section 6	Resolution 4 – Cancellation of Existing Performance Rights
Schedule 1	Definitions
Schedule 2	Summary of Employee Securities Incentive Plan
Schedule 3	Terms and conditions of Performance Rights
Schedule 4	Valuation of Performance Rights

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

## **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 Voting in person**

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

### **2.2 Voting by proxy**

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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:

- (a) 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);
- (b) 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;
- (c) 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
- (d) 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:

- (a) 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;

- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) 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.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

## 2.3 Chair's voting intentions

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 your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

## 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 [cosec@criticalresources.com.au](mailto:cosec@criticalresources.com.au) by close 13 December 2022.

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 of New Plan

### 3.1 General

On 1 October 2022, amendments to the Corporations Act commenced, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a new regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which has been in force since 30 October 2014.

To ensure that the Company's ESS complies with the New Regime, the Company will adopt, subject to Shareholder approval, a new ESS called the 'Critical Resources Limited Employee Securities Incentive Plan' (the **New Plan**). This New Plan will replace the Company's existing

plan approved by shareholders at the Company 2021 Annual General Meeting held on 27 May 2021.

The objective of the New Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the New Plan and the potential future issue of securities under the New Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As a result of the Company updating its plan, the Company is seeking shareholders to refresh the maximum number of securities that may be issued under the New Plan under Listing Rule 7.2 exception 13(b). This would replace the maximum number approved by shareholders at the Company annual general meeting held in May this year.

Resolution 1 seeks Shareholder approval of the New Plan in accordance with Listing Rule 7.2 exception 13(b) for the Company to issue up to 74,500,000 securities over the next three years under the New Plan, without utilising the Company's capacity under ASX Listing Rule 7.1, as summarised in further detail in Section 3.2. Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan. A summary of the key terms of the New Plan is in Schedule 2. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. Shareholders are invited to contact the Company if they have any queries.

### **3.2 Listing Rules 7.1 and 7.2, exception 13(b)**

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.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) ceases to be available to the Company if there is a material change to the terms of the New Plan from those set out in this Notice in Schedule 2.

If Resolution 1 is passed, the Company will be able to issue Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

For avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the New Plan to a director, 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.

If Resolution 1 is not passed, any issue of Equity Securities pursuant to the New Plan must either be undertaken using the Company’s 15% annual placement capacity under Listing Rule 7.1, or with prior Shareholder approval.

### 3.3 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for “Invitations” (within the meaning given in the New Plan) made on or after 1 October 2022. These changes are reflected in the New Plan.

	Position under the Class Order	Position from 1 October 2022
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS interests are offered for monetary consideration or for no monetary consideration.</p>	<p><b>If the offer of ESS interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p> <p><b>If the offer of ESS interests is for monetary consideration:</b></p> <ul style="list-style-type: none"> <li>• Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.</li> <li>• The participant cannot acquire the ESS interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>• Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or</li> </ul>	<ul style="list-style-type: none"> <li>• Directors;</li> <li>• Full-time and part-time employees;</li> <li>• Any service providers to the entity (with no minimum requirement of hours of service provided);</li> </ul>

	Position under the Class Order	Position from 1 October 2022
	more of a comparable full-time position with the entity.	<ul style="list-style-type: none"> <li>Certain 'related persons' to the above.</li> </ul>
5% limit	The maximum number of ESS interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<p><b>If the offer of ESS interests is for no monetary consideration:</b> There is no limit on the number of such ESS interests that may be issued.</p> <p><b>If the offer of ESS interests is for monetary consideration:</b> The number of ESS interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.</p>
Quotation requirement	An entity's shares must have been quoted for three months before the Class Order relief is available.	Newly listed entities can offer ESS interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS interests.
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS interests regardless of any suspension to the trading of its shares.
On-sale relief	Relief is provided from the on-sale provisions for securities issued under the Class Order.	There is no equivalent relief under the new provisions. This means cleansing notices (or cleansing prospectuses for entities unable to rely on a cleansing notice) must be issued in order to ensure shares may be on-sold within 12 months of issue.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	<p>There are no ASIC lodgement requirements.</p> <p>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.</p>

	Position under the Class Order	Position from 1 October 2022
		ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions.

### 3.4 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) A summary of the material terms of the New Plan is in Schedule 2.
- (b) As at the date of this Notice, no Equity Securities have been issued under the New Plan.
- (c) The Company adopted its Existing Plan under Listing Rule 7.2, exception 13(b) at its annual general meeting held on 24 May 2022. Since that date, the Company has issued 6,000,000 Equity Securities under the Existing Plan (4,000,000 of which are subject to cancellation as set out in Resolution 4).
- (d) The maximum number of Equity Securities proposed to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 1 is 74,500,000 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 5% of the Company's Equity Securities currently on issue.
- (e) A voting exclusion statement is included in the Notice.

### 3.5 Additional information

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

## 4. Resolution 2 – Approval of potential termination benefits under the New Plan

### 4.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the New Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted

to a participant under the New Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act, regardless of the value of such benefit, unless Shareholder approval is obtained.

The Company has not previously sought and obtained Shareholder approval at an annual general meeting for the granting of such termination benefits. However, as the Company is seeking an approval under Listing Rule 7.2, exception 13(b) at this Meeting (the subject of Resolution 1) to adopt the New Plan, the Board has resolved to seek Shareholder approval for the granting of such termination benefits in accordance with this Resolution.

If Resolution 2 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the New Plan unless Shareholder approval is obtained each and every time such termination benefit is proposed, in accordance with section 200E of the Corporations Act.

#### **4.2 Part 2D.2 of the Corporations Act**

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 1, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the New Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

Under the terms of the New Plan and subject to the Listing Rules and the Corporations Act, the Board possesses the discretion to vary the terms or conditions of the New Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the New Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the New Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Plan Securities at the time of their leaving.

### **4.3 Valuation of the termination benefits**

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the New Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### **4.4 Additional information**

Resolution 2 is conditional on the passing of Resolution 1.

If Resolution 1 is not approved at the Meeting, Resolution 2 will not be put to the Meeting.

Resolution 2 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 2 due to their potential personal interests in the outcome of the Resolution.

## **5. Resolution 3 – Approval of issue of Performance Rights to Managing Director**

### **5.1 General**

On 20 September 2022, the Company announced the appointment of Alex Cheeseman as the Company's Managing Director, effective 10 October 2022. Mr Cheeseman held the role of Non-Executive Director since January 2022.

Mr Cheeseman was selected due to his exceptional lithium industry experience, his proven leadership skills and his clear vision and plan to take the Company 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.

The key terms of Mr Cheeseman's Executive Services Agreement dated 19 September 2022 are as follows:

- (a) total remuneration package (**TRP**) of \$391,500 per annum (inclusive of superannuation and director fees) to be reviewed periodically;
- (b) participation in the Company's Short Term Incentive Plan (up to 60% of TRP) payable in cash, Shares or a combination of cash and Shares, subject to achieving performance objectives set on an annual basis;
- (c) participation in the Company's employee securities incentive plan (at the sole discretion of the Board), including the issue of 14,000,000 performance rights (the subject of Resolution 3); and
- (d) either party may terminate Mr Cheeseman's employment by giving three months' notice is required from both parties in the event of employment ceasing.

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 14,000,000 Performance Rights to the Managing Director Alex Cheeseman (or his nominee) (**Director Performance Rights**). Mr Cheeseman's appointment as the Company's Managing Director commences on 10 October 2022.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of Mr Cheeseman in seeking to achieve growth of the Company's projects and in the creation of Shareholder value. The Board believes that the issue of these Director Performance Rights will align the interests of Mr Cheeseman with those of the Company and its Shareholders. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Performance Rights are to be issued under the New Plan (as defined in Section 3.1 above), which is the subject of Resolution 1. A summary of the material terms of the New Plan is in Schedule 2. Subject to the terms and conditions in Schedule 3, the Director Performance Rights will vest as follows:

Tranche	Number of Performance Rights	Vesting Conditions	Milestone Date (from the date of commencing employment)
Tranche 1	1,500,000	The Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	30 June 2024
Tranche 2	1,500,000	The Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	30 June 2024
Tranche 3	1,000,000	The Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform.	30 September 2023

Tranche 4	1,000,000	The Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market Announcements Platform.	30 June 2024
Tranche 5	1,000,000	The Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project.	30 June 2025
Tranche 6	1,000,000	The Company achieving a market capitalisation of greater than \$150,000,000 for 30 consecutive trading days.	10 October 2025
Tranche 7	1,000,000	The Company upon the Company achieving a market capitalisation of greater than \$200,000,000 for 30 consecutive trading days.	10 October 2025
Tranche 8	2,000,000	The Company achieving a market capitalisation of greater than \$300,000,000 for 30 consecutive trading days.	10 October 2025
Tranche 9	2,000,000	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.	10 October 2025
Tranche 10	2,000,000	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

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.14 of the Corporations Act for the issue of up to a total of 14,000,000 Performance Rights under the New Plan to Mr Cheeseman (or his nominee).

## 5.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme, unless Shareholder approval is provided:

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

The proposed issue of the Director Performance Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Performance Rights to be issued to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

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

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Director Performance Rights.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to Mr Cheeseman and the Company will proceed with other forms of performance-based remuneration, which may include incentives in the form of cash bonuses.

## 5.3 Specific information required by Listing Rule 10.15

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

- (a) The Director Performance Rights will be issued under the New Plan to Alex Cheeseman (or his nominee).
- (b) Mr 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. In the event the Director Performance Rights are issued to a nominee of Mr Cheeseman, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) The maximum number of Director Performance Rights to be issued to Mr Cheeseman (or his nominee) is 14,000,000.
- (d) Mr Cheeseman's total annual remuneration is \$391,500 (inclusive of superannuation).
- (e) No Equity Securities have previously been issued under the New Plan or Existing Plan to Mr Cheeseman. As approved by Shareholder on 24 May 2022, 6,000,000 performance rights have previously been issued under the Existing Plan to Mr Cheeseman on 13 July 2022, 2,000,000 of which were subsequently converted to shares in September 2022.
- (f) The Director Performance Rights will be issued on the terms and conditions in Schedule 3.

- (g) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because the Performance Rights granted will generally only be of benefit if the Director performs to the level whereby the milestones to the Performance Rights are satisfied. The issue of the Director Performance Rights will therefore further align the interests Mr Cheeseman with Shareholders. Additionally, the issue of Director Performance Rights instead of cash is a prudent means of rewarding and incentivising the Directors whilst conserving the Company's available cash reserves.
- (h) A valuation of the Director Performance Rights is in Schedule 4.
- (i) The Director Performance Rights are intended to be issued to Mr Cheeseman as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than three years after the date of the Meeting if the required approval is received.
- (j) The Director Performance Rights will have an issue price of nil as they will be issued as part of Mr Cheeseman's remuneration package.
- (k) A summary of the material terms of the New Plan is in Schedule 2.
- (l) No loan will be provided in relation to the issue of the Director Performance Rights.
- (m) Details of any Securities issued under the New Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the New Plan after Resolution 3 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice.

#### **5.4 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 Performance Rights constitutes giving a financial benefit to related parties of the Company.

The Board (other than Alex Cheeseman who has a personal interest in the outcome of this Resolution) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Performance Rights because the Director Performance Rights are considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act.

#### **5.5 Additional information**

Resolution 3 is an ordinary resolution.

The Board (other than Mr Cheeseman due to his personal interests in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 3.

## **6. Resolution 4 – Cancellation of Existing Performance Rights**

### **6.1 General**

Shareholders approved the issue of 6,000,000 performance rights (**2022 Performance Rights**) to Alex Cheeseman at the annual general meeting held on 24 May 2022. On 20 September 2022, the Company announced the appointment of Mr Cheeseman as the Company's Managing Director, commencing on 10 October 2022.

2,000,000 of the 2022 Performance Rights vested and were subsequently converted to fully paid ordinary shares as a result of satisfying the relevant milestone, being the Company's share price achieving a volume weighted average price of at least \$0.07, calculated over 20 consecutive trading days, while 4,000,000 2022 Performance Rights remain on issue.

In light of Mr Cheeseman's appointment as Managing Director, the Board (with Mr Cheeseman abstaining) considers it appropriate to cancel all unvested 2022 Performance Rights that were issued to him in his capacity as a non-executive Director and replace them with the Director Performance Rights the subject of Resolution 3. Mr Cheeseman has agreed to the cancellation of the 2022 unvested 2022 Performance Rights.

### **6.2 ASX Listing Rule 6.23.2**

ASX Listing Rule 6.23.2 provides, in respect of changes affecting options, that:

*"A change which has the effect of cancelling an option for consideration can only be made if holders of ordinary securities approve the change. The notice of meeting must contain a voting exclusion statement"*.

ASX applies ASX Listing Rule 6.23.2 to performance rights as well as options. The contemporaneous approval of the Director Performance Rights under Resolution 3 and cancellation of the unvested 2022 Performance Rights under Resolution 4 therefore requires Shareholder approval.

Accordingly, subject to Shareholders passing Resolution 3, Shareholder approval is sought under Resolution 4 for the cancellation of the 4,000,000 unvested 2022 Performance Rights.

In the event that Shareholder approval under Resolution 4 is obtained, the Company will cancel the 4,000,000 unvested 2022 Performance Rights.

In the event that Shareholder approval is not obtained, the Company will not cancel the 4,000,000 2022 Performance Rights remaining on issue but will still proceed with the issue of the Director Performance Rights set out in Resolution 3.

### **6.3 Additional information**

Resolution 4 is an ordinary resolution.

The Board (other than Mr Cheeseman due to his personal interests in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 4.

## Schedule 1 Definitions

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

<b>\$ or A\$</b>	means Australian Dollars.
<b>2022 Performance Rights</b>	has the meaning given in Section 6.1.
<b>AWST</b>	means Australian Western Standard Time.
<b>Agreement</b>	means the convertible note agreement between the Company and the Noteholder.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means the person appointed to chair the Meeting of the Company convened by the Notice.
<b>Company</b>	means Critical Resources Limited (ACN 145 184 667).
<b>Constitution</b>	means the constitution of the Company, as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth), as amended.
<b>Director</b>	means a director of the Company.
<b>Director Performance Rights</b>	has the meaning given in Section 5.1.
<b>Existing Plan</b>	means the existing Employee Securities Incentive Plan of the Company.
<b>Explanatory Memorandum</b>	means the explanatory memorandum which forms part of the Notice.
<b>Key Management Personnel</b>	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.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Material Investor</b>	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.

<b>Meeting</b>	has the meaning given in the introductory paragraph of the Notice.
<b>New Plan</b>	means the proposed new Employee Securities Incentive Plan of the Company, the subject of Resolution 1.
<b>Notice</b>	means this notice of general meeting.
<b>Option</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>Plan Securities</b>	means Equity Securities issued or to be issued under the New Plan.
<b>Proxy Form</b>	means the proxy form attached to the Notice.
<b>Resolution</b>	means a resolution referred to in the Notice.
<b>Schedule</b>	means a schedule to the Notice.
<b>Section</b>	means a section of the Explanatory Memorandum.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options, Performance Securities, and/or Convertible Notes).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Trading Day</b>	has the meaning given to it in the Listing Rules.

## Schedule 2 Summary of Employee Securities Incentive Plan

A summary of the terms of the Plan is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,
- would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.
- The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.
- The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
- (c) **(Purpose):** The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and
  - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (d) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

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

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

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

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

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

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

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

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

## Schedule 3 Terms and conditions of Performance Rights

1. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2. **(Issue Price):** The Performance Rights are issued for nil cash consideration.
3. **(Vesting Conditions):** Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

Tranche	Number of Performance Rights	Vesting Conditions	Milestone Date (from the date of commencing employment)
Tranche 1	1,500,000	The Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	30 June 2024
Tranche 2	1,500,000	The Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	30 June 2024
Tranche 3	1,000,000	The Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform.	30 September 2023
Tranche 4	1,000,000	The Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market Announcements Platform.	30 June 2024
Tranche 5	1,000,000	The Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project.	30 June 2025
Tranche 6	1,000,000	The Company achieving a market capitalisation of greater than \$150,000,000 for 30 consecutive trading days.	10 October 2025
Tranche 7	1,000,000	The Company achieving a market capitalisation of greater than \$200,000,000 for 30 consecutive trading days.	10 October 2025
Tranche 8	2,000,000	The Company upon the Company achieving a market capitalisation of greater than \$300,000,000 for 30	10 October 2025

		consecutive trading days.	
Tranche 9	2,000,000	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.	10 October 2025
Tranche 10	2,000,000	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

4. **(Vesting):** Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
5. **(Expiry Date):** The Performance Rights will expire and lapse on the first to occur of the following:
- (a) the Vesting Condition becoming incapable of satisfaction due to expiration of the Milestone Date;
  - (b) the Vesting Condition becoming incapable of satisfaction due to the cessation of employment of the holder with the Company (or any of its subsidiary entities) (subject to the exercise of the Board's discretion under the Plan); and
  - (c) 5.00 pm (WST) on the date which is five years after the date of issue of the Performance Rights,
- (Expiry Date).**
6. **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause 5 above), the holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
7. **(Issue of Shares):** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:

- (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
  - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
  - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
8. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, 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 the Performance Rights may not be traded 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. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
9. **(Ranking):** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
10. **(Transferability of the Performance Rights):** The Performance Rights are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
11. **(Dividend rights):** A Performance Right does not entitle the holder to any dividends.
12. **(Voting rights):** A Performance 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 ASX Listing Rules where such rights cannot be excluded by these terms.
13. **(Quotation of the Performance Rights)** The Company will not apply for quotation of the Performance Rights on any securities exchange.
14. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
15. **(Entitlements and bonus issues):** Subject to the rights under clause 16, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
16. **(Bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.

17. **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18. **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
19. **(Takeovers prohibition):**
  - (a) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
20. **(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.
21. **(Amendments required by ASX)** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX 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.
22. **(Plan)** The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
23. **(Constitution)** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

## Schedule 4 Valuation of Performance Rights

The average value of the Performance Rights determined applying a conventional approximation pricing model a is \$0.0487 per Performance Right, based on the following inputs as at 31 October 2022:

- Risk-free rate: 3.22% (Tranche 1 to Tranche 4, derived from the 2-year Commonwealth Treasury Bond Rate) and 3.285% (Tranche 5 to Tranche 10, derived from the 3-year Commonwealth Treasury Bond Rate)
- Volatility: 100%
- Closing Share Price: \$0.055 (closing ASX price on 31 October 2022)
- Dividend Yield: 0.00% (based on actual dividends paid in the previous 12 months)

Based on the above factors, the value of the ten tranches of Performance Rights proposed to be issued to the Relevant Director the subject of Resolution 3 is as follows:

	Number of Performance Rights	Est. Value \$
<b>Tranche 1:</b> The Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	1,500,000	82,500
<b>Tranche 2:</b> The Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum grade of 1.0% Li <sub>2</sub> O.	1,500,000	82,500
<b>Tranche 3:</b> The Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform.	1,000,000	55,000
<b>Tranche 4:</b> The Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market Announcements Platform.	1,000,000	55,000
<b>Tranche 5:</b> The Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project.	1,000,000	55,000
<b>Tranche 6:</b> The Company achieving a market capitalisation of greater than \$150,000,000 for 30 consecutive trading days.	1,000,000	37,600
<b>Tranche 7:</b> The Company achieving a market capitalisation of greater than \$200,000,000 for 30 consecutive trading days.	1,000,000	36,300
<b>Tranche 8:</b> The Company upon the Company achieving a market capitalisation of greater than \$300,000,000 for 30 consecutive trading days.	2,000,000	57,200
<b>Tranche 9:</b> 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.	2,000,000	110,000
<b>Tranche 10:</b> 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.	2,000,000	110,000

**Notes:** The valuation noted above is not necessarily the market price that the incentive Performance Rights could be traded at and is not automatically the market price for taxation or accounting purposes.



**Critical  
Resources  
Limited**

CRITICAL RESOURCES LIMITED  
ABN 12 145 184 667

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

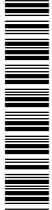


**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

CRR

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Critical Resources Limited General Meeting

The Critical Resources Limited General Meeting will be held on Thursday, 15 December 2022 at 10:00am (AWST). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 10:00am (AWST) on Tuesday, 13 December 2022.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
The Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, WA 6000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



**Critical  
Resources  
Limited**

CRITICAL RESOURCES LIMITED  
ABN 12 145 184 667

CRR

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 13 December 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Critical Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Critical Resources Limited to be held at The Palace Meeting Room, Ground Floor, 108 St Georges Terrace, Perth, WA 6000 on Thursday, 15 December 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 2, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 2, 3 and 4 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of New Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of potential termination benefits under the New Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Cancellation of Existing Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CRR

2 9 5 1 1 5 A



Computershare

