

CZR Resources Ltd

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27 October 2023

Dear Shareholder,

Annual General Meeting - Notice and Proxy Form

Notice is hereby given that the Annual General Meeting (Meeting) of shareholders of CZR Resources Ltd (ACN 112 866 869) (the Company) will be held in the Meeting Room of The Country Women's Association of Western Australia, 1176 Hay Street, West Perth, WA 6005 on 30 November 2023 at 11.00am (AWST).

In accordance with the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the notice of Meeting (Notice) to shareholders unless a shareholder has previously requested hard copy documents. Instead a copy of the Notice, which was released to the ASX on 27 October 2023 can be viewed and downloaded online as follows:

1. on the Company's website at <https://czrresources.com/asx-announcements/>; or
2. on the Company's ASX market announcements page (ASX:CZR)

Shareholders are encouraged to submit a proxy vote either online at <https://investor.automic.com.au/#/loginsah>, or by returning the personalised proxy form (enclosed) in accordance with the instructions set out on the proxy form.

Your proxy voting instruction must be received by 11.00am (WST) on 28 November 2023, 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.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the important Meeting documents.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents).

If it becomes necessary or appropriate to make alternative arrangements to those detailed in the Notice, shareholders will be updated via the Company's website at <https://czrresources.com/> and the Company's ASX market announcements platform at www.asx.com.au (ASX: CZR).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

This announcement is authorised for market release by the Board of CZR Resources Ltd.

Yours faithfully
Trevor O'Connor
Company Secretary



CZR Resources Ltd

ACN 112 866 869

Notice of Annual General Meeting

Annual General Meeting of Shareholders to be held at The Country Women's Association, 1176 Hay Street, West Perth, Western Australia at 11.00am (AWST) on Thursday, 30 November 2023.

If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.czresources.com and the ASX announcements platform.

Important

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

For personal use only

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of CZR Resources Ltd (ACN 112 866 869) (**Company**) will be held at The Country Women's Association of Western Australia, 1176 Hay Street, West Perth, Western Australia at 11.00am (AWST) on Thursday, 30 November 2023 (**Meeting**).

Business

Annual Report for the financial year ended 30 June 2023

To receive and consider the Annual Report of the Company, containing the Directors' Report, the Remuneration Report and the Auditor's Report, for the financial year ended 30 June 2023.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2023 be adopted."

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

Voting exclusion statement

In accordance with Section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or Closely Related Party of such member.

However, the Company will not disregard a vote if:

- (a) The person is acting as proxy, the proxy form specifies how the proxy is to vote and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) The person is the Chairperson voting an undirected proxy which expressly authorises the Chairperson to vote the proxy on a resolution connected with the remuneration of the member of the Key Management Personnel.

2. Resolution 2 – Re-election of Russell Clark

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

"That Mr Russell Clark, for the purpose of clause 11.1(c) of the Constitution and for all other purposes, a Director, retires by rotation, and being eligible is re-elected as a Director."

3. Resolution 3 – Issue of Performance Rights to a Director – Mr Stefan Murphy

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

"That, pursuant to and in accordance with sections 200E and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the issue of up to 1,400,000 Performance Rights to Mr Stefan Murphy (and/or his nominees) on the terms and conditions detailed in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Stefan Murphy and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with a direction given to the Chairperson to vote on these Resolutions as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 these Resolutions; and
 - the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of Mr Stefan Murphy or any associate.

However, a person described above may cast a vote on this Resolution if:

- it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

4. Resolution 4 – Issue of Performance Rights to a Director – Mr Russell Clark

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

"That, pursuant to and in accordance with sections 200E and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the issue of up to 700,000 Performance Rights to Mr Russell Clark (and/or his nominees) on the terms and conditions detailed in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Russell Clark and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with a direction given to the Chairperson to vote on these Resolutions as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 these Resolutions; and
 - the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of Mr Russell Clark or any associate.

However, a person described above may cast a vote on this Resolution if:

- it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

5. Resolution 5 – Issue of Performance Rights to a Director – Ms Annie Guo

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

"That, pursuant to and in accordance with sections 200E and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the issue of up to 700,000 Performance Rights to Ms Annie Guo (and/or her nominees) on the terms and conditions detailed in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms Annie Guo and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on these Resolutions, in accordance with a direction given to the Chairperson to vote on these Resolutions as the Chairperson decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 these Resolutions; and
 - the holder votes on these Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of Ms Annie Guo or any associate.

However, a person described above may cast a vote on this Resolution if:

- it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

6. Resolution 6 – Issue of Options to a Director – Mr Stefan Murphy

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

"That, pursuant to and in accordance with sections 200E and 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the issue of up to 588,236 Options to Mr Stefan Murphy (and/or his nominees) on the terms and conditions detailed in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Stefan Murphy and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or an associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairperson of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of Mr Stefan Murphy or any associate.

However, a person described above may cast a vote on this Resolution if:

- it is cast as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and

- it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

7. Resolution 7 – Approval of 10% Placement Capacity

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and otherwise as set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the proposed issue or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 this Resolution; and
 - the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: As at the date of this Notice, it is not known who may participate in any Equity Securities issued under Resolution 7 and the Company has not approached any Shareholder or identified a class of existing Shareholders to participate in any issue of Equity Securities under the 10% Placement Capacity. Accordingly, no Shareholders are excluded from voting on Resolution 7.

8. Resolution 8 – Section 195 Approval

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

“That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 3 to 6 (inclusive)”

9. Other business

In accordance with section 250S(1) of the Corporations Act, Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

By order of the Board



Trevor O'Connor
Company Secretary
CZR Resources Ltd

16 October 2023

For personal use only

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Resolutions set out in the Notice. Capitalised terms used in the Notice and this Explanatory Statement are defined in the Glossary.

1. Proxies and Voting Entitlements

Note that:

- (a) a Shareholder 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;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders 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. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act, authorizing him or her to act as the company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 and 3 to 6 (inclusive) unless the Shareholder directs them how to vote or, in the case of the Chairperson, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairperson) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 and 3 to 6 (inclusive).

If a Shareholder intends to appoint the Chairperson as its proxy on Resolutions 1 and 3 to 6 (inclusive), Shareholders can direct the Chairperson how to vote by marking one of the boxes for Resolutions 1 and 3 to 6 (inclusive) (for example, if the Shareholder wishes to vote 'for', 'against' or 'abstain' from voting). If a Shareholder does not direct the Chairperson how to vote, the Shareholder is deemed to expressly authorise the Chairperson to vote as he sees fit on Resolutions 1 and 3 to 6 (inclusive) even though Resolutions 1 and 3 to 6 (inclusive) is connected to the remuneration of members of Key Management Personnel and even if the Chairperson has an interest in the outcome of that Resolution.

To vote by proxy, please complete and sign the Proxy Form enclosed and return in accordance with the instructions on the Proxy Form so that it is received by no later than 11.00pm (AWST) on Tuesday, 28 November 2023. Proxy Forms received later than this time will be invalid.

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (AWST) on Tuesday, 28 November 2023. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Meeting.

2. Annual Report for the financial year ended 30 June 2023

The Corporations Act requires the Annual Report of the Company for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions about, and make comments on, the Financial Report, the Directors Report and the Auditor's Report.

In accordance with section 250T of the Corporations Act, a representative of the Company's Auditor is anticipated to be in attendance to respond to any questions raised of the Auditor or on the Auditor's Report. Written questions to the Auditor must be submitted by Shareholders to the Company at least 5 business days prior to the Meeting.

3. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2023 is set out in the 2023 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for its Directors and senior management.

Section 250R(2) of the Corporations Act requires the Meeting to include a vote on the adoption of the Remuneration Report. Under section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, the Chairperson will provide a reasonable opportunity for discussion on the Remuneration Report at the Meeting.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Meeting, and then again at the Company's 2024 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2024 annual general meeting. All of the Directors who are in office when the Company's 2024 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election is approved will be the directors of the Company.

Resolution 1 is a non-binding resolution.

The Chairperson intends to exercise all undirected proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in

accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

4. Resolution 2 – Re-election of Russell Clark

Resolution 2 seeks Shareholder approval, under and for the purposes of clause 11.1(d) of the Constitution, for the re-election of Mr Russell Clark as a Director.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 11.1(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number), excluding the Managing Director.

Clause 11.1(d) of the Constitution states that a retiring Director is eligible for re-election. Accordingly, Mr Clark will retire as a Director at the Meeting and being eligible seeks re-election as a Director.

Russell Clark, who has served as a director since 10 September 2021 and was last re-elected on 24 November 2021, retires by rotation and seeks re-election.

Mr Clark has more than 45 years' global experience in board, senior corporate, operational and project development roles. He holds a Bachelor of Science (Hons) in Mineral Resources Engineering from the Royal School of Mines and a Graduate Diploma in Finance and Investment Analysis from the Securities Institute of Australia. Mr Clark is a Fellow of the Australian Institute of Company Directors (AICD).

Mr Clark's previous positions include Managing Director of ASX-listed Grange Resources from 2008 to 2012. In this role, he oversaw the DFS and permitting for the Southdown magnetite project near Albany in Western Australia. He also completed the transaction that brought the Savage River magnetite project into Grange, making it the largest Australian magnetite producer, and in the process transformed Grange into a \$1 billion company by market capitalisation. He is presently Chairman of Red 5 Limited and Pearl Gull Iron Limited and a Non-executive Director of ASX listed Tungsten Mining Limited.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Directors (excluding Mr Clark) recommend that Shareholders vote in favour of Resolution 2.

5. Resolutions 3 to 5 – Issue of Performance Rights to Directors

5.1 Background

Resolutions 3 to 5 seek Shareholder approval, under and for the purposes of sections 200E and 208 of the Corporations Act and Listing Rule 10.11, to issue an aggregate of 2,800,000 Performance Rights to Mr Stefan Murphy, to Mr Russell Clark and Ms Annie Guo (and/or their respective nominees) in the proportions detailed in this Section (**Director Performance Rights**).

The Director Performance Rights contemplated by Resolutions 3 to 5 are proposed to be issued to Mr Stefan Murphy, Mr Russell Clark and Ms Annie Guo (and/or their respective nominees) to align the long term goals of Mr Murphy, Mr Clark and Ms Guo with that of Shareholders and to establish an incentive for Mr Murphy, Mr Clark and Ms Guo to provide ongoing dedicated services to the Company. The Director Performance Rights are intended to provide remuneration to Mr Murphy, Mr Clark and Ms Guo that is linked to the performance of the Company.

Under the Company's current circumstances, the Directors consider that the incentive noted above, represented by the issue of Director Performance Rights, is a cost effective and efficient reward and incentive for Mr Murphy, Mr Clark and Ms Guo, as opposed to alternative forms of remuneration such as increasing the payment of cash compensation to the Directors to reflect market remuneration for directors in companies of a similar size and operations. In addition, the Directors consider it prudent to remunerate Mr Murphy, Mr Clark and Ms Guo by way of Director Performance Rights so as to preserve the cash reserves of the Company.

The Company proposes to issue the Director Performance Rights as follows:

Tranche	Holder and Number	Performance Condition	Expiry Date
One	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 12 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue
Two	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 24 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue

The full terms and conditions of the Director Performance Rights proposed to be issued to Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees) are set out in Appendix A.

5.2 Section 200B of the Corporations Act

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel. Mr Murphy, Mr Clark and Ms Guo are members of the Company's Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

A benefit includes automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the company.

The Board has formed the view that the ability under the terms and conditions of the Director Performance Rights for the Board to permit unvested Director Performance Rights to vest or continue to be held following cessation of employment at the discretion of the Board may constitute a benefit for the purposes of section 200B of the Corporations Act.

Accordingly, Resolutions 3 to 5 seek Shareholder approval for the purposes of section 200E of the Corporations Act for the potential retirement benefit which may arise in relation to the Director Performance Rights issued to Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees).

5.3 Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation

to the resolution in respect of any shares held by the related party or by an associate of the related party.

A "related party" includes a director of the company and "giving a financial benefit" is interpreted broadly. The issue of the Director Performance Rights to Mr Stefan Murphy, Mr Russell Clark and Ms Annie Guo (and/or their respective nominees) constitute the giving of a financial benefit to a related party.

The Company has determined to seek Shareholder approval under section 208 of the Corporations Act to allow the Company to issue the Director Performance Rights to Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees), on the terms set out in this Explanatory Statement.

5.4 Specific information required by Sections 200E and 219 of the Corporations Act

For the purposes of sections 200E and 219 of the Corporations Act, the following information is provided to Shareholders in relation to Resolutions 3 to 5:

(a) **The related parties to whom financial benefits will be given**

The financial benefits are proposed to be issued to the following parties:

- (i) Mr Stefan Murphy (and/or his nominees) pursuant to Resolution 3;
- (ii) Mr Russell Clark (and/or his nominees) pursuant to Resolution 4; and
- (iii) Ms Annie Guo (and/or her nominees) pursuant to Resolution 5.

(b) **The nature of the financial benefits**

Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees) are to be issued the Director Performance Rights on the following terms:

Tranche	Holder and Number	Performance Condition	Expiry Date
One	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 12 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue
Two	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 24 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue

Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees) are being issued the Director Performance Rights as a cost-effective and efficient reward to incentivise the continued performance of Mr Murphy, Mr Clark and Ms Guo. The Director Performance Rights are being issued in lieu of the Company increasing the fees paid to Directors so as to preserve the cash reserves of the Company. The Director Performance Rights will be granted to Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees) on the terms and conditions in Appendix A.

(c) **Directors' Recommendation and Directors' interest in the outcome**

Each of Mr Murphy, Mr Clark and Ms Guo abstain from making a recommendation regarding Resolutions 3 to 5 respectively as they have a material personal interest in the

outcome as the recipient of the Director Performance Rights and therefore believe it inappropriate to make a recommendation.

(d) **Valuation of Financial Benefits**

The value of the Director Performance Rights is dependent on the Share price and the number of Director Performance Rights that vest. For valuation purposes as at the date of the Notice, it is assumed that Mr Murphy, Mr Clark and Ms Guo remain on the Board for the:

- (i) 12 months required for the vesting of Tranche One Director Performance Rights; and
- (ii) 24 months required for the vesting of the Tranche Two Director Performance Rights,

such that all Director Performance Rights vest.

The value of the Director Performance Rights being issued is set out in the table below:

	Tranche One Director Performance Rights Valuation based on 13 October 2023 Inputs	Tranche Two Director Performance Rights Valuation based on 13 October 2023 Inputs
Number of Director Performance Rights	1,400,000	1,400,000
Underlying share price ¹	0.018	0.018
Conversion price	\$nil	\$nil
Expiry date (years)	4 Years	4 Years
Estimated % of Tranche One Director Performance Rights expected to vest after 12 months of issue	100%	N/A
Estimated % of Tranche Two Director Performance Rights expected to vest after 24 months of issue	N/A	100%
Value per Performance Right for both Tranche One and Tranche Two Options	\$0.018	\$0.018
Total value¹	\$252,000	\$252,000

Note:

1. Based on the closing price of the Shares at 13 October 2023.

The amount or value of the termination benefit relating to the Director Performance Rights pursuant to Resolutions 3 to 5 to be held by Mr Murphy, Mr Clark and Ms Guo (and/or

their respective nominees) which may arise in connection with their retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (i) the number of Director Performance Rights held prior to ceasing employment;
- (ii) the outstanding conditions (if any) of vesting and exercise of the Director Performance Rights and the number that the Board determines to (or which automatically) vest, forfeit or leave on foot;
- (iii) the personal performance of the relevant Director;
- (iv) the portion of the relevant performance periods for Director Performance Rights that have expired at the time the relevant Director ceases employment or engagement;
- (v) the circumstances of, or reasons for, ceasing employment with the Company;
- (vi) the length of service with the Company and performance over that period of time;
- (vii) any other factors that the Board determines to be relevant when exercising its discretion to provide potential retirement benefits to the relevant Director;
- (viii) the market price of the Shares on ASX at the relevant time when the amount or value of the Director Performance Rights is determined;
- (ix) any changes in law; and
- (x) the risk free rate of return in Australia and the estimated volatility of the Shares on ASX at the relevant time.

(e) **Disclosure of a relevant director's total remuneration package**

The current remuneration (inclusive of superannuation) for Mr Murphy, Mr Clark and Ms Guo in the current financial year (presuming all are employed for the whole year and there is no change to their remuneration) is as follows:

Director	Annual Director's Fees and Salary \$
Stefan Murphy ¹	342,399
Russell Clark ²	87,413
Annie Guo ³	56,700

Notes:

1. The current security holdings of Mr Murphy is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolutions 3 and 6, Mr Murphy would also be issued 1,400,000 Performance Rights and 588,236 Options.
2. The current security holdings of Mr Clark is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolution 4, Mr Clark would also be issued 700,000 Performance Rights.
3. The current security holdings of Ms Gou is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolution 5, Mr Gou would also be issued 700,000 Performance Rights.

(f) **Related parties existing interest**

The current security holdings in the Company of Mr Murphy, Mr Clark and Ms Guo are as follows:

Director	Shares	Options	Performance Rights ²
Stefan Murphy	-	3,529,414 ¹	-
Russell Clark	-	2,352,942	147,059
Annie Guo	-	1,764,706	110,295

Note:

- Does not include Director Options proposed to be issued to a Director pursuant to Resolution 6; and
- Does not include Director Performance Rights proposed to be issued to a Director pursuant to Resolutions 3 to 5.

(g) Dilution effect of issue of securities contemplated by Resolutions 3 to 5

If all the Director Performance Rights subject to Resolutions 3 to 5 are converted into Shares a total of 2,800,000 Shares would be issued, which will result in a dilution of all other Shareholder's holding in the Company of approximately 1.17% based on issued Shares at the date of the Notice.

(h) Voting exclusion statement

A voting exclusion statement is included in the Notice for the purposes of Resolutions 3 to 5.

(i) Other information

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolutions 3 to 5.

5.5 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

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

unless it obtains the approval of its shareholders.

The issue of Director Performance Rights to Mr Stefan Murphy, Mr Russell Clark and Ms Annie Guo (and/or their respective nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under Listing Rule 10.11. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

Resolutions 3 to 5 seek the required Shareholder approval to the issue of Director Performance Rights to Mr Murphy, Mr Clark and Ms Guo (and/or their respective nominees) under and for the purposes of Listing Rule 10.11.

If Resolution 3 is passed, the Company will be able to proceed with the issue of 1,400,000 Director Performance Rights to Mr Murphy (and/or his nominees). If Resolution 3 is not passed, the Company will not be able proceed with the issue of 1,400,000 Performance Rights to Mr Murphy (and/or his nominees) and may consider alternative forms of remuneration for Mr Murphy in lieu of such issue.

If Resolution 4 is passed, the Company will be able to proceed with the issue of 700,000 Director Performance Rights to Mr Clark (and/or his nominees). If Resolution 4 is not passed, the Company will not be able proceed with the issue of 700,000 Performance Rights to Mr Clark (and/or his nominees) and may consider alternative forms of remuneration for Mr Clark in lieu of such issue.

If Resolution 5 is passed, the Company will be able to proceed with the issue of 700,000 Performance Rights to Ms Guo (and/or her nominees). If Resolution 5 is not passed, the Company will not be able proceed with the issue of 700,000 Performance Rights to Ms Guo (and/or her nominees) and may consider alternative forms of remuneration for Ms Guo in lieu of such issue.

5.6 Listing Rule 10.13 Information

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 3 to 5:

(a) **The name of the allottees of the securities**

- (i) Mr Stefan Murphy (and/or his nominees) pursuant to Resolution 3;
- (ii) Mr Russell Clark (and/or his nominees) pursuant to Resolution 4; and
- (iii) Ms Annie Guo (and/or her nominees) pursuant to Resolution 5.

(b) **Relationship that requires Shareholder approval**

Mr Murphy, Mr Clark and Ms Guo are related parties of the Company under Listing Rule 10.11.1 by virtue of being Directors.

(c) **Maximum number and class of securities to be issued**

The maximum number and key terms of the Director Performance Rights to be issued are as follows:

Tranche	Holder and Number	Performance Condition	Expiry Date
One	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 12 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue
Two	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 24 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue

(d) Date by which the entity will issue the securities

The Director Performance Rights will be issued as soon as possible after the Meeting and in any event, no later than 1 month after the Meeting.

(e) The terms of the securities

The Director Performance Rights will be issued on the terms and conditions set out in this Explanatory Statement and in Appendix A.

(f) Issue price of the securities

The Director Performance Rights will be issued for nil cash consideration.

(g) Purpose of the issue of securities

No funds will be raised through the issue of the Director Performance Rights under Resolutions 3 to 5. The Director Performance Rights are being issued to align the long term goals of Mr Murphy, Mr Clark and Ms Guo with that of Shareholders and to establish an incentive for Mr Murphy, Mr Clark and Ms Guo to provide ongoing dedicated services to the Company.

(h) Disclosure of a relevant director's total remuneration package

The total remuneration packages (inclusive of superannuation) at the date of the Notice are detailed below:

Director	Annual Director's Fees and Salary \$
Stefan Murphy ¹	342,399
Russell Clark ²	87,413
Annie Guo ³	56,700

Notes:

1. The current security holdings of Mr Murphy is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolutions 3 and 6, Mr Murphy would also be issued 1,400,000 Performance Rights and 588,236 Options.
2. The current security holdings of Mr Clark is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolution 4, Mr Clark would also be issued 700,000 Performance Rights.
3. The current security holdings of Ms Gou is disclosed in Section 5.4(f). Subject to Shareholder approval pursuant to Resolution 5, Mr Gou would also be issued 700,000 Performance Rights.

(i) Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolutions 3 to 5.

5.7 Additional information

- (a) Resolutions 3 to 5 are **ordinary resolutions**.
- (b) The Board (excluding Mr Stefan Murphy) recommends that Shareholders vote in favour of Resolution 3.
- (c) The Board (excluding Mr Russell Clark) recommends that Shareholders vote in favour of Resolution 4.
- (d) The Board (excluding Ms Annie Guo) recommends that Shareholders vote in favour of Resolution 5.
- (e) The Chairperson intends to exercise all available proxies in favour of Resolutions 3 to 5.

6. Resolution 6 – Issue of Director Options to Stefan Murphy

6.1 Background

Resolution 6 seeks Shareholder approval, under and for the purposes of sections 200E and 208 of the Corporations Act and Listing Rule 10.11, to issue an aggregate of 588,236 Options to Mr Stefan Murphy (and/or his nominees) (**Director Options**).

The Director Options contemplated by Resolution 6 are proposed to be issued to Mr Stefan Murphy (and/or his nominees) to align the long term goals of Mr Murphy with that of Shareholders and to establish an incentive for Mr Murphy to provide ongoing dedicated services to the Company. The Director Options are intended to provide remuneration to Mr Murphy (and/or his nominees) that is linked to the performance of the Company. The benefit would only be received from the Director Options upon the Share price exceeding the exercise price of the Director Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive noted above, represented by the issue of Director Options, is a cost effective and efficient reward and incentive for Mr Murphy, as opposed to alternative forms of incentive such as the payment of cash compensation only. In addition, the Directors consider it prudent to remunerate Mr Murphy by way of Director Options so as to preserve the cash reserves of the Company.

The Company proposes to issue the Director Options to Stefan Murphy as follows:

Tranche	Number	Vesting Condition	Exercise Price (\$)	Expiry Date
Tranche 1	294,118	Vesting on a financial investment decision (FID) by the Board to proceed with the development of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Tranche 2	294,118	Vesting on the commencement of the sale of direct shipping ore (First Shipment) of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Total	588,236			

If all of the 588,236 Director Options are exercised then based on the Company's current Shares on issue, the Director Options would represent only 0.25% of the issued capital of the Company.

The full terms and conditions of the Director Options proposed to be issued to Mr Murphy (and/or his nominees) are set out in Appendix B.

6.2 Section 200B of the Corporations Act

As discussed above, in accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from office, the Company must obtain Shareholder approval in the manner set out in section 200E of the Corporations Act.

A benefit includes automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the company.

The Board has formed the view that the ability under the terms and conditions of the Director Options for the Board to permit unvested Director Options to vest or continue to be held following cessation of employment at the discretion of the Board may constitute a benefit for the purposes of section 200B of the Corporations Act.

Accordingly, Resolution 6 seeks Shareholder approval for the purposes of section 200E of the Corporations Act for the potential retirement benefit which may arise in relation to the Director Options issued to Mr Murphy (and/or his nominees).

6.3 Section 208 of the Corporations Act

As discussed above, section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

A "related party" includes a director of the company and "giving a financial benefit" is interpreted broadly. The issue of the Director Options to Mr Stefan Murphy (and/or his nominees) constitutes the giving of a financial benefit to a related party.

The Company has determined to seek Shareholder approval under section 208 of the Corporations Act to allow the Company to issue the Director Options to Mr Murphy (and/or his nominees), on the terms set out in this Explanatory Statement.

6.4 Specific information required by Sections 200E and 219 of the Corporations Act

For the purposes of sections 200E and 219 of the Corporations Act, the following information is provided to Shareholders in relation to Resolution 6:

(a) **The related parties to whom financial benefits will be given**

The financial benefits are proposed to be issued to the following party:

- (i) Mr Stefan Murphy (and/or his nominees)

(b) **The nature of the financial benefits**

Mr Murphy (and/or his nominees) are to be issued the Director Options on the following terms:

Tranche	Number	Vesting Condition	Exercise Price (\$)	Expiry Date
Tranche 1	294,118	Vesting on a financial investment decision (FID) by the Board to proceed with the development of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Tranche 2	294,118	Vesting on the commencement of the sale of direct shipping ore (First Shipment) of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Total	588,236			

Mr Murphy (and/or his nominees) are being issued the Director Options as a cost-effective and efficient reward to incentivise his performance. The Director Options will be granted to Mr Murphy (and/or his nominees) on the terms and conditions in Appendix B.

(c) **Directors' Recommendation and Directors' interest in the outcome**

The Board (excluding Mr Stefan Murphy) recommends that Shareholders vote in favour of Resolution 6.

Mr Stefan Murphy abstains from making a recommendation regarding Resolution 6 as he has a material personal interest in the outcome as the recipient of the Director Options and therefore believes it inappropriate to make a recommendation.

(d) **Valuation of Financial Benefits**

The value of the Director Options as at the date of the Notice is set out in the table below:

The value of the benefit of the Director Options is determined by the Black-Scholes valuation in accordance with the following assumptions and inputs on 11 October 2023.

	Director Options Valuation based on 13 October 2023 Inputs
Number of Director Options	588,236
Underlying share price ¹	0.18
Exercise price	\$0.000017
Expected volatility	86.83%
Expiry date (years)	4 Years
Expected dividends	\$nil
Risk free rate	4.00%
Value per Option	\$0.18
Total value¹	\$105,874

Note:

1. Based on the closing price of the Shares at 13 October 2023.

The amount or value of the termination benefit relating to the Director Options pursuant to Resolution 6 to be held by Mr Murphy (and/or his nominee(s)) which may arise in connection with his retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to affect the calculation of that amount or value include:

- (i) the number of Director Options held prior to ceasing employment;
- (ii) the outstanding conditions (if any) of vesting and exercise of the Director Options and the number that the Board determines to (or which automatically) vest, forfeit or leave on foot;

- (iii) the personal performance of Mr Murphy;
- (iv) the portion of the relevant performance periods for Director Options that have expired at the time Mr Murphy ceases employment or engagement;
- (v) the circumstances of, or reasons for, ceasing employment with the Company;
- (vi) the length of service with the Company and performance over that period of time;
- (vii) any other factors that the Board determines to be relevant when exercising its discretion to provide potential retirement benefits to Mr Murphy;
- (viii) the market price of the Shares on ASX at the relevant time when the amount or value of the Director Options is determined;
- (ix) any changes in law; and
- (x) the risk free rate of return in Australia and the estimated volatility of the Shares on ASX at the relevant time.

(e) **Disclosure of a relevant director's total remuneration package**

The current remuneration (inclusive of superannuation) for Mr Stefan Murphy in the current financial year (presuming he is employed for the whole year and there is no change to his remuneration) is as follows:

Director	Annual Director's Fees and Salary \$
Stefan Murphy ¹	342,399

Notes:

1. The current security holdings of Mr Murphy is disclosed in Section 6.4(f). Subject to Shareholder approval pursuant to Resolutions 3 and 6, Mr Murphy would also be issued 1,400,000 Performance Rights and 588,236 Options.

(f) **Related parties existing interest**

The current security holdings in the Company of Mr Stefan Murphy is as follows:

Director	Shares	Options ¹	Performance Rights ²
Stefan Murphy	-	3,529,414	-

Note:

1. Does not include Options proposed to be issued to a Director pursuant to Resolution 6.
2. Does not include the Performance Rights to be issued to a Director pursuant to Resolution 3.

(g) **Dilution effect of issue of securities contemplated by Resolution 6**

If all the Director Options subject to Resolution 6 are converted into Shares a total of 588,236 Shares would be issued, which will result in a dilution of all other Shareholder's holding in the Company of approximately 0.25% based on issued Shares at the date of the Notice.

(h) **Voting exclusion statement**

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

(i) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not to vote in favour of Resolution 6.

6.5 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

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

unless it obtains the approval of its shareholders.

The issue of Director Options to Mr Stefan Murphy (and/or his nominees) falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under Listing Rule 10.11. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

Resolution 6 seeks the required shareholder approval to the issue of Director Options to Mr Stefan Murphy (and/or his nominees) under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of 588,236 Options to Mr Murphy (and/or his nominees). If Resolution 6 is not passed, the Company will not be able to proceed with the issue of 588,236 Options to Mr Murphy (and/or his nominees) and may consider alternative forms of remuneration for Mr Murphy in lieu of such issue.

6.6 Listing Rule 10.13 Information

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 6:

(a) **The name of the allottees of the securities**

- (iv) Mr Stefan Murphy (and/or his nominees).

(b) **Relationship that requires Shareholder approval**

Mr Murphy is a related party of the Company under Listing Rule 10.11.1 by virtue of being a Director.

(c) **Maximum number and class of securities to be issued**

The maximum number and key terms of the Director Options to be issued to Mr Stefan Murphy are as follows:

Tranche	Number	Vesting Condition	Exercise Price (\$)	Expiry Date
Tranche 1	294,118	Vesting on a financial investment decision (FID) by the Board to proceed with the development of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Tranche 2	294,118	Vesting on the commencement of the sale of direct shipping ore (First Shipment) of the Company's Robe Mesa Project.	0.000017	4 years from the date of issue
Total	588,236			

(d) **Date by which the entity will issue the securities**

The Director Options will be issued as soon as possible after the Meeting and in any event, no later than 1 month after the Meeting.

(e) **The terms of the securities**

The Director Options will be issued on the terms and conditions set out in this Explanatory Statement and in Appendix B.

(f) **Issue price of the securities**

The Director Options will be issued for nil cash consideration.

(g) **Purpose of the issue of the securities**

No funds will be raised through the issue of the Director Options under Resolution 6. The Director Options are being issued to align the long term goals of Mr Murphy with that of Shareholders and to establish an incentive for Mr Murphy to provide ongoing dedicated services to the Company.

(h) **Disclosure of a relevant director's total remuneration package**

The total remuneration packages (inclusive of superannuation) at the date of the Notice are detailed below:

Director	Annual Director's Fees and Salary \$
Stefan Murphy ¹	342,399

Notes:

- The current security holdings of Mr Murphy is disclosed in Section 6.4(f). Subject to Shareholder approval pursuant to Resolutions 3 and 6, Mr Murphy would also be issued 1,400,000 Performance Rights and 588,236 Options.

(i) **Voting exclusion statement**

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

6.7 Additional information

- (a) Resolution 6 is an **ordinary resolution**.
- (b) The Board (excluding Mr Stefan Murphy) recommends that Shareholders vote in favour of Resolution 6.
- (c) The Chairperson intends to exercise all available proxies in favour of Resolution 6.

7. Resolution 7 – Approval of 10% Placement Facility

7.1 Background

Resolution 7 is a **special resolution** to approve the Company's ability to utilise the additional 10% placement capacity available under Listing Rule 7.1A for the next 12 months.

This Resolution 7 will be passed by Shareholders as a special resolution if 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are in favour of it.

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to enable the Company's to issue Equity Securities under the 10% Placement Facility over the next 12 months.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% Placement Facility to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

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

As at the date of the Notice, the Company has the following quoted Equity Securities on issue:

- 235,734,646 ordinary shares.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement:

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

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **ASX Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 7.2(c) above).

(e) **Effect of Resolution 7**

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 7.2(c) above).

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the Additional 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.3 Specific Information Required by ASX Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility.

(a) **Effective period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) The time and date of the Company's next annual general meeting; or
- (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

(10% Placement Period).

(b) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in section (i), the date on which the Equity Securities are issued.

(c) **Purpose of issue**

The Company may only issue Equity Securities under the 10% Placement Facility for cash consideration, which it may do to fund any one or more of the following:

- (i) general working capital expenses;
- (ii) activities associated with its current exploration projects generally;
- (iii) repayment of debt; and
- (iv) acquisition and investment in new assets (including associated expenses).

The Company will disclose this information when Equity Securities are issued under the 10% Placement Facility.

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

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- a. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- b. the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- i. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at future meetings of Shareholders; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.09 50% decrease in market price	\$0.18 current market price	\$0.27 50% increase in market price
Current variable "A" 235,734,646	10% voting dilution	23,573,465 Shares	23,573,465 Shares	23,573,465 Shares
	Funds raised	\$2,121,612	\$4,243,224	\$6,364,835
50% increase in current variable "A" 353,601,969	10% voting dilution	35,360,197 Shares	35,360,197 Shares	35,360,197 Shares
	Funds raised	\$3,182,418	\$6,364,835	\$9,547,253
100% increase in current variable "A" 471,469,292	10% voting dilution	47,146,929 Shares	47,146,929 Shares	47,146,929 Shares
	Funds raised	\$4,243,224	\$8,486,447	\$12,729,671

Notes and assumptions

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The issue price is \$0.18, being the closing price of the Shares on the ASX on 13 October 2023.

i. Final date for issue

The Company will only issue the Equity Securities during the 10% Placement Period. See Section 7.3(a) above.

ii. **Purposes of issues under 10% Placement Facility**

The Company may seek to issue the Equity Securities under the 10% Placement Facility to raise funds for working capital and the exploration and development of its existing projects including the Yarraloola, Yarrie, Shepherds Well, Croydon and Buddadoo projects.

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

iii. **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom the Equity Securities will be issued will be determined on a case-by-case basis having regard to factors which include the following:

- a. the purpose of the issue;
- b. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
- c. the effect of the issue of the Equity Securities on the control of the Company;
- d. the financial situation and solvency of the Company;
- e. prevailing market conditions; and
- f. advice from corporate, financial and broking advisers (if applicable).

The persons to be issued Equity Securities under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be sophisticated or professional investors for the purposes of section 708 of the Corporations Act who are not related parties or associates of a related party of the Company.

Shareholder approval was previously obtained pursuant to Listing Rule 7.1A on 25 November 2022 (at the 2022 Annual General Meeting).

iv. **Issues in the past 12 months under Listing Rule 7.1A.2**

The Company has not issued any Equity Securities under Listing Rule 7.1A in the previous 12 months.

v. **Voting exclusion statement**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7.4 Additional information

- (a) Resolution 7 is a **special resolution**.
- (b) The Board recommends that Shareholders vote in favour of Resolution 7.

(c) The Chairperson intends to exercise all available proxies in favour of Resolution 7.

8. Resolution 8 – Section 195 Approval

In accordance with section 195(1) of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors may have a material personal interest in the outcome of Resolutions 3 to 6 (inclusive).

In the absence of this Resolution 8, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 3 to 6 (inclusive).

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 8 is an **ordinary resolution**.

For personal use only

GLOSSARY

In the Notice and Explanatory Statement, the following terms have the following meanings:

\$	Australian dollars, being the lawful currency of Australia.
10% Placement Facility	has the meaning given in Section 7.1.
10% Placement Period	has the meaning given in Section 7.3(a).
Appendix	an appendix to the Explanatory Statement.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
ASX Listing Rules or Listing Rules	the Listing Rules of ASX.
AWST	Australian Western Standard Time.
Board	the board of Directors.
Business Day	a business day as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.
Chairperson	the chairperson of the Meeting.
Closely Related Party	of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) 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;(e) a company the member controls; or(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.
Company	CZR Resources Ltd (ACN 112 866 869).
Constitution	the constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Director Options	has the meaning given in Section 6.1.

Director Performance Rights	has the meaning given in Section 5.1.
Equity Securities	has the meaning given in the Listing Rules.
Explanatory Statement	the explanatory statement incorporated in 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.
Listing Rules	the ASX Listing Rules published and distributed by ASX.
Meeting	the annual general meeting convened by this Notice.
Notice	the notice of general meeting incorporating the Explanatory Statement.
Option	an option to acquire a Share (which includes the Director Options).
Option Holder	a holder of an Option.
Performance Right	a right to acquire a Share, subject to satisfaction of any vesting conditions.
Proxy Form	the proxy form attached to the Notice.
Resolution	a resolution contained in the Notice.
Section	a section contained in the Explanatory Statement.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of a Share.
Takeover Bid	a takeover bid (as defined in the Corporations Act) to acquire Shares.
Voting Power	has the meaning given to that term in section 9 of the Corporations Act.

APPENDIX A

TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS

The key terms and conditions of the Director Performance Rights are set out below:

- (a) **(Performance Condition and Expiry Date):** The Director Performance Rights shall be subject to the following **Performance Condition** and shall have the following **Expiry Date**:

Tranche	Holder and Number	Performance Condition	Expiry Date
One	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 12 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue
Two	Stefan Murphy – 700,000 Russell Clark – 350,000 Annie Guo – 350,000	Vest 24 months after issue, if the holder remains a director of CZR Resources Ltd.	4 years from the date of issue

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Performance Condition has been satisfied (**Vesting Notification**).
- (c) **(Conversion):** Subject to paragraph (q), following the vesting of a Performance Right, a Performance Right is exercisable by the holder prior to the Expiry Date by providing the Company a notice of exercise specifying the number of vested Director Performance Rights to be exercised and converted into Shares at the holder's election (**Notice of Exercise**).

Upon receipt of a Notice of Exercise from the Participant, the Company must allot and issue, or transfer, the number of fully paid ordinary shares in the Company (**Shares**) for which the Participant is entitled to acquire upon satisfaction of the Performance Condition for the relevant number of Director Performance Rights held in accordance with paragraph (k).

- (d) **(Change of Control)** In the circumstance of a Change of Control occurring, the relevant Performance Condition is deemed to be automatically satisfied and each Performance Right will, at the election of the holder, convert into one Share.

A **Change of Control** includes the occurrence of any of the following events:

- (i) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (such as a change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (ii) a Takeover Bid (as defined under section 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**)):
- A. is announced;
- B. has become unconditional; and

- C. the person making the Takeover Bid has a relevant interest in 50% or more of the Company's shares;
 - (iii) any person acquires a relevant interest in 50.1% or more of the Company's shares by any other means; or
 - (iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- (e) **(Lapse of a Performance Rights):** Any Director Performance Right that has not been converted into a Share prior to the Expiry Date specified in paragraph (a) will automatically lapse.
- (f) **(Fraudulent or dishonest action):** If a holder ceases to be a Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:
- (i) the Board must deem any unvested Director Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (ii) any Director Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the Performance Condition has previously been met, and any Shares issued on satisfaction of the applicable Performance Condition will remain the property of the holder.
- (g) **(Ceasing to be a Director):** If a holder ceases to be a Director of the Company in circumstances where the cessation or termination arises because the holder:
- (i) voluntarily resigns his or her position;
 - (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
 - (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
 - (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute,
- then:
- (v) unless the Board decides otherwise in its absolute discretion, will deem any unvested Director Performance Rights of the holder to have immediately lapsed and be forfeited; and
 - (vi) any Director Performance Rights that have vested will continue in existence in accordance with their terms of issue only if the Performance Condition has previously been met and any Shares issued on satisfaction of the Performance Condition will remain the property of the holder.
- (h) **(Other circumstances):** The Director Performance Rights will not lapse and be forfeited where the holder ceases to be a Director of the Company for one of the following reasons:

- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to continue to act in their capacity as a Director of the Company for a period beyond one year); or
- (ii) any other reason, other than a reason listed in paragraphs (f) and (g) (not including (g)(v), in which case the Board may exercise its absolute discretion to allow the holder to retain their Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Director Performance Rights,

and in those circumstances the Director Performance Rights will continue to be subject to the Performance Conditions, unless the Board exercises its absolute discretion to waive the Performance Conditions. In the event of death or total permanent disability pursuant to paragraph (h)(i), the Director Performance Rights shall vest and may be transferred to the holder's estate or legal personal representative.

- (i) **(Share ranking):** All Shares issued upon the conversion of Director Performance Rights on satisfaction of the applicable Performance Condition will upon issue rank pari passu in all respects with other Shares.
- (j) **(Application to ASX)** The Director Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (k) **(Timing of issue of Shares on Conversion):** Within 5 Business Days of the receipt of a Notice of Exercise from the holder, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Director Performance Rights converted;
 - (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 conversion of the Director Performance Rights.

If a notice delivered under (k)(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.

- (l) **(Transfer of Performance Rights):** The Director Performance Rights are not transferable.
- (m) **(Participation in new issues)** A Director Performance Right does not entitle a holder (in their capacity as a holder of a Director Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (n) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing

Rules and the Corporations Act at the time of reorganisation.

- (o) **(Adjustment for bonus issue)** If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Director Performance Rights to which each holder is entitled, or any amount payable on vesting of the Director Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (p) **(Dividend and Voting Rights):** The Director Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (q) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Director Performance Right would result in any person being in contravention of section 606(1) of the Corporations Act (General Prohibition) then the conversion of that Director Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Director Performance Right would result in a contravention of the General Prohibition:
- (i) holders may give written notification to the Company if they consider that the conversion of a Director Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Director Performance Right will not result in any person being in contravention of the General Prohibition; and
 - (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (q)(i) within seven days if the Company considers that the conversion of a Director Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Director Performance Right will not result in any person being in contravention of the General Prohibition.
- (r) **(No rights to return of capital)** A Director Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (s) **(Rights on winding up)** A Director Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (t) **(Tax Deferral)** For the avoidance of doubt, Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) which enables tax deferral on performance rights, applies (subject to the conditions in that Act) to the Director Performance Rights.
- (u) **(No other rights)** A Director Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

APPENDIX B

TERMS AND CONDITIONS OF OPTIONS

The key terms and conditions of the Options are set out below:

- (a) Each Option shall entitle the holder (**Option Holder**) the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- (b) The exercise price of each Option is \$0.000017 per Option (**Exercise Price**) subscribed for on exercise of each Option.
- (c) (**Vesting Condition**): The Options will vest upon the satisfaction of the following conditions:

Tranches	Number	Vesting Condition
Tranche 1	294,118	Vesting on a financial investment decision (FID) by the Board to proceed with the development of the Company's Robe Mesa Project.
Tranche 2	294,118	Vesting on the commencement of the sale of direct shipping ore (First Shipment) of the Company's Robe Mesa Project.

In the event that a greater than 50% interest in the Robe Mesa Project is transacted to a third party, subject to the terms of the Zanthus Resources Pty Ltd Joint Venture Agreement, Board approval and any required regulatory approvals, tranches 1 to 2 above will vest.

- (d) (**Notification to Option Holder**): The Company shall notify the Option Holder in writing when the relevant Vesting Condition has been satisfied (**Vesting Notification**).
- (e) (**Expiry Date**): Each Option will expire 4 years from the date of issue (**Option Expiry Date**). Subject to the satisfaction of the relevant Vesting Condition, each Option may be exercised at any time prior to 5.00pm AWST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- (f) (**Exercise**): A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (**Notice of Exercise**). Upon receipt of a Vesting Notification from the Company, Options may be exercised by the Option Holder completing the Notice of Exercise and forwarding the same to the Company Secretary of the Company.

The Notice of Exercise must state the number of Options exercised and the consequent number of fully paid ordinary shares in the Company (**Shares**) in the capital of the Company to be allotted. The Notice of Exercise by an Option Holder must be accompanied by payment in full of the relevant number of Options being exercised, being the Exercise Price per Option.

Upon receipt of a Notice of Exercise from the Option Holder, the Company must allot and issue, or transfer, the relevant number of Shares for which the Option holder is entitled to acquire upon exercise in accordance with paragraph (k).

On exercise of Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement with respect to those Options being exercised.

- (g) **(Change of Control)** In the circumstance of a Change of Control occurring the Vesting Condition is deemed to be automatically satisfied and each Option is, at the election of the Option Holder, capable of being exercised into a Share.

A **Change of Control** includes the occurrence of any of the following events:

- (i) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (such as a change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (ii) a Takeover Bid (as defined under section 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**)):
- A. is announced;
 - B. has become unconditional; and
 - C. the person making the Takeover Bid has a relevant interest in 50% or more of the Company's Shares;
- (iii) any person acquires a relevant interest in 50.1% or more of the Company's Shares by any other means; or
- (iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- (h) **(Ceasing to be an Employee)**: Unvested Options will automatically lapse and be forfeited if during the vesting period, Stefan Murphy (Employee):
- (i) voluntarily resigns from employment with the Company, otherwise than to take up employment with a related body corporate (as that term is defined in the Corporations Act) of the Company (**Group Company**);
- (ii) is dismissed from employment with the Company for any one or more of the following reasons;
- A. material breach of the terms of any contract of employment;
 - B. gross negligence;
 - C. other conduct justifying termination of employment without notice either under the Employees contract of employment or at common law; or
 - D. the Employee ceases his or her employment, for any reason and commences employment, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment;

Options that are subject to a vesting period will not lapse and will not be forfeited if the Employee ceases employment or is removed from his or her position in the following circumstances:

- (i) death of the Employee;
- (ii) permanent disablement of the Employee, or any other circumstances which the Board considers should be treated as permanent disablement;
- (iii) retirement of the Employee from all employment;
- (iv) employee redundancy; or
- (v) where the Board in its absolute discretion determines that the Employee may maintain his/her right to exercise the Options.

- (i) **(Share ranking)**: Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, upon issue rank pari passu in all respects with other Shares.
- (j) **(Quotation)** The Options will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of an Option on ASX within the time period required by the ASX Listing Rules.
- (k) **(Timing of issue of Shares on Exercise)**: Within 5 Business Days of the receipt of a Notice of Exercise from the Option Holder, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options exercised;
 - (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 conversion of the Options.

If a notice delivered under paragraph (k)(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.

- (l) **(Transfer of Options)**: The Options are not transferable.
- (m) **(Participation in new issues)** There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised.
- (n) **(Adjustment for reorganisation)** If at any time the issued capital of the Company is reconstructed, all rights of an Option Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of the reorganisation.

- (o) **(Adjustment for rights issues):** If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of Shares, the exercise price of each Option shall be amended in accordance with the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- p = the average market price per share (weighed by reference to volume) of the underlying Shares to which the Option Holder is entitled.
- S = the subscription price for a share under the pro rata issue.
- D = any dividend due but not yet paid on the existing underlying share (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.

If the Company is listed upon ASX, the reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provision of the ASX Listing Rules.

- (p) **(Adjustment for bonus issues):** If the Company makes a bonus issue or other securities convertible into Shares pro rata to holders of Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.
- (q) **(Dividend and Voting Rights):** An Option Holder will not be entitled to receive dividends or vote at any meetings of the members of the Company unless they are members of the Company.
- (r) **(No rights to return of capital)** An Option does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (s) **(Rights on winding up)** An Option does not entitle the Option Holder to participate in the surplus profits or assets of the Company upon winding up.
- (t) **(Tax Deferral)** For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on Options, applies (subject to the conditions in that Act) to the Options.

- (u) **(No other rights)** An Option gives the Option Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Your proxy voting instruction must be received by **11.00am (AWST) on Tuesday, 28 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

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 Shareholders 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 Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

