
CRITICAL METALS LTD**ACN 614 136 864****REPLACEMENT NOTICE OF ANNUAL GENERAL MEETING 2021**

Notice is given that the Annual General Meeting will be held at:

TIME: 10:00am (WST)

DATE: Thursday, 7 October 2021

PLACE: Ground Floor, 197 St Georges Terrace, Perth WA 6000

This Replacement Notice of Annual General Meeting replaces the Notice of Annual General Meeting made available on the Company's web site on Friday, 3 September 2021. The only change has been to the meeting date. The meeting was originally scheduled for 28 September 2021, but that date has now been vacated. The new meeting date is 7 October 2021. There have been no changes to the original Notice other than the meeting date. If you have previously lodged a proxy, that proxy remains valid.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 5 October 2021.

IMPORTANT INFORMATION

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 3383.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Shares & Investments Commission.

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

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Change of Control means

- a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - having received acceptances for not less than 50.1% of the Shares on issue; and
 - having been declared unconditional by the bidder; or
- a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or
- in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or

- a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or Critical Metals means Critical Metals Ltd (ACN 614 136 864).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Party Options has the meaning given in means an Option issued pursuant to Section 5.1 of the Explanatory Statement.

Related Party Shares has the meaning given in means a Share issued pursuant to Section 4.1 of the Explanatory Statement.

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

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Voting Power has the meaning given to that term in section 9 of the Corporations Act.

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

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report (available at www.criticalmetals.eu).

2. RESOLUTION 1 – ELECTION OF MR DARREN TOWNSEND

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

“That, for the purpose of clause 11.11 of the Constitution and for all other purposes, Mr Darren Townsend, a Director who was appointed on 18 August 2021, retires, and being eligible, is elected as a Director.”

3. RESOLUTION 2 – RE-ELECTION OF MR MARKUS BACHMANN

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

“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Mr Markus Bachmann retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF MR KRIS GRAM

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

“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Mr Kris Gram retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – ISSUE OF SHARES TO MR DAMIAN HICKS IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Shares in the Company up to the value of \$461,150 to Mr Damian Hicks (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

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

Provided the Chair is not a Resolution 4 Excluded Party, 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.

6. RESOLUTION 5 – ISSUE OF SHARES TO MR JONATHAN MURRAY IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$36,875 to Mr Jonathan Murray (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

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

Provided the Chair is not a Resolution 5 Excluded Party, 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.

7. RESOLUTION 6 – ISSUE OF SHARES TO MR MARKUS BACHMANN IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$36,875 to Mr Markus Bachmann (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

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

Provided the Chair is not a Resolution 6 Excluded Party, 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.

8. RESOLUTION 7 – ISSUE OF SHARES TO MR KRIS GRAM IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$36,458 to Mr Kris Gram (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

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

Provided the Chair is not a Resolution 7 Excluded Party, 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.

9. RESOLUTION 8 – ISSUE OF SHARES TO MR OLOF FORSLUND IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Shares in the Company to the value of \$36,458 to Mr Olof Forslund (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

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

Provided the Chair is not a Resolution 8 Excluded Party, 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.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MR DAMIAN HICKS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Mr Damian Hicks (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

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

Provided the Chair is not a Resolution 9 Excluded Party, 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.

11. RESOLUTION 10 – ISSUE OF OPTIONS TO RELATED PARTY – MR JONATHAN MURRAY

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 450,000 Options in the Company to Mr Jonathan Murray (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 10 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 10 Excluded Party.

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

Provided the Chair is not a Resolution 10 Excluded Party, 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.

12. RESOLUTION 11 – ISSUE OF OPTIONS TO RELATED PARTY – MR MARKUS BACHMANN

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 450,000 Options in the Company to Mr Markus Bachmann (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 11 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 11 Excluded Party.

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

Provided the Chair is not a Resolution 11 Excluded Party, 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.

13. RESOLUTION 12 – ISSUE OF OPTIONS TO RELATED PARTY – MR KRIS GRAM

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 450,000 Options in the Company to Mr Kris Gram (or his nominee), on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 12 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 12 Excluded Party.

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

Provided the Chair is not a Resolution 12 Excluded Party, 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.

14. RESOLUTION 13 – ISSUE OF OPTIONS TO RELATED PARTY – MR OLOF FORSLUND

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 450,000 Options in the Company to Mr Olof Forslund (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 13 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 13 Excluded Party.

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

Provided the Chair is not a Resolution 13 Excluded Party, 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.

15. RESOLUTION 14 – ISSUE OF OPTIONS TO RELATED PARTY – MR DARREN TOWNSEND

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 450,000 Options in the Company to Mr Darren Townsend (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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 (**Resolution 14 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 14 Excluded Party.

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

Provided the Chair is not a Resolution 14 Excluded Party, 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.

16. RESOLUTION 15 – TRANSACTION WITH HANNANS LTD

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

“That approval is given for the Company, through its wholly owned subsidiary, to undertake the Transaction on the terms and conditions set out in the Explanatory Statement.”

Dated: 3 September 2021

By order of the Board



Damian Hicks
Executive Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the 2021 Annual General Meeting.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.criticalmetals.eu.

2. RESOLUTION 1 – ELECTION OF DIRECTOR

2.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 1 in accordance with clause 11.11 of the Company's Constitution seeks Shareholder approval for the election of Mr Darren Townsend.

2.2 Background

Mr Townsend is a Mining Engineer with 25+ years development, mining and corporate experience including managing ASX and TSX listed companies. His experience includes developing and operating tantalum mines in Australia (Wodgina) and Mozambique and the resource drill out and permitting a world class niobium and rare earth project in Kenya.

Mr Townsend is currently the Chief Operating Officer of Neometals Ltd (ASX:NMT).

3. RESOLUTIONS 2 TO 3 – RE-ELECTION OF DIRECTORS

3.1 General

Clause 11.3 of the Constitution requires that one third (or the number nearest one-third) of the Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 6 Directors and accordingly 2 must retire. A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Resolutions 2 and 3 in accordance with clause 11.3 of the Company's Constitution seek Shareholder approval for the re-election of Messrs Markus Bachmann and Kristoffer Gram.

The Board considers that all Directors seeking re-election demonstrate commitment to their role, that each Director continues to make a valuable contribution to the Board and that the Board as a whole has an appropriate mix of skills, backgrounds, knowledge, experience and diversity to operate effectively. Accordingly, the Board recommends to shareholders the re-election of all retiring Directors who offer themselves for re-election.

The biographical details, skills and experience of each of the Directors standing for re-election are set out below.

3.2 Re-election of Mr Markus Bachmann (Resolution 2)

Mr Markus Bachmann retires by rotation and seeks re-election.

Mr Bachmann was appointed to the position of Director on 9 August 2016.

Mr Markus Bachmann holds a Master (MA) in Business and Economics (cum laude) from the University of Berne, Switzerland. Markus started his career in the corporate finance department of the Credit Suisse Group, before joining SBC Brinson Asset Management Emerging Markets team in 1997. There he was assigned responsibility for the analysis and portfolio management for the equity markets of Greece, Portugal, the Middle East (including Israel) and Africa. In 2000 he joined Coronation Fund Managers in

Cape Town, South Africa. In 2001 he received the S&P Award for the best performing large cap equity unit trust in South Africa. Markus co-funded Craton Capital in 2003. He is the Manager of the Craton Capital Precious Metal Fund and the Global Resources Fund. Mr Bachmann lives in Bern, Switzerland.

The Board recommends the re-election of Mr Bachmann.

3.3 Re-election of Mr Kris Gram (Resolution 3)

Mr Kris Gram retires by rotation and seeks re-election.

Mr Gram was appointed to the position of Director on 24 November 2016.

Mr. Gram graduated from the University of St. Andrews in Scotland in 2000 with a MA in Management. After spending 5 years with Caggemini Consulting as a strategy consultant he joined the corporate finance team at the Norwegian investment bank Pareto. At Pareto, Mr Gram has focused on equity- and bond capital raisings, IPO's, and M&A for mining companies. As a Partner at Pareto Mr. Gram originated and managed several large scale international transactions. Mr Gram went on to spend 4 years as MD of a family owned investment company before joining ProCorp AS, a boutique SMB focused investment bank in Oslo, where he is CEO.

The Board recommends the re-election of Mr Gram.

4. RESOLUTIONS 4 TO 8 – ISSUE OF RELATED PARTY SHARES

4.1 General

To assist the Company with managing its cash flow, the Directors agreed to defer their fees from their respective appointments in 2016.

At the 2020 AGM, Shareholders approved the issue of Shares in satisfaction of half the fees outstanding as at 30 September 2020.

The Directors have continued assisting the Company with managing its cash flows by accruing fees since 1 October 2020.

The Directors would now like the opportunity to settle their outstanding fees to 30 June 2021 (a percentage of which have been accruing since 2016) via the issue of equity. Accordingly, at the 2021 AGM, Shareholders will be asked to approve the issue of Shares to settle all fees outstanding as of 30 June 2021.

The Directors have agreed to continue accruing fees from 1 July 2021 to assist the Company with managing its cash flows.

Resolutions 4 to 8 seek Shareholder approval for the Company to issue the Directors an aggregate of \$607,816 worth of Shares (**Related Party Shares**) in lieu of Directors' fees accrued for the periods as set out in Section 4.3 below.

The Related Party Shares will be deemed to have an issue price equal to \$0.40, which is the same price as Shares issued to investors pursuant to the latest capital raising completed on 29 April 2021.

4.2 Chapter 2E of the Corporations Act

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

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

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

The grant of the Related Party Shares constitutes giving a financial benefit and Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram and Olof Forslund are related parties of the Company by virtue of being Directors.

As the Related Party Shares are proposed to be issued to all of the Directors other than Darren Townsend, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Shares. Accordingly, Shareholder approval for the issue of Related Party Shares to Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram and Olof Forslund is sought in accordance with Chapter 2E of the Corporations Act.

4.3 Shareholder Approval (Chapter 2E of the Corporations Act)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the proposed grant of Related Party Shares:

- (a) the related parties are Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram and Olof Forslund and they are related parties by virtue of being Directors;
- (b) the amount of Directors' fees to be satisfied by the issue of the Related Party Shares is set out below:

| Related party | Fees outstanding at 30 Sep 2020 | Fees outstanding period 1 Oct 2020 to 30 Jun 2021 | Total fees outstanding at 30 Jun 2021 |
|---------------|---------------------------------|---|---------------------------------------|
| D Hicks | \$275,000 | \$186,150 | \$461,150 |
| J Murray | \$20,625 | \$16,250 | \$36,875 |
| M Bachmann | \$20,625 | \$16,250 | \$36,875 |
| K Gram | \$20,208 | \$16,250 | \$36,458 |
| O Forslund | \$20,208 | \$16,250 | \$36,458 |

- (c) the maximum number of Related Party Shares to be issued to each Director will be determined by dividing the amount of the Director's fees that the Company has agreed to satisfy by way of issue of Shares to the Director by \$0.40 in accordance with paragraph (i) below, provided that the maximum number of Related Party Shares to be issued to the Directors pursuant to Resolutions 4 to 8 shall be as follows:

| Related party | Number of Related Party Shares |
|---------------|--------------------------------|
| D Hicks | 1,152,875 |
| J Murray | 92,188 |
| M Bachmann | 92,188 |
| K Gram | 91,145 |
| O Forslund | 91,145 |

- (d) a voting exclusion statement is included in the Notice in connection with Resolutions 4 to 8;
- (e) the Related Party 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 Related Party Shares will be issued for nil cash consideration as they will be issued in satisfaction of outstanding Directors' fees. Accordingly no funds will be raised as they are being issued in lieu of outstanding directors' fees;
- (g) the deemed issue price of the Related Party Shares will be \$0.40 which is the same issue price as Shares issued to investors pursuant to the capital raising completed by the Company on 29 April 2021;
- (h) the relevant interests of the Directors in Shares of the Company, as at the date of this Notice, are set out below:

| Related party | Shares | Options |
|---------------|-----------|--|
| D Hicks | 473,358 | Nil |
| J Murray | 579,313 | 500,000 ¹ 200,000 ² |
| M Bachmann | 1,204,169 | 500,000 ¹ 200,000 ² |
| K Gram | 1,080,832 | 500,000 ¹ 200,000 ² |
| O Forslund | 80,832 | 500,000 ¹ 200,000 ² |

¹ Options are exercisable at \$0.30 each, on or before 26 November 2023.

² Options are exercisable at \$0.40 each, on or before 7 October 2024.

- (i) the remuneration and emoluments from the Company to the Directors for the current and previous financial year (FY) and the proposed remuneration and emoluments for the current financial year are set out below:

| Related party | 2021 FY ¹ | 2020 FY ¹ |
|-------------------------|----------------------|----------------------|
| D Hicks ² | \$235,425 | \$184,375 |
| J Murray ³ | \$20,000 | \$10,000 |
| M Bachmann ³ | \$20,000 | \$10,000 |
| K Gram ³ | \$20,000 | \$10,000 |
| O Forslund ³ | \$20,000 | \$10,000 |

¹ As set out in Section 3.1, the Directors' agreed to defer receipt of the above remuneration.

² Mr Damian Hicks, was remunerated from 1 October 2016 through to 31 March 2020 at the rate of \$131,400 p.a.; from 1 April 2020 through to 31 December 2020 at \$197,100 p.a. and from 1 January 2021 at \$273,750 p.a..

³ The Non-Executive Directors were remunerated from their appointment in 2016 through to 30 June 2020 at the rate of \$10,000 p.a.; from 1 July 2020 through to 31 December 2020 at \$15,000 p.a. and from 1 January 2021 at \$25,000 p.a.

- (j) if the maximum permitted number of Related Party Shares are issued to the Directors, a total of 1,519,541 Shares would be issued. This will increase the number of Shares on issue from 39,321,246 to 40,840,787 (assuming that the Related Party Shares are issued and that no other Shares have been issued or Options exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.86%, comprising 2.93% by Damian Hicks, 0.23% by Jonathan Murray, 0.23% by Markus Bachmann, 0.23% by Kris Gram and 0.23% by Olof Forslund. The Company is also seeking Shareholder Approval pursuant to Resolutions 9 to 14 for the issue of Options to its Directors. Further details of the dilution arising from the issue of these Options is set out in Section 5.4 (i);
- (k) the primary purpose of the grant of the Related Party Shares to the Directors is to satisfy outstanding directors' fees owing to the Directors;
- (l) Mr Darren Townsend recommends that Shareholders vote in favour of those Resolutions 4 to 8 for the following reasons:
- the grant of Related Party Shares will satisfy all Directors' fees accrued to 30 June 2021;
 - the issue of the Related Party Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Shares upon the terms proposed.
- In forming his recommendation, Darren Townsend considered the experience of the Directors, the current market price of Shares and the current market practices when determining the basis of issue of the Related Party Shares.
- (m) each Director (other than Darren Townsend) has a material personal interest in the outcome of Resolutions 4 to 8 on the basis that the Directors (other than Darren Townsend) (or their nominees) are to be issued Related Party Shares on the same terms and conditions should Resolutions 4 to 8 be passed. For this reason, the Directors (other than Darren Townsend) do not believe that it is appropriate to make a recommendation on Resolutions 4 to 8 of this Notice; and
- (n) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 8.

5. RESOLUTIONS 9 TO 14 – ISSUE OF RELATED PARTY OPTIONS

5.1 General

The Company has agreed, subject to Shareholder approval, to issue an aggregate of 6,250,000 Options (**Related Party Options**) to Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram, Olof Forslund and Darren Townsend (together, **Related Parties**) on the terms and conditions set out below.

These classes of Related Party Options will be issued, as set out in the below table:

| Related party | Class A | Class B | Class C | Total |
|---------------|------------------|------------------|------------------|------------------|
| D Hicks | 1,500,000 | 1,500,000 | 1,000,000 | 4,000,000 |
| J Murray | 150,000 | 150,000 | 150,000 | 450,000 |
| M Bachmann | 150,000 | 150,000 | 150,000 | 450,000 |
| K Gram | 150,000 | 150,000 | 150,000 | 450,000 |
| O Forslund | 150,000 | 150,000 | 150,000 | 450,000 |
| D Townsend | 150,000 | 150,000 | 150,000 | 450,000 |
| Total | 2,250,000 | 2,250,000 | 1,750,000 | 6,250,000 |

The full terms and conditions of the Related Party Options are set out in Schedule 1.

Resolutions 9 to 14 seek Shareholder approval for the grant of the Related Party Options to the Related Parties set out above.

5.2 Chapter 2E of the Corporations Act

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

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

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

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram, Olof Forslund and Darren Townsend are related parties of the Company by virtue of being Directors.

As the Related Party Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the Related Party Options. Accordingly, Shareholder approval for the issue of Related Party Options to the Directors is sought in accordance with Chapter 2E of the Corporations Act.

5.3 Reason for grant of Options

The primary purpose of the grant of the Options to the Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram, Olof Forslund and Darren Townsend is to incentivise the directors to continue providing direction, reviewing strategy and being exposed to risks as directors and in the case of Mr Hicks developing strategy, executing strategy, being the "face" of the Company, raising capital, developing new business initiatives and managing day-to-day operations.

5.4 Shareholder Approval (Chapter 2E of the Corporations Act)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the proposed grant of Related Party Shares:

- (a) the Related Parties are Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Kris Gram, Olof Forslund and Darren Townsend and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

| Related party | Number of Related Party Options |
|---------------|---------------------------------|
| D Hicks | 4,000,000 |
| J Murray | 450,000 |
| M Bachmann | 450,000 |
| K Gram | 450,000 |
| O Forslund | 450,000 |
| D Townsend | 450,000 |
| Total | 6,250,000 |

- (c) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (e) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (f) a voting exclusion statement is included in the Notice in connection with Resolutions 9 to 14;
- (g) the relevant interests of the Related Parties in Shares of the Company are set out below:

| Related party | Shares | Options |
|---------------|-----------|--|
| D Hicks | 473,358 | Nil |
| J Murray | 579,313 | 500,000 ¹ 200,000 ² |
| M Bachmann | 1,204,169 | 500,000 ¹ 200,000 ² |
| K Gram | 1,080,832 | 500,000 ¹ 200,000 ² |
| O Forslund | 80,832 | 500,000 ¹ 200,000 ² |
| D Townsend | 40,000 | Nil |

¹ Options are exercisable at \$0.30 each, on or before 26 November 2023.

² Options are exercisable at \$0.40 each, on or before 7 October 2024.

- (h) the remuneration and emoluments from the Company to the Directors for the current and previous financial year (FY) and the proposed remuneration and emoluments for the current financial year are set out below:

| Related party | 2021 FY ¹ | 2020 FY ¹ |
|-------------------------|----------------------|----------------------|
| D Hicks ² | \$235,425 | \$184,375 |
| J Murray ³ | \$20,000 | \$10,000 |
| M Bachmann ³ | \$20,000 | \$10,000 |
| K Gram ³ | \$20,000 | \$10,000 |
| O Forslund ³ | \$20,000 | \$10,000 |
| D Townsend | Nil | Nil |

¹ As set out in Section 3.1, the Directors' agreed to defer receipt of the above remuneration.

² Mr Damian Hicks, was remunerated from 1 October 2016 through to 31 March 2020 at the rate of \$131,400 p.a.; from 1 April 2020 through to 31 December 2020 at \$197,100 p.a. and from 1 January 2021 at \$273,750 p.a..

³ The Non-Executive Directors were remunerated from their appointment in 2016 through to 30 June 2020 at the rate of \$10,000 p.a.; from 1 July 2020 through to 31 December 2020 at \$15,000 p.a. and from 1 January 2021 at \$25,000 p.a.

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 6,250,000 Shares would be issued. This will increase the number of Shares on issue from 40,840,787 to 47,090,787 (assuming that the Related Party Shares are issued and no other Shares are issued or Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 13.27%, comprising 8.49% by Mr Damian Hicks, 0.96% by Mr Jonathan Murray, 0.96% by Mr Markus Bachmann, 0.96% by Mr Kris Gram, 0.96% by Mr Olof Forslund and 0.96% by Mr Darren Townsend;
- (j) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (k) each Director has a material personal interest in the outcome of Resolutions 9 to 14 on the basis that the Directors (or their nominees) are to be issued Related Party Options on the same terms and conditions should Resolutions 9 to 14 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 9 to 14 of this Notice
- (l) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 9 to 14.

6. RESOLUTIONS 15 – TRANSACTION WITH HANNANS LTD

6.1 Overview

The Company, through its wholly owned subsidiary, LiB Recycling Pty Ltd (ACN 628 740 581) (**LiB**), is proposing to enter into an agreement with Hannans Ltd (ACN 099 862 129) (**Hannans**) in connection with the commercialisation of licenced technology.

6.2 The Technology

ACN 630 589 507 Pty Ltd (**ACN 630**), a wholly owned subsidiary of Neometals Limited (ASX: NMT) (**Neometals**), has developed a proprietary technology to safely recover several metals from spent and off-specification lithium-ion batteries (**Technology**). The Technology offers a unique and sustainable method for recovering valuable lithium, nickel, cobalt and other materials from off-specification and end-of-life electric vehicle and consumer electronic lithium-ion batteries. The Technology enables recovered metals to be refined and converted into a form that can be reused in the battery supply chain. The Technology has not been commercialised by Neometals or its partners thus far, but excellent progress is being made in that regard.

6.3 Licence Agreement

LiB entered into an agreement with ACN 630 on 8 March 2019 whereby ACN 630 granted LiB an exclusive license (**Technology Licence**) to commercialise the Technology in Sweden, Norway, Denmark, and Finland (**Territory**), for an initial term of 25 years from the date of the agreement (**Licence Agreement**). The Licence enables LiB to commercialise the Technology within the Territory and derive revenue from the sale of recovered nickel, cobalt, lithium, copper, iron, aluminium, manganese recovered from off-specification and end-of-life batteries.

ACN 630 may terminate the License Agreement if LiB does not meet any one of the following performance hurdles by the relevant date:

| Performance Hurdle | Date |
|---|---|
| LiB making a final investment decision in respect of the construction of an initial plant for the processing or recycling of feedstock batteries using the Technology (itself or in partnership with a third party) (Initial Plant). | Within 12 months of Neometals releasing the results a front-end engineering and design study in relation to the processing and or recycling of lithium-ion batteries (FEED Report Date). |
| LiB constructing or procuring the construction of the Initial Plant. | Within 24 months of the FEED Report Date |
| The Initial Plant being fully commissioned. | Within 36 months of the FEED Report Date |
| LiB having produced and sold products. | Within 12 months of the Initial Plant being fully commissioned. |

6.4 The Transaction

LiB is considering a transaction with Hannans to commercialise the Licence (**Transaction**).

It is proposed that, subject to Hannans funding certain commercialisation activities and making certain decisions within agreed timeframes, Hannans will be entitled to a 50% equity interest in each lithium-ion battery recycling plant developed by Hannans and LiB.

The indicative material terms of the Transaction are anticipated to be as follows:

| | |
|-------------------------------------|---|
| Exclusivity | LiB and Hannans will work together on an exclusive basis to maximise the value of the License for both parties, initially, via an unincorporated joint venture. Under this arrangement, LiB will also grant Hannans a co-right to utilise its rights to the Technology under the Licence, for the Purpose (most likely via a sub-licence arrangement). |
| Initial Funding | Hannans will manage and fund all tasks and activities in the Territory through to a final investment decision (FID) with respect to the construction of each plant for the processing or recycling of feedstock batteries using the Technology. A plant may comprise a Stage 1 shredding and sorting plant or a Stage 2 refining plant (each, a Plant). This may involve several FIDs for multiple Plants in the Territory, potentially for different clients/customers. It is Hannans' decision alone whether to make a positive FID. |
| Task and Activities | Hannans tasks and activities will include, but are not limited to: <ul style="list-style-type: none"> securing sufficient feedstock to justify establishment of each Plant; completing location studies for each Plant; completing social and environmental assessments for each Plant; obtaining the social license to operate each Plant; obtaining the environmental, chemical, and building permits to operate each Plant; understanding the market for the products from each Plant; assessing the financial feasibility of establishing each Plant; arranging debt and equity finance for each Plant; considering final investment decisions; and establishing and maintaining a brand and corporate identity in the Territory. |
| FID | If Hannans makes a FID and enters a binding engineering, procurement, and construction agreement for a Plant, Hannans will be entitled to a 50% interest in the Plant and LiB will be required to either (1) co-contribute to all future construction costs of the new Plant (all capital and operating costs post FID), in which case, each party would have a 50% equity interest in the Plant, or (2) its equity interest in the Plant will be diluted pro-rata to its relative funding contribution. The final structure by which such ventures will be delivered will be dependent on tax and cost considerations at the time. |
| Ongoing Funding and Dilution | To be able to make an FID, Hannans will need to have secured enough feedstock to justify the economics of a Plant and obtained the required permits to operate the Plant. Under the proposed joint venture arrangement, the costs of permitting and sourcing and marketing the business in the Territory will always be borne by Hannans (i.e., Hannans will fund all activities up to each FID for a given Plant, at which point, LiB will have the option to contribute or dilute). For the avoidance of doubt, LiB will not have any obligation to co-contribute to the construction of a given Plant. However, should it choose not to contribute, it will have no equity interest in that Plant. This will not impact Hannans' rights with respect to the use of the Technology at that Plant. |
| Relationships | LiB has been actively seeking to establish relationships with potential providers of battery feedstock and engineering, procurement, and construction firms. LiB will pass to Hannans the benefit of these relationships, discussions and initiatives and responsibility for the carriage of these matters will be the sole responsibility of Hannans. |
| Conditions | This Transaction and associated substantive agreements are conditional on receiving written approvals and consents from: <ul style="list-style-type: none"> Neometals, ACN630 and their respective partners to the proposed transaction and the grant of a sub-licence of the Licence Agreement to subsidiaries of LiB; the Company, LiB and their respective boards and shareholders, as required; Hannans and its respective board and shareholders, as required; and ASX, as required. This Transaction and associated substantive agreements are conditional on Hannans completing a capital raising of not less than AUD5M before 31 December 2021. |

Although the Company does not require Shareholder approval under the Corporations Act or the Constitution to undertake the Transaction, the Company has elected to seek approval from Shareholders to proceed with the transaction in the interests of transparency and good corporate governance.

6.5 Background to the relevant parties

Hannans

Hannans was incorporated on 11 March 2002 and has been actively engaged in minerals exploration since listing on ASX on 5 December 2003 (ASX:HNR). Hannans is focussed on greenfields nickel and copper-gold exploration at its Forresteria, Fraser Range and Moogie projects in Western Australia

The directors of Hannans are:

- (a) Mr Jonathan Murray – Non-Executive Chairman (residing in Australia);
- (b) Mr Damian Hicks – Executive Director (residing in Australia);
- (c) Mr Markus Bachmann – Non-Executive Director (residing in Switzerland);
- (d) Ms Amanda Scott - Non-Executive Director (residing in Sweden); and
- (e) Mr Clay Gordon – Non-Executive Director (nominee of Neometals residing in Australia).

Neometals

Neometals is the largest shareholder in Hannans (31.1%) and Critical (19.6%). ACN 630 was incorporated on 13 December 2018 as a wholly owned subsidiary of Neometals.

Darren Townsend is Chief Development Officer of Neometals and Neometals' nominee on the Board of Critical.

The Company notes that Neometals has elected to abstain from voting on this Resolution.

6.6 Focus for the Company

Critical is focussed on delivering the vanadium recovery project (**VRP**) in Pori, Finland. A recently completed preliminary feasibility study for the VRP justified proceeding to a feasibility study. If a positive final investment decision is made late 2022 to proceed to construction, the Company will be required to fund its equity share of the project, expected to be circa USD100M.

6.7 Board Recommendation

Directors Messrs Jonathan Murray, Damian Hicks and Markus Bachmann have elected not to make a recommendation to Shareholders in respect of the Transaction due to their common directorship of Hannans. Similarly, Director, Darren Townsend has elected not to make a recommendation to Shareholders in respect of the Transaction due to his position with Neometals and its respective interest in the Transaction. Although these Directors abstain from making a recommendation to Shareholders, they are supportive of proceeding with the Transaction.

Directors, Kris Gram and Olof Forslund (together, the **Independent Directors**) have assessed the advantages and disadvantages of the Transaction and have formed the view that the advantages outweigh the disadvantages.

The Independent Directors recommend that you vote in favour of the Transaction for the following reasons:

- (a) The competition to establish lithium-ion battery recycling facilities in the Nordic region is intense with many companies competing for access to the limited supply of lithium ion batteries available for recycling. The Independent Directors consider that the Transaction will increase potential for value to be created via successful commercialisation of the Technology because it will allow the dedication of human and financial resources to the task of securing battery feedstock without diluting Critical's focus on delivering the VRP.
- (b) The Transaction will allow Critical to focus on the VRP by shifting responsibility for funding commercialisation of the lithium-ion battery activities to Hannans. As noted in Section 2.4 above, Hannans will manage and fund all tasks and activities in respect of each Plant through to an FID. If a positive FID is made, LiB may elect to participate in ongoing funding of each Plant or dilute. As Hannans will be responsible for funding each Plant through to a FID, Critical will be able to allocate its resources to the VRP.
- (c) Initial expressions of interest from potential funding sources have been focussed on funding the VRP only, as opposed to a mixed portfolio of projects covering vanadium recovery, lithium-ion battery recycling and minerals exploration. It is considered important therefore to simplify the Critical investment proposition by divesting non-core assets and focussing on the project with the greatest probability of creating sustainable for shareholders. At the same time as this divestment process is being put to Shareholders, the directors are working towards a divestment of the mineral exploration projects.

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Subject to the terms and conditions set out below, each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be:

- (i) **Class A:** the higher of \$0.60 per Option and the price that is 50% above the issue price of Shares in the first equity capital raising conducted by the Company following the issue of the Options (**Capital Raising Price**);
- (ii) **Class B:** the higher of \$0.70 per Option and the price that is 75% above the Capital Raising Price; and
- (iii) **Class C:** the higher of \$0.80 per Option and the price that is 100% above the Capital Raising Price ,
(each, an **Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is four (4) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

The Options will vest and be exercisable following satisfaction of the relevant vesting condition set out below:

- (i) **Tranche 1:** 12 months of continuous service as a Director following the date of issue of the Options;
- (ii) **Tranche 2:** 24 months of continuous service as a Director following the date of issue of the Options; and
- (iii) **Tranche 3:** 36 months of continuous service as a Director following the date of issue of the Options.

(e) **Automatic Vesting upon Change of Control**

Any unvested Options will immediately vest and be exercisable upon the occurrence of a Change of Control.

(f) **Exercise Period**

The Options are exercisable at any time on and from the earlier of the satisfaction of the relevant vesting condition set out in paragraph (d) above and the occurrence of a Change of Control until the Expiry Date (**Exercise Period**).

(g) **Notice of Exercise**

The Options may be exercised during the Exercise Period 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.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of 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**).

(i) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) 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,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

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

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

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Lapse of an Option**

If the holder ceases to be engaged by the Company all unvested options will immediately lapse.

(l) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) **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.

(n) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 9 to 14 have been independently valued.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

| Assumption | Class A | Class B | Class C | Total |
|--|---------------------------------------|-----------|-----------|-----------|
| Valuation date | 24 August 2021 | | | |
| Market price of Shares ¹ | \$0.40 | | | |
| Exercise price | \$0.60 | \$0.70 | \$0.80 | |
| Expiry date (length of time from issue) | Four (4) years | | | |
| Risk free interest rate ² | 0.51% | | | |
| Volatility (discount) ³ | 100% (discounts at 50% ⁴) | | | |
| | | | | |
| Indicative value per Related Party Option | \$0.248 | \$0.237 | \$0.228 | |
| | | | | |
| Total Value of Related Party Options | \$278,569 | \$266,552 | \$199,070 | \$744,191 |
| | | | | |
| • Damian Hicks | \$185,714 | \$177,702 | \$113,755 | \$477,171 |
| • Jonathan Murray | \$18,571 | \$17,770 | \$17,063 | \$53,404 |
| • Kris Gram | \$18,571 | \$17,770 | \$17,063 | \$53,404 |
| • Markus Bachmann | \$18,571 | \$17,770 | \$17,063 | \$53,404 |
| • Olof Forslund | \$18,571 | \$17,770 | \$17,063 | \$53,404 |
| • Darren Townsend | \$18,571 | \$17,770 | \$17,063 | \$53,404 |

Note:

The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

The Company is an unlisted public company and therefore there is no market value readily available.

- 1 The market price of Shares is based on the capital raising price of \$0.40 per Share on April 2021.
- 2 A risk-free rate used for the purpose of the analysis is the five year Australian Government bond rate as at 23 August 2021 being 0.51%; and
- 3 The expected volatility reflects the assumptions of current market volatility for junior explorers as indication of future trends. This may not necessarily be the actual outcome.
- 4 The options to be issued have restricted marketability as they cannot be traded on an active market. Therefore, a discount of 50% has been applied to the valuation to reflect the value of the options and the non-marketable nature of the options.

CRITICAL METALS LTD

PROXY FORM

2021 ANNUAL GENERAL MEETING

Shareholder name and address

Appoint a Proxy to Vote on Your Behalf

I/We being a Member of Critical Metals Ltd entitled to attend and vote at the Meeting, 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 person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at Ground Floor, 197 St Georges Tce, Perth WA 6000 on Thursday, 7 October 2021 at 10:00am (WST) and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 4 to 14 (except where I/we have indicated a different voting intention below) even though Resolutions 4 to 14 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution.

Voting on Business of the Annual General Meeting

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 | Election of Mr Darren Townsend | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Mr Markus Bachmann | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Mr Kris Gram | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of Shares to Mr Damian Hicks in lieu of fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Shares to Mr Jonathan Murray in lieu of fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Issue of Shares to Mr Markus Bachmann in lieu of fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Issue of Shares to Mr Kris Gram in lieu of fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Issue of Shares to Mr Olof Forslund in lieu of fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 | Issue of Options to Related Party – Mr Damian Hicks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | Issue of Options to Related Party – Mr Jonathan Murray | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | Issue of Options to Related Party – Mr Markus Bachmann | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | Issue of Options to Related Party – Mr Kris Gram | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 | Issue of Options to Related Party – Mr Olof Forslund | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 14 | Issue of Options to Related Party – Mr Darren Townsend | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 15 | Transaction with Hannans Ltd | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If two proxies are being appointed, the proportion of voting rights this proxy represents is %

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Signature of Shareholder(s)

NOTE: This section must be completed.

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact
name

Contact
number

Date

CRITICAL METALS LTD
ACN 614 136 864

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Critical Metals Ltd, PO Box 1227, West Perth, WA 6872; or
 - (b) email to the Company at info@criticalmetals.eu,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.
