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**METALICITY LIMITED**

**ACN 086 839 992**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am WST

**DATE:** 23 November 2018

**PLACE:** CWA House, 1176 Hay St West Perth WA 6005

***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 4:00pm (WST) on 21 November 2018.***

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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 2018 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 2018."*

**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 – ANDREW DALEY

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 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Andrew Daley, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – JUSTIN BARTON

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 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Justin Barton, a Director who was appointed as an additional Director on 1 January 2018, retires, and being eligible, is elected as a Director."*

**Note:** Mr Barton was only recently elected at the Company's general meeting held on 27 July 2018, however the Constitution states that a director appointed as an addition holds office until the next following annual general meeting. Therefore, Mr Barton is required to stand for election.

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#### 5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company, or an associate of that person (or 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.

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**Dated: 19 October 2018 By**

**order of the Board**

**Neil Hackett**  
**Company Secretary**

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#### **Voting in person**

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

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#### **Voting by proxy**

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

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

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

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9324 1053.***

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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 2018 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.metalicity.com.au](http://www.metalicity.com.au).

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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 – RE-ELECTION OF DIRECTOR – ANDREW DALEY**

### **3.1 General**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

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

Andrew Daley, who is Non-Executive Chairman and has served as a director since 19 August 2013, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

Andrew Daley is a Mining Engineer and Investment Banker. He has a Bachelor of Science (Honours), is a Chartered Engineer (UK), a Fellow of the Australasian Institute of Mining and Metallurgy and Member of IOM3 (UK). He has over 40 years' experience in resources having worked with Anglo American, Rio Tinto, Conoco Minerals and Fluor Australia in mining operations, project evaluation and mining development. Mr Daley then moved into resource project finance with National Australia Bank, Chase Manhattan and from 1999 was a Director of the Mining Team at Barclays Capital in London. Subsequently, Mr Daley was a Director of Investor Resources Finance Pty Limited, a company based in Melbourne which provided financial advisory services to the resources industry globally.

#### **Other Current Directorships**

None

#### **Former Directorships in the Last Three Years**

None

#### **Special Responsibilities**

Chairman of the Remuneration and Nomination Committee

#### **Interests in Shares and Options**

2,588,682 ordinary shares and 12,750,000 unlisted options

### **3.3 Independence**

If elected the Board considers Andrew Daley will be an independent director.

### **3.4 Board recommendation**

The Board supports the re-election of Andrew Daley and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – ELECTION OF DIRECTOR – JUSTIN BARTON**

### **4.1 General**

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

Whilst Mr Barton was recently elected at the Company's general meeting held on 27 July 2018, pursuant to the Constitution and ASX Listing Rule 14.4, any Director as an addition to the existing Directors holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting. As such Mr Barton stands for election.

### **4.2 Qualifications and other material directorships**

Justin Barton is a Chartered Accountant with over 19 years' experience in accounting, international finance and M&A in the mining industry. He worked for over 13 years in the Big 4 Accounting firms in Australia and Europe and advised many of the world's largest mining, oil & gas companies and financial institutions, including Rio Tinto, Chevron, Macquarie, Merrill Lynch, Morgan Stanley and Deutsche Bank. Justin also worked for 4 years at Paladin Energy Limited as Group Tax Manager and advised on their plant construction and mining operations in Africa and their expansion into Canada. More recently, he has worked as the CFO and been a Board Member of a number of junior exploration companies.

#### **Other Current Directorships**

None

#### **Former Directorships in the Last Three Years**

Eneabba Gas Limited (appointed 1 March 2017, resigned 10 October 2017)

Interposed Holdings Limited (appointed 10 January 2017, resigned 11 December 2017)

#### **Special Responsibilities**

Finance Director, member of the Audit Committee and member of the Remuneration and Nomination Committee

#### **Interests in Shares and Options**

277,778 ordinary shares and 13,500,000 unlisted options

### **4.3 Board recommendation**

The Board supports the re-election of Justin Barton and recommends that Shareholders vote in favour of Resolution 3.

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## 5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

### 5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

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

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$10,071,884 (based on the number of Shares on issue and the closing price of Shares on the ASX on 9 October 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: MCT).

If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

### 5.2 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 4:

#### (a) Minimum Price

The minimum price at which the Equity Securities may be issued is 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; or



- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below 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 9 October 2018.

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 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2) | Dilution                                   |   |                         |   |
|--|--|---|-------------------------|---|
|  | Issue Price (per Share)                    | \$0.0085<br>50% decrease in Issue Price | \$0.0170<br>Issue Price | \$0.0255<br>50% increase in Issue Price |
| <b>592,463,748</b><br>(Current Variable A)                         | <b>Shares issued - 10% voting dilution</b> | 59,246,374 Shares                       | 59,246,374 Shares       | 59,246,374 Shares                       |
|  | <b>Funds raised</b>                        | \$503,594.18                            | \$1,007,188.36          | \$1,510,782.54                          |
| <b>888,695,622</b><br>(50% increase in Variable A)                 | <b>Shares issued - 10% voting dilution</b> | 88,869,562 Shares                       | 88,869,562 Shares       | 88,869,562 Shares                       |
|  | <b>Funds raised</b>                        | \$755,391.28                            | \$1,510,782.55          | \$2,266,173.83                          |
| <b>1,184,927,496</b><br>(100% increase in Variable A)              | <b>Shares issued - 10% voting dilution</b> | 118,492,729 Shares                      | 118,492,729 Shares      | 118,492,729 Shares                      |
|  | <b>Funds raised</b>                        | \$1,007,188.37                          | \$2,014,376.73          | \$3,021,565.10                          |

\*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 above uses the following assumptions:**

1. There are currently 592,463,748 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 9 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
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 (other than those requiring ratification under this Notice, which, for the purposes of the above table the Company has assumed will be ratified).
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. 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.
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%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, 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.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) the Company has recently sold its Admiral Bay and Lennard Shelf Zinc projects to its Canadian subsidiary, Kimberley Mining Limited (which is seeking to list on the TSX-V) and now intends to focus primarily on exploration of its remaining lithium assets. Any cash consideration raised may be used in relation to annual tenement obligations for existing tenements held in the North of Western Australia. This includes additional exploration such as mapping, surveys, rock sampling, development of drill programs and general exploration obligations on those existing tenements; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

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

The recipients of the Equity Securities to be issued under the 10% Placement Capacity 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 10% Placement Capacity, 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).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

**(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 24 November 2017 (**Previous Approval**).

The Company has issued 49,943,913 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 24 November 2017, the Company issued a total of 74,135,722 Shares, 39,765,023 Options and 2,274,713 Performance Rights which represents approximately 18.20% of the total diluted number of Equity Securities on issue in the Company on 24 November 2017, which was 638,244,694 Equity Securities.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### **5.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. 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, no existing Shareholders will be excluded from voting on Resolution 4.

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## G L O S S A R Y

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 4.1.

**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.

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

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

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

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

**Company** means Metalicity Limited (ACN 086 839 992).

**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:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) 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.

**ESOP** means the Employee Share Option Plan adopted by the Company.

**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 or Related Party Option as the context requires.

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

**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 2018.

**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.

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 24 NOVEMBER 2017**

| Date   | Quantity   | Class                         | Recipients   | Issue price and discount to Market Price (if applicable) <sup>1</sup>   | Form of consideration  |
|--|------------|-------------------------------|--|---|--|
| Issue – 15 January 2018<br>Appendix 3B – 15 January 2018   | 2,000,000  | Shares <sup>2</sup>           | Optionholders upon exercise of Options                 | 2,000,000 Shares issued upon conversion of Options at \$0.03  | Amount raised: \$60,000<br>Amount spent: \$60,000<br>Use of funds: Admiral Bay TSX-V reconstruction transaction<br>Amount remaining: \$0   |
|  | 1,000,000  | Shares <sup>2</sup>           | Sophisticated investors participating in Placement     | 1,000,000 Shares from placement reconciliation error at \$0.036   | Amount raised: \$36,000<br>Amount spent: \$36,000<br>Use of funds: Admiral Bay TSX-V reconstruction transaction<br>Amount remaining: \$0   |
| Issue – 25 January 2018<br>Appendix 3B – 25 January 2018   | 3,400,000  | Shares <sup>2</sup>           | Optionholders upon exercise of Options                 | 2,000,000 Shares issued upon conversion of Options at \$0.025<br>1,400,000 Shares issued upon conversion of Options at \$0.03 | Amount raised: \$92,000<br>Amount spent: \$92,000<br>Use of funds: Admiral Bay TSX-V reconstruction transaction<br>Amount remaining: \$0   |
| Issue – 19 February 2018<br>Appendix 3B – 21 February 2018 | 52,530,042 | Shares <sup>2</sup>           | Sophisticated investors participating in the Placement | Issue price of \$0.045 per Share (representing a 30% premium to Market Price of \$0.035 as at 16 February 2018)               | Amount raised: \$2,363,852<br>Amount spent: \$1,363,852<br>Use of funds: Funds were used for resource and exploration drilling at the Napier Range Zinc Project, Pre-Feasibility Studies progress at the Admiral Bay Zinc Project and evaluation of a dual listing on the TSX Venture Exchange<br>Amount remaining: \$1,000,000<br>Proposed use <sup>10</sup> of remaining funds: New Project identification and development |
|  | 26,265,023 | Unquoted Options <sup>3</sup> | Sophisticated investors participating in Placement     | Nil   | Consideration: Free-attaching Option issued under the terms of the Placement (1:2)   |

| Date   | Quantity   | Class                           | Recipients   | Issue price and discount to Market Price (if applicable) <sup>1</sup>                                  | Form of consideration  |
|--|------------|---------------------------------|--|--|--|
|  |            |                                 |  |  | Current value <sup>11</sup> = \$75,643   |
| Issue – 15 March 2018<br>Appendix 3B – 16 March 2018   | 13,888,890 | Shares <sup>2</sup>             | Vendors of Ridgecape Holdings Pty Ltd  | 13,888,890 Shares issued as settlement for the acquisition of Ridgecape/Napier Range Assets at \$0.036 | Amount raised: \$500,000<br>Amount spent: \$500,000<br>Use of funds: Acquisition of Ridgecape/Napier Range Assets<br>Amount remaining: \$0             |
|  | 1,000      | Shares <sup>2</sup>             | Investors identified by the Directors to remove trading restrictions on the sale of Shares | 1,000 Shares for cleansing prospectus subscription at \$0.045  | Amount raised: \$45<br>Amount spent: \$45<br>Use of funds: funds were used towards costs of offer and full amount was spent<br>Amount remaining: \$0   |
|  | 1,315,790  | Shares <sup>2</sup>             | Echelon Wealth Partners Inc. and Paradigm Capital Inc.                                     | Nil  | Consideration: issued as consideration for corporate and investor advisory services provided to the Company.<br>Current value <sup>11</sup> = \$26,316 |
|  | 3,000,000  | Unquoted Options <sup>4</sup>   | Echelon Wealth Partners Inc. and Paradigm Capital Inc.                                     | Nil  | Consideration: issued as consideration for corporate and investor advisory services provided to the Company.<br>Current value <sup>11</sup> = \$10,950 |
|  | 3,000,000  | Unquoted Options <sup>5</sup>   | Echelon Wealth Partners Inc. and Paradigm Capital Inc.                                     | Nil  | Consideration: issued as consideration for corporate and investor advisory services provided to the Company.<br>Current value <sup>11</sup> = \$8,640  |
|  | 2,274,713  | Performance Rights <sup>9</sup> | Employees/Contractors  | Nil  | Consideration: Performance rights issued for employee/contractor retention<br>Current value <sup>11</sup> = \$8,302                                    |
| Issue – 29 August 2018<br>Appendix 3B – 29 August 2018 | 2,500,000  | Unquoted Options <sup>6</sup>   | Justin Barton (Director)   | Nil  | Consideration: issued as incentive based remuneration<br>Current value <sup>11</sup> = \$9,125   |



| Date | Quantity  | Class                         | Recipients               | Issue price and discount to Market Price (if applicable) <sup>1</sup> | Form of consideration  |
|------|-----------|-------------------------------|--------------------------|---|--|
|      | 2,500,000 | Unquoted Options <sup>7</sup> | Justin Barton (Director) | Nil   | Consideration: issued as incentive based remuneration<br>Current value <sup>11</sup> = \$7,200 |
|      | 2,500,000 | Unquoted Options <sup>8</sup> | Justin Barton (Director) | Nil   | Consideration: issued as incentive based remuneration<br>Current value <sup>11</sup> = \$5,850 |

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). Unless otherwise expressed, for the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: MCT (terms are set out in the Constitution).
3. Unquoted Options, 26,265,023 exercisable at \$0.08 on or before 14 February 2023.
4. Unquoted Options, 3,000,000 exercisable at \$0.06 on or before 12 March 2021.
5. Unquoted Options, 3,000,000 exercisable at \$0.08 on or before 12 March 2021.
6. Unquoted Options, 2,500,000 exercisable at \$0.06 on or before 26 August 2021.
7. Unquoted Options, 2,500,000 exercisable at \$0.08 on or before 26 August 2021.
8. Unquoted Options, 2,500,000 exercisable at \$0.10 on or before 26 August 2021.
9. Performance Rights, 2,274,713 exercisable at \$0.06 on or before 12 March 2021.
10. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
11. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.02) on the ASX on 16 October 2018. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility), the expected dividend yield and the risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares). The value of Performance Rights is also measured using the Black & Scholes option pricing model and valued as if they are zero exercise price options.

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## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Metalicity Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Metalicity Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Friday, 23 November 2018 at CWA House, 1176 Hay St West Perth WA 6005 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

#### Resolutions

**For Against Abstain\***

**1** Adoption of Remuneration Report

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

**2** Re-election of director – Andrew Daley

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

**3** Election of Director – Justin Barton

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|

**4** Approval of 10% Placement Capacity

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|



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

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Wednesday, 21 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Metalicity Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**