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## **HANNANS LTD**

**ACN 099 862 129**

### **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am

**DATE:** Friday, 26 November 2021

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

Hannans 2021 Annual Report can be viewed at [www.hannans.com](http://www.hannans.com)

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

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

**The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm on 24 November 2021.**

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## IMPORTANT INFORMATION

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### Voting in person

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

### Voting by proxy

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the

member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9324 3388.**

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## GLOSSARY

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\$ means Australian dollars.

**7.1A Mandate** has the meaning given in Section 6.1.

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

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

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Hannans Ltd (ACN 099 862 129).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel (KMP)** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party Option** means an Option on the terms and conditions set out in Schedule A.

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2021.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A.2.

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

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."*

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

#### Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JONATHAN MURRAY

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Jonathan Murray, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAMIAN HICKS

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Damian Hicks, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

#### Voting Exclusion applicable to Resolution 4 to 8:

The Company will disregard any votes cast in favour of Resolutions 4 to 8 by or on behalf of any Directors, other than any Directors who are ineligible to participate in any employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 4 to 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy or attorney for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy 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 the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### Voting Prohibition Statement applicable to Resolution 4 to 8:

A vote on Resolution 4 to 8 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### 5. RESOLUTION 4 – ISSUE OF RELATED PARTY OPTIONS – DAMIAN HICKS

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

*"That, subject to the passing of Resolutions 3, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 105,000,000 Related Party Options to Damian Hicks (or his nominee) under the Company's Directors' Equity Plan (the **Plan**) approved on 17 October 2019 on the terms and conditions set out in the Explanatory Statement."*

#### 6. RESOLUTION 5 – ISSUE OF RELATED PARTY OPTIONS – JONATHAN MURRAY

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

*"That, subject to the passing of Resolutions 2, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 15,000,000 Related Party Options to Jonathan Murray (or his nominee) under the Company's Directors' Equity Plan (the **Plan**) approved on 17 October 2019 on the terms and conditions set out in the Explanatory Statement."*

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7. **RESOLUTION 6 – ISSUE OF RELATED PARTY OPTIONS – MARKUS BACHMANN**

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 15,000,000 Related Party Options to Markus Bachmann (or his nominee) under the Company’s Directors’ Equity Plan (the **Plan**) approved on 17 October 2019 on the terms and conditions set out in the Explanatory Statement.”*

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8. **RESOLUTION 7 – ISSUE OF RELATED PARTY OPTIONS – CLAY GORDON**

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 15,000,000 Related Party Options to Clay Gordon (or his nominee) under the Company’s Directors’ Equity Plan (the **Plan**) approved on 17 October 2019 on the terms and conditions set out in the Explanatory Statement.”*

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9. **RESOLUTION 8 – ISSUE OF RELATED PARTY OPTIONS – AMANDA SCOTT**

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 15,000,000 Related Party Options to Amanda Scott (or his nominee) under the Company’s Directors’ Equity Plan (the **Plan**) approved on 17 October 2019 on the terms and conditions set out in the Explanatory Statement.”*

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10. **RESOLUTION 9 – TRANSACTION WITH CRITICAL METALS LTD**

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

*“That approval is given for the Company to undertake the Transaction on the terms and conditions set out in the Explanatory Statement.”*

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11. **RESOLUTION 10 – APPROVAL OF 7.1A MANDATE**

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

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

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Dated: 25 October 2021

By order of the Board



Jonathan Murray  
Non-Executive Chairman

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

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

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.hannans.com](http://www.hannans.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was 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 as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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### 3. RESOLUTION 2 TO 3 – RE-ELECTION OF DIRECTORS

#### 3.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

- Jonathan Murray, who has served as a Non-Executive Director since 2010 and was last re-elected on 25 October 2018, retires by rotation and seeks re-election.
- Damian Hicks, who has served as a Managing Director since 2007, became the Executive Director on 29 November 2016 and was elected on 17 October 2019, retires by rotation and seeks re-election.

#### 3.2 Qualifications and other material directorships

##### **Mr Jonathan Murray**

Mr Murray is a partner at law firm Steinepreis Paganin, based in Perth, Western Australia. Since joining the firm in 1997, he has gained significant experience in advising on initial public offers and secondary market capital raisings, all forms of commercial acquisitions and divestments and providing general corporate and strategic advice.

Mr Murray graduated from Murdoch University in 1996 with a Bachelor of Laws and Commerce (majoring in Accounting). He is also a member of FINSIA (formerly the Securities Institute of Australia).

During the past 3 years Mr Murray has also served as a director of the following other listed companies:

- Errawarra Resources Ltd (appointed 2 February 2012, resigned 2 November 2020, re-appointed 22 June 2021);
- Vietnam Industrial Investments Limited (appointed 19 January 2016, resigned 15 May 2020);
- Peak Resources Limited (appointed 22 February 2011, resigned 8 March 2021).

##### **Mr Damian Hicks**

Mr Hicks was a founding Director of Hannans Limited in 2002. Mr Hicks graduated from the University of Western Australia with a Bachelor of Commerce (Accounting and Finance) in 1992 and was admitted as a Barrister and Solicitor of the Supreme Court of Western Australia in 1999. Mr Hicks holds a Graduate Diploma in Applied Finance & Investment from FINSIA, a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia and is a Graduate of the Australian Institute of Company Directors.

During the past 3 years Mr Hicks served as a director of the following listed companies:

- Errawarra Resources Ltd (appointed 2 February 2012, resigned 1 April 2021).

#### 3.3 Independence

If elected the board considers Messrs Murray and Hicks will be non-independent directors.

#### 3.4 Board recommendation

The Board (excluding Mr Murray) supports the re-election of Jonathan Murray and recommends that Shareholders vote in favour of Resolution 2.

The Board (excluding Mr Hicks) supports the re-election of Damian Hicks and recommends that Shareholders vote in favour of Resolution 3.

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#### 4. RESOLUTION 4 TO 8 – ISSUE OF RELATED PARTY OPTIONS

##### 4.1 General

The last time Shareholders approved the issue of options to Directors was at the AGM in 2017.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 165,000,000 Options (**Related Party Options**) to Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott (together, the **Related Parties**) pursuant to the Director Equity Plan (the **Plan**) on the terms and conditions set out below.

The Related Party Options will be issued in tranches, as set out in the below table:

Related Party	Tranche 1	Tranche 2	Tranche 3	Total
D Hicks	35,000,000	35,000,000	35,000,000	105,000,000
J Murray	5,000,000	5,000,000	5,000,000	15,000,000
M Bachmann	5,000,000	5,000,000	5,000,000	15,000,000
C Gordon	5,000,000	5,000,000	5,000,000	15,000,000
A Scott	5,000,000	5,000,000	5,000,000	15,000,000
<b>TOTAL</b>	<b>55,000,000</b>	<b>55,000,000</b>	<b>55,000,000</b>	<b>165,000,000</b>

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

The Directors, being Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott, are all entitled to participate in the Plan.

Resolutions 4 to 8 seek Shareholder approval for the issue of the Related Party Options to the Related Parties.

##### 4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes the giving of a financial benefit and Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott are Related Parties of the Company by virtue of being Directors of the Company.

As the Related Party Options are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Options.

Accordingly, Shareholder approval for the issue of Related Party Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

##### 4.3 ASX Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Related Party Options to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 to 8 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

##### 4.4 ASX Listing Rule 14.1A

If Resolutions 4 to 8 are passed, the Company will be able to proceed with the issue of Related Party Options to the Related Parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under Listing Rule 10.14), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 8 are not passed, the Company will not be able to proceed with the issue of the Related Party Options and may need to find an alternative method to incentivise and motivate the Directors.

##### 4.5 Technical information required by section 219 of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Related Party Options to the Related Parties:

- (a) the Related Party Options will be issued to the following persons:
  - (i) Damian Hicks (or their nominee) pursuant to Resolution 4;
  - (ii) Jonathan Murray (or their nominee) pursuant to Resolution 5;
  - (iii) Markus Bachmann (or their nominee) pursuant to Resolution 6;
  - (iv) Clay Gordon (or their nominee) pursuant to Resolution 7;
  - (v) Amanda Scott (or their nominee) pursuant to Resolution 8; and
- (b) the maximum number of Related Party Options to be issued to the Related Parties (or their nominees) is:
  - (i) 105,000,000 Related Party Options to Damian Hicks pursuant to Resolution 4;
  - (ii) 15,000,000 Related Party Options to Jonathan Murray pursuant to Resolution 5;
  - (iii) 15,000,000 Related Party Options to Markus Bachmann pursuant to Resolution 6;
  - (iv) 15,000,000 Related Party Options to Clay Gordon pursuant to Resolution 7;
  - (v) 15,000,000 Related Party Options to Amanda Scott pursuant to Resolution 8;each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (c) the Related Party Options will be issued on the terms and conditions as set out in Schedule A;
- (d) no loan will be provided to the Related Parties with respect to the Related Party Options;

- (e) the following related party shares and options were previously issued under the Plan:

Related Party	Average acquisition price	Shares	Options
D Hicks	\$141,474	7,859,667 <sup>1</sup>	7,859,667 <sup>1</sup>
	\$Nil	0	42,000,000 <sup>2</sup>
J Murray	\$58,275	3,237,500 <sup>1</sup>	3,237,500 <sup>1</sup>
	\$Nil	0	10,500,000 <sup>2</sup>
M Bachmann	\$48,563	2,697,917 <sup>1</sup>	2,697,917 <sup>1</sup>
	\$Nil	0	10,500,000 <sup>2</sup>
C Gordon	\$Nil	0	10,500,000 <sup>2</sup>
A Scott	\$Nil	0	10,500,000 <sup>2</sup>

**Notes:**

- Fully paid ordinary shares and free attaching options in the capital of the Company were issued in lieu of outstanding Directors' fees as approved by Shareholders on 15 September 2016.
  - Options in the capital of the Company were issued to Directors as approved by Shareholders on 27 October 2017.
- (f) the Related Party Options will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and Shares will be issued upon exercise of the Related Party Options in accordance with the Terms and Conditions set out in Schedule A;
- (g) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised and the Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Related Party Options);
- (h) the value of the Related Party Options and the pricing methodology is set out in Schedule B
- (i) the Related Party Options are unquoted Options.
- (j) The Company has agreed to issue the Related Party Options to the Related Parties subject to Shareholder approval for the following reasons:
- the Related Party Options are unquoted; therefore, the issue of the Related Party Options has no immediate dilutionary impact on Shareholders;
  - if the Related Party Options are exercised it will result in a cash injection into the Company;
  - the deferred taxation benefit which is available to the Related Parties in respect of an issue of Related Party Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Related Party Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
  - it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options on the terms proposed;
- (k) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:
- current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - the remuneration of the Related Parties; and
  - incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares <sup>1</sup>	Options
D Hicks	7,461,763	Nil
J Murray	19,523,313	3,500,000 <sup>2</sup> 3,500,000 <sup>3</sup>
M Bachmann	85,952,405	3,500,000 <sup>2</sup> 3,500,000 <sup>3</sup>
C Gordon	5,771,294	3,500,000 <sup>2</sup> 3,500,000 <sup>3</sup>
A Scott	1,260,001	3,500,000 <sup>2</sup> 3,500,000 <sup>3</sup>

**Notes:**

- Fully paid ordinary shares in the capital of the Company (ASX: HNR).
  - Unquoted Options exercisable at \$0.018 each on or before 27 October 2021 (ASX: HNR).
  - Unquoted Options exercisable at \$0.015 each on or before 27 October 2022 (ASX:HNR).
- (m) the total remuneration package paid from the Company to the Related Parties and their associates for the previous two financial years are set out below:

Related Party	2021 FY <sup>1,2</sup>	2020 FY <sup>1,3</sup>
D Hicks	\$262,800	\$262,800
J Murray	\$24,000	\$30,580
M Bachmann	\$24,000	\$30,580
C Gordon	\$26,280	\$32,860
A Scott	\$24,000	\$30,580
<b>TOTAL</b>	<b>\$361,080</b>	<b>\$413,718</b>

**Notes:**

- FY = Financial Year
  - Comprising Directors' fees/salary of \$336,000, and superannuation payments of \$25,080;
  - Comprising Directors' fees/salary of \$336,000, and superannuation payments of \$25,080, and share-based payments of \$52,638. The share-based payments were issued under the Company's Director Equity Option Plan approved by shareholders in September 2016. The amounts are non-cash items that were subject to vesting conditions. Refer to the Company's 2020 audited financial report for more information.
- (n) on the basis that the Related Party Options are approved by the shareholders at the Meeting, the total remuneration package to be paid by the Company to the Related Parties and their associates for the current financial year are set out below:

	Salary / Fees	Super-annuation	Related Party Options <sup>1</sup>	Total
D Hicks	\$240,000	\$24,000	\$1,178,838	\$1,442,838
J Murray	\$24,000	Nil	\$168,405	\$192,405
M Bachmann	\$24,000	Nil	\$168,405	\$192,405
C Gordon	\$21,818	\$2,182	\$168,405	\$192,405
A Scott	\$24,000	Nil	\$168,405	\$192,405
<b>TOTAL</b>	<b>\$333,818</b>	<b>\$26,182</b>	<b>\$1,852,458</b>	<b>\$2,212,458</b>

**Notes:**

- Share-based payments of \$1,852,458 being the theoretical value of the Related Party Options to be considered at the Meeting.

- (o) if the maximum number of Related Party Options issued to the Related Parties are exercised, a total of 165,000,000 Shares would be issued. This will increase the number of Shares on issue from 2,359,977,192 to 2,524,977,192 (assuming that no Shares are issued and no options vest or are exercised) with the dilution effect for the existing Shareholders set out below:

Related Party	Related party options	Dilution
D Hicks	105,000,000	4.44%
J Murray	15,000,000	0.64%
M Bachmann	15,000,000	0.64%
C Gordon	15,000,000	0.64%
A Scott	15,000,000	0.64%
<b>TOTAL</b>	<b>165,000,000</b>	<b>7.00%</b>

- (p) the market price for Shares during the term of the Related Party Options would normally determine whether the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company;
- (q) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date(s)
Highest	\$0.037	20 September 2021
Lowest	\$0.005	17 – 21 December 2020, 23 December 2020 – 4 January 2021, 15 January 2021
Last	\$0.036	18 October 2021

- (r) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (s) each Director has a material personal interest in the outcome of Resolutions 4 to 8 on the basis that all of the Directors (or their nominees) are to be issued Related Party Options should Resolutions 4 to 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 4 to 8 of this Notice;
- (t) the details of the Related Party Options will be published by the Company in its annual report together with a confirmation statement that Shareholder approval was obtained under Listing Rule 10.14;
- (u) the Company shall seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Shares under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained;
- (v) in forming their recommendations, each Director considered the experience of each other Related Party, the existing and proposed contribution of each Related Party to the Company and the current market practices when determining the number of Related Party Options to be issued; and
- (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 8.

## 5. RESOLUTION 9 – TRANSACTION WITH CRITICAL METALS LTD

### 5.1 Overview

The Company is proposing to enter into an agreement with Critical Metals Ltd (ACN 614 136 864) and its wholly owned subsidiary, LiB Recycling Pty Ltd (ACN 628 740 581), (together referred to as **Critical Metals**) in connection with the commercialisation of licenced technology.

### 5.2 The Technology

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

### 5.3 Licence Agreement

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

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

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

## 5.4 Licence Agreement

As announced on 9 September 2021 (**Announcement**), Hannans executed a Memorandum of Understanding with Critical Metals to commercialise the Licence (**Transaction**).

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

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

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

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

In addition, and as set out in the Announcement, the Company has advised ASX that it proposes to carry out LiB recycling business development activities and undertake permitting processes at an estimated cost of \$1.5 Million (**Feasibility Stage**).

ASX has confirmed that undertaking the Feasibility Stage of the LiB recycling project does not constitute a change in the nature and scale of Hannans activities in terms of Listing Rule 11.1 subject to the following conditions:

- (a) Hannans must continue to spend funds on its existing exploration projects in accordance with the proposed expenditure table prepared by Hannans and provided to ASX as part of its submission regarding the application of Chapter 11 to this transaction on 27 August 2021;
- (b) Hannans must disclose in each quarterly activities report until 31 March 2024, the proportion of expenditure incurred in relation to exploration and evaluation on its exploration projects and LiB recycling project; and
- (c) Hannans must disclose as separate line items in each quarterly cashflow report until 31 March 2024, expenditure incurred in relation to the exploration and evaluation expenditure on its existing exploration assets and the LiB recycling project.

ASX have confirmed its present position that if Hannans proceeds beyond the Feasibility Stage of the LiB recycling project (or incurs expenditure more than the \$1.5 Million budgeted in relation to the Feasibility Stage) it will constitute a change in the nature and scale of Hannans activities in terms of Listing Rule 11.1. If that occurs, Hannans will be required under Listing Rule 11.1.3 to comply with all the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds beyond the Feasibility Stage or incurs expenditure more than the \$1.5 Million budgeted on the Feasibility Stage of the LiB recycling project.

## 5.5 Background to the relevant parties

### Critical Metals

Critical Metals was incorporated on 9 August 2016 and is focussed on delivering the vanadium recovery project (**VRP**) in Pori, Finland. A recently completed preliminary feasibility study for the VRP justified proceeding to a feasibility study. If a positive final investment decision is made late 2022 to proceed to construction, Critical Metals will be required to fund its equity share of the project, expected to be circa USD100M.

The directors of Critical Metals Ltd are:

- (a) Mr Jonathan Murray – Non-Executive Chairman (residing in Australia);
- (b) Mr Damian Hicks – Executive Director (residing in Australia);
- (c) Mr Markus Bachmann – Non-Executive Director (residing in Switzerland);
- (d) Ms Kris Gram - Non-Executive Director (residing in Norway);
- (e) Mr Olof Forslund – Non-Executive Director (residing in Sweden); and
- (f) Mr Darren Townsend – Non-Executive Director (residing in Australia).

### Neometals

Neometals is the largest shareholder in Hannans (31.1%) and Critical Metals (19.05%). ACN 630 was incorporated on 13 December 2018 as a wholly owned subsidiary of Neometals.

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

## 5.6 Focus for the Company

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

## 5.7 Board Recommendation

Directors Messrs Jonathan Murray, Damian Hicks and Markus Bachmann have elected not to make a recommendation to Shareholders in respect of the Transaction due to their common directorship of Critical Metals. Although these Directors abstain from making a recommendation to Shareholders, they are supportive of proceeding with the Transaction.

Directors, Clay Gordon and Amanda Scott (together, the **Independent Directors**) have assessed the advantages and disadvantages of the Transaction and have formed the view that the advantages outweigh the disadvantages.

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

- (a) The competition to establish lithium-ion battery recycling facilities in the Nordic region is intense with many companies competing for access to the limited supply of lithium-ion batteries available for recycling. The Independent Directors consider that the Transaction will increase potential for value to be created via successful commercialisation of the Technology.
- (b) The Transaction will allow Hannans to be responsible for funding commercialisation of the lithium-ion battery activities. As noted in Section 2.4 above, Hannans will manage and fund all tasks and activities in respect of each Plant through to an FID. If a positive FID is made, Critical Metals may elect to participate in ongoing funding of each Plant or dilute.

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## 6. RESOLUTION 10 – APPROVAL OF 7.1A MANDATE

### 6.1 General

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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 10 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 10 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 10 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under 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.

### 6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

#### (a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

#### (b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 7.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the following purposes:

- (i) continued exploration expenditure on the Company's current Projects;
- (ii) continued business development expenditure on lithium-ion battery recycling opportunities;
- (iii) consideration and acquisition of new projects (including expenses associated with such an acquisition);
- (iv) administration; and
- (v) general working capital.

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

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Equity Securities on issue as at .

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

**Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2)**

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			\$0.018 50% decrease	\$0.036 Issue Price	\$0.054 50% increase
Current	2,359,977,192	235,997,719	\$4,247,959	\$8,495,918	\$12,743,877
50% increase	3,539,965,788	353,996,578	\$6,371,938	\$12,743,877	\$19,115,815
100% increase	4,719,954,384	471,995,438	\$8,495,918	\$16,991,836	\$25,487,754

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table uses the following assumptions:**

- 1. there are currently 2,359,977,192 Shares on issue as at the date of this Notice of Meeting;
- 2. the issue price set out above is the closing price of the Shares on the ASX on ;
- 3. the Company issues the maximum possible number of Equity Securities under the 7.1A Mandate;
- 4. the Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
- 5. the issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities;
- 6. the calculations above do not show the dilution that any one Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
- 7. this table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1;
- 8. 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%; and
- 9. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2020 (**Previous Approval**). During the 12-month period preceding the date of the Meeting, being on and from 26 November 2020, the Company has not issued any Equity Securities pursuant to the Previous Approval.

### 6.3 Voting Exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, a voting exclusion statement is not included in this Notice.

**SCHEDULE A – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS**

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
<b>(a) Entitlement</b>	Each Option entitles the holder to subscribe for one Share upon exercise of the Option.		
<b>(b) Exercise Price</b>	Subject to paragraph (j), the amount payable upon exercise of each Option will be:		
* <b>VWAP</b> – Volume Weighted Average Sale Price	the VWAP for the five (5) trading days before and five (5) trading days after approval of the option issue by shareholders <b>PLUS</b> a premium of 50%.	the VWAP for the five (5) trading days before and five (5) trading days after the 1st anniversary of the approval by shareholders <b>PLUS</b> a premium of 50%.	the VWAP for the five (5) trading days before and five (5) trading days after the 2nd anniversary of the approval by shareholders <b>PLUS</b> a premium of 50%
<b>(c) Vesting Conditions</b>	12 months of continuous service as a Director following the date of issue of the Options.	24 months of continuous service as a Director following the date of issue of the Options.	36 months of continuous service as a Director following the date of issue of the Options.
<b>(d) Expiry Date</b>	Each Option will expire at 5:00 pm (WST) on the date that is four (4) years from the date of issue. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.		
<b>(e) Exercise Period</b>	The Options are exercisable at any time on and from the satisfaction of the relevant vesting condition set out in paragraph (c) above until the Expiry Date.		
<b>(f) Notice of Exercise</b>	The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.		
<b>(g) Exercise Date</b>	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds.		
<b>(h) Timing of issue of Shares on exercise</b>	<p>Within 15 Business Days after the later of the following:</p> <ul style="list-style-type: none"> <li>(i) the Exercise Date; and</li> <li>(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,</li> </ul> <p>but in any case no later than 20 Business Days after the Exercise Date, the Company will:</p> <ul style="list-style-type: none"> <li>(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;</li> <li>(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</li> <li>(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.</li> </ul> <p>If a notice delivered under paragraph (h)(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.</p>		
<b>(i) Shares issued on exercise</b>	Shares issued on exercise of the Options rank equally with the then issued shares of the Company.		
<b>(j) Lapse of an Option</b>	If the holder ceases to be a director of the Company any unvested options will lapse immediately.		
<b>(k) Reconstruction of capital</b>	If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.		
<b>(l) Participation in new issues</b>	There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.		
<b>(m) Change in exercise price</b>	An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.		
<b>(n) Takeover</b>	All unvested options will automatically vest on receipt of a takeover offer. The exercise price for the options that vest on takeover, will be the same as the exercise price of the latest Tranche of options that vested.		
<b>(o) Transferability</b>	The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.		

## SCHEDULE B – VALUATION AND METHOLDLOGY OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 4 to 8 have been independently valued.

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

Assumption	Tranche 1	Tranche 2	Tranche 3	Total
Valuation date	18 Oct 2021			
Market price of Shares	\$0.036			
Exercise price <sup>1</sup>	\$0.054			
Expiry date (length of time from issue)	4 years			
Risk free interest rate <sup>2</sup>	1.20%			
Volatility <sup>3</sup> (discount <sup>4</sup> )	100.00% (50%)			
<b>Indicative value per Related Party Option</b>	<b>\$0.022</b>			
<b>Total value of Related Party Option</b>	<b>\$617,485</b>	<b>\$617,485</b>	<b>\$617,485</b>	<b>\$1,852,455</b>
D Hicks (Resolution 4)	\$392,945	\$392,945	\$392,945	\$1,178,835
J Murray (Resolution 5)	\$56,135	\$56,135	\$56,135	\$168,405
M Bachmann (Resolution 6)	\$56,135	\$56,135	\$56,135	\$168,405
C Gordon (Resolution 7)	\$56,135	\$56,135	\$56,135	\$168,405
A Scott (Resolution 8)	\$56,135	\$56,135	\$56,135	\$168,405

### Notes:

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

1. The deemed exercise price will be the volume weighted average sale price as stipulated by the Related Party Options terms and conditions set out in Schedule A PLUS a premium of 50%. Based on historical and current market trends, the Company has taken the assumption that the current market price + 50% premium is the best estimate of the exercise price.
2. A risk-free rate used for the purpose of the analysis is the five year Australian Government bond rate as at 16 September 2021 being 0.62%;
3. The expected volatility reflects the actual volatility since listing on ASX. This may not necessarily be the actual outcome.
4. The options to be issued have restricted marketability as they cannot be traded on an active market. Therefore, a discount of 50% has been applied to the valuation to reflect the value of the options and the non-marketable nature of the options.

# HANNANNS

Hannans Ltd  
ABN 52 099 862 129

## Need assistance?

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

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Wednesday, 24 November 2021.**

## Proxy Form

### How to Vote on Items of Business

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

#### APPOINTMENT OF PROXY

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

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

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

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

#### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

#### PARTICIPATING IN THE MEETING

##### Corporate Representative

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

### Lodge your Proxy Form: **XX**

#### Online:

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

Your secure access information is



**Control Number: 186227**

**SRN/HIN:**

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

#### By Mail:

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

#### By Fax:

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



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

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

# Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of Hannans Ltd hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Hannans Ltd to be held at the Karda Room, Ground Floor, 197 St Georges Terrace, Perth, WA 6000 on Friday, 26 November 2021 at 10:00am (AWST) and at any adjournment or postponement of that meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 - 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 - 8 by marking the appropriate box in step 2.

## STEP 2 Items of Business

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

### ORDINARY BUSINESS

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Jonathan Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director - Damian Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Related Party Options - Damian Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Related Party Options - Jonathan Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Related Party Options - Markus Bachmann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Related Party Options - Clay Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Related Party Options - Amanda Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Transaction with Critical Metals Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Securityholder 2

Securityholder 3

/ /

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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

