
METALS AUSTRALIA LTD

ACN 008 982 474

NOTICE OF GENERAL MEETING

TIME: 10:30 am (WST)

DATE: 9 June 2017

PLACE: Level 1, 10 Kings Park Road, West Perth, WA 6005

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 7833.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:30 am (WST) on 9 June 2017 at:

Level 1, 10 Kings Park Road, West Perth, WA 6005

Your vote is important

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

Voting eligibility

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 10:30am (WST) on 9 June 2017.

Voting in person

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

Voting by proxy

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

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

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

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

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES (SHARES)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 327,900,000 Shares at an issue price of \$0.0075 per Share through a private placement to raise \$2,459,250 before costs.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SECURITIES (OPTIONS)

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,000,000 free Options at an exercise price of \$0.003 per Option at any time up to their expiry on 1 December 2019, issued as compensation for investor and media relations services.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO PARTICIPANTS IN PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 163,950,000 Options free of charge to participants in the private placement referred to in Resolution 1 on the basis of one option for every two shares issued, with each option having an exercise price of \$0.01 per option at any time up to their expiry on 31 May 2020.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO BROKER

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 18,000,000 Options exercisable at \$0.01 each on or before 31 May 2020 on the terms and conditions set out in the Explanatory Statement to the Lead Manager of the placement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO EMPLOYEES, CONSULTANTS & COMPANY SECRETARY

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 35,000,000 Options exercisable at \$0.01 each on or before 31 May 2020 as a long-term incentive, on the terms and conditions set out in the Explanatory Statement to be distributed to Employees and Consultants at the discretion of the Directors of the Company.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – FUTURE ISSUE OF SHARES AND OPTIONS

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

“That, pursuant to Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 300,000,000 ordinary fully paid Shares, together with a maximum of one free attaching Option for every Share allotted (each Option being exercisable at \$0.01 on or before 31 May 2020 and on the terms and conditions set out in Schedule 1 to the Explanatory Statement) at a minimum issue price per Share which is at least 80% of the volume weighted average market price of Shares trading on ASX over the last 5 days on which sales in the securities were recorded before the day on which the issue was made (or if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the securities were recorded before the date the prospectus or offer information statement is signed), on the

terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES FOR THE PURCHASE OF THE LAC DU MARCHEUR COBALT PROJECT AND THE LAC RAINY EST GRAPHITE PROJECT TENEMENTS IN QUEBEC

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 17,500,000 Shares for the purchase of the Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project in Quebec on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF FACILITATION SECURITIES FOR THE PURCHASE OF THE LAC DU MARCHEUR COBALT PROJECT AND THE LAC RAINY EST GRAPHITE PROJECT TENEMENTS IN QUEBEC

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 Resolution 8, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 12,000,000 Shares for Facilitation Fees in respect of the purchase of the Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project in Quebec on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy 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 for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 5 May 2017
By order of the Board
Norman Grafton
Company Secretary

EXPLANATORY STATEMENT

THIS EXPLANATORY STATEMENT HAS BEEN PREPARED TO PROVIDE INFORMATION WHICH THE DIRECTORS BELIEVE TO BE MATERIAL TO SHAREHOLDERS IN DECIDING WHETHER OR NOT TO PASS THE RESOLUTIONS.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES (SHARES)

1.1 General

The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 327,900,000 Shares in respect of the recent Capital Raising (**Ratification**).

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

1.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that, where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying, under this Resolution, the issue of 327,900,000 Shares issued as part of the Capital Raising, the base figure (ie variable “A”) in which the Company’s 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

1.4 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided to shareholders in relation to the Ratification:

- (a) 327,900,000 Shares were issued on the following basis:
 - (i) 196,750,916 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 131,149,084 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the Shares were issued at an issue price of \$0.0075 per Share;
- (c) the Shares issued were in the same class of the Company’s existing quoted fully paid ordinary shares.
- (d) the Shares were issued to sophisticated investors who are unrelated parties of the Company; and
- (e) a total of \$2,459,250 was raised in the Capital Raising and the Company intends to use the funds, together with its existing cash at bank of approximately \$205,000 in the manner set out as follows:

Item	\$'000
Estimated cost of Acquisition and Capital Raising, including fees payable and duty payable	\$5
Brokerage (6.0% of gross proceeds)	\$148
Expenditure on Existing Projects - Australia	\$1,000
Expenditure on Existing Projects - Canada	\$500
Expenditure on New Projects - Canada	\$300
Expenditure on Existing Projects - Namibia	\$50
Evaluation of additional complementary projects	\$50
Working capital and corporate administration	\$611
TOTAL	\$2,664

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SECURITIES (OPTIONS)

2.1 General

The Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 2,000,000 Options in respect of investor and media relations services during the recent Capital Raising (**Ratification**).

2.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Resolution 1 above.

2.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that, where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying, under this Resolution, the issue of 2,000,000 Options issued as part of the Capital Raising, the base figure (ie variable "A") in which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

2.4 Technical information required by ASX Listing Rule 7.5

For the purposes of ASX Listing Rule 7.5, the following information is provided to shareholders in relation to the Ratification:

- (a) 2,000,000 Options were issued;
- (b) the Options were issued free of charge as compensation for public relation services;
- (c) the Options issued were in the same class of the Company's existing quoted Options.
- (d) the Options were issued to James Moses who is an unrelated party of the Company; and
- (e) no capital was raised by the issue of these Options.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO PARTICIPANTS IN THE PLACEMENT

3.1 General

In addition to the Shares issued under the Resolution 1 (**Ratification of Prior Issue of Securities**), the Company now seeks approval to issue Options to subscribers to the placement on the basis of one free attaching Option for every two Shares subscribed for. The Options will have an exercise price of \$0.01 per Option at any time up to their expiry on 31 May 2020. The issue of these Options is one of the conditions required in order to complete the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

The effect of this Resolution will be to allow the Company to issue the Options pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

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

1. the maximum number of Options to be issued is 163,950,000;
2. the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
3. the Options will be issued free attaching with the Shares ratified in Resolution 1 on a 1 for 2 basis;
4. the Options will be issued to sophisticated investors who have been identified by the Directors. None of the subscribers will be related parties of the Company;
5. The terms and conditions of the Options are set out in Schedule 1.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO BROKER

4.1 General

This Resolution seeks Shareholder approval for the Company to issue 18,000,000 Options to Sanlam Private Wealth (or its nominee/s) (**Broker Options**) as part consideration for acting as lead manager to the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Resolution 1 above.

The effect of this Resolution will be to allow the Company to issue the Broker Options to Sanlam Private Wealth (or its nominee/s) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

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

- i. the maximum number of Broker Options to be issued is 18,000,000;

- ii. the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of the Broker Options will occur on the same date;
- iii. the Broker Options will be issued for nil cash consideration as part consideration for acting as lead manager to the Capital Raising;
- iv. the Broker Options will be issued to Sanlam Private Wealth (or its nominee/s), who is not a related party of the Company;
- v. the Broker Options will be issued on the terms and conditions set out in Schedule 1; and
- vi. no funds will be raised from the issue as the Broker Options are being issued in consideration for Sanlam Private Wealth acting as lead manager to the Capital Raising.

5. RESOLUTION 5 – GRANT OF OPTIONS TO EMPLOYEES, CONSULTANTS & COMPANY SECRETARY

Shareholder approval is being sought in this Resolution to grant a total of 35,000,000 Options to Employees, Consultants and the Company Secretary, or their nominee(s) as a long-term incentive at the discretion of the Directors of the Company:

None of the allottees are associates or related parties of the Company.

Additional Information

For the purposes of Listing Rule 7.5, the following information is provided to shareholders:

- (a) the total number of Options granted is 35,000,000;
- (b) the Options are to be granted for no consideration and accordingly no funds will be raised from the grant of the Options; and
- (c) the terms and conditions of the Options are set out in Schedule 1 to this Explanatory Statement.

6. RESOLUTION 6 – FUTURE ISSUE OF SHARES AND OPTIONS

Subject to shareholder approval, pursuant to Listing Rule 7.1, the Company proposes to issue up to 300,000,000 Shares with a maximum of one free attaching Option for every Share issued (each Option exercisable at \$0.01 on or before 31 May 2020).

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's shares then on issue.

For the purposes of Listing Rule 7.3, the following information is provided to shareholders:

- (a) the maximum number of Shares which may be issued pursuant to this resolution is 300,000,000.

- (b) the Shares will be issued and allotted no later than 3 months after the date of this meeting or such later date as approved by ASX by waiver to the Listing Rules.
- (c) the shares will be allotted and issued on one date.
- (d) the Shares will be issued at a minimum issue price which is at least 80% of the average market price of Shares trading on ASX over the last 5 days on which sales in the securities were recorded before the day on which the issue was made (or if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the securities were recorded before the date the prospectus or offer information statement is signed).
- (e) the proposed allottees are unknown at the date of the Notice of Meeting but will not be related parties of the Company and will be selected at the Directors discretion.
- (f) the terms of the Shares will be the same as the existing ordinary fully paid Shares in the Company.
- (g) the purpose of the issue is for ongoing mineral exploration and additional working capital. It is proposed that approximately \$900,000 will be spent on exploration costs for the Quebec projects, \$800,000 on the Manindi projects and \$100,000 used for general working capital.
- (h) the issue of 300,000,000 shares will have the effect of diluting existing shareholders by approximately 18%, with further dilution possible depending on how many of the 300,000,000 options are exercised.

The table below shows the dilution of existing Shareholders calculated in accordance with the issue of these shares on the basis of the market price of Shares and the number of Equity Securities on issue as at 18 April 2017.

Number of Shares on Issue	Issue Price (per Share)	\$0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.012 50% increase in Issue Price
1,639,572,777	Shares issued	300,000,000	300,000,000	300,000,000
	Dilution	18%	18%	18%
	Funds raised	\$900,000	\$1,800,000	\$3,600,000

The number of Shares on issue 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 ASX Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 1,639,572,777 Shares on issue. The issue price set out above is the closing price of the Shares on the ASX on 18 April 2017.
- The Company issues the maximum possible number of Equity Securities under this Resolution.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

4. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
5. The 18% 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%.
6. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under this Resolution, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

1. the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
2. 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.

The Board of Directors unanimously recommends Shareholders vote in favour of this Resolution.

7. RESOLUTION 7 – ISSUE OF CONSIDERATION SECURITIES FOR THE PURCHASE OF THE LAC DU MARCHEUR COBALT PROJECT AND THE LAC RAINY EST GRAPHITE PROJECT IN QUEBEC

7.1 General

The Company has agreed to purchase the tenements in Quebec, Canada, comprising the Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project. As consideration for the acquisition of these tenements the Company has agreed to issue 17,500,000 Shares (**Consideration Shares**) to the Vendors (or their nominee/s).

This Resolution seeks Shareholder approval for the issue of the Consideration Securities.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.3 Chapter 2E of the Corporations Act

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

- (I) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (II) 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 Consideration Securities will be issued to unrelated parties of the Company.

7.4 Technical information required by ASX Listing Rule 7.1

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

- (b) the maximum number of Consideration Shares to be issued is 17,500,000;
- (c) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Consideration Securities will occur on the same day;
- (d) the Consideration Securities will be issued for nil consideration as they are being issued in consideration for the Acquisitions;
- (e) the Consideration Securities will be issued to the Vendors (or their nominee/s), none of whom are related parties of the Company;
- (f) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised from the issue of the Consideration Securities as they are being issued in consideration for the Acquisition.

8. RESOLUTION 8 – ISSUE OF FACILITATION SECURITIES FOR THE PURCHASE OF THE LAC DU MARCHEUR COBALT PROJECT AND THE LAC RAINY EST GRAPHITE PROJECT TENEMENTS IN QUEBEC

8.1 General

As set out in this Resolution, the Company seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of Consideration Shares for the purchase of the Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project in Quebec Canada.

The Company has agreed to purchase the tenements in Quebec, Canada, comprising the Lac du Marcheur Cobalt Project and the Lac Rainy Est Graphite Project. As consideration for the acquisition of these tenements the Company has agreed to issue the Consideration Shares to the Vendors (or their nominee/s).

Pursuant to the acquisition of the Lac Rainy Est Graphite Project and the Lac du Marcheur Cobalt Project, the Company also now seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the issue of 12,000,000 Shares (**Facilitation Shares**) to an unrelated party that provided advisory services in relation to the purchase of the Lac Rainy Est Graphite Project and the Lac du Marcheur Cobalt Project.

The Company has agreed to issue the Facilitation Shares pursuant to the acquisition of the Lac Rainy Est Graphite Project and the Lac du Marcheur Cobalt Project to an unrelated party of the Company for assisting in the structuring, negotiating and finalisation of the transaction.

This Resolution seeks Shareholder approval for the issue of the Facilitation Securities.

8.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of this Resolution will be to allow the Company to issue the Facilitation Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.3 Chapter 2E of the Corporations Act

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

- (I) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (II) 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 Facilitation Securities will be issued to unrelated parties of the Company.

8.4 Technical information required by ASX Listing Rule 7.1

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

- (h) the maximum number of Facilitation Shares to be issued is 12,000,000;
- (i) the Facilitation Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Facilitation Securities will occur on the same day;
- (j) the Facilitation Securities will be issued for nil consideration as they are being issued in consideration for the provision of structuring, negotiation and finalisation advice and support pursuant to the Acquisitions;
- (k) the Facilitation Securities will be issued to an unrelated party of the Company;
- (l) the Facilitation Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (m) no funds will be raised from the issue of the Facilitation Securities as they are being issued in consideration for the provision of structuring, negotiation and finalisation advice and support pursuant to the Acquisitions.

GLOSSARY

\$ means Australian dollars.

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.

Broker Options has the meaning given in Section 5.

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

Capital Raising has the meaning given in Section 1.4.

Chair means the chair of the Meeting.

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

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or the member's spouse;
- iv. 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;
- v. a company the member controls; or
- vi. 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 Metals Australia Ltd (ACN 008 982 474).

Consideration Securities means the Consideration Shares.

Consideration Shares has the meaning given in Section 8.

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- i. is not included in the S&P/ASX 300 Index; and
- ii. has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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.

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

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in section 9 of the *Corporations Act* 2001.

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

Settlement means settlement under the Agreement.

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.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF CONSIDERATION OPTIONS / CAPITAL RAISING OPTIONS / BROKER OPTIONS

- (a) Each Option gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
- (b) Each Option will expire at 5.00pm (WST) on 31 May 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) cash, a bank cheque or telegraphic or other electronic means of transfer of cleared funds for the Exercise Price for the number of Options being exercised;

Exercise Notice.

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company may apply for the Options to be listed, subject to satisfying ASX Listing Rule requirements for listing. If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (k) If at any time the issued capital of the Company is reorganised or 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 reorganisation or reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options. The Optionholder cannot participate in any new issues of the Company without exercising the Option.
- (m) 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.

PROXY FORM

METALS AUSTRALIA LTD
ACN 008 982 474

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

☐

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:30 am (WST), on 9 June 2017 at Level 1, 10 Kings Park Road, West Perth, WA 6005, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Issue of Securities (Shares)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Securities (Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to Participants in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Options to Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Employees, Consultants & Company Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Future Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Consideration Securities for New Quebec Tenements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Facilitation Securities for New Quebec Tenements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph. (daytime):

E-mail address:

**Consent for contact by e-mail
in relation to this Proxy Form:**

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Metals Australia Ltd, Level 1, 8 Parliament Place, West Perth, WA 6005 or PO Box 1618, West Perth, WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9481 7835; or
 - (c) email to the Company at ngrafton@kmm.com.au,

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

Proxy Forms received later than this time will be invalid.