
METALS AUSTRALIA LTD

ACN 008 982 474

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00am (AWST)

DATE: 5 August 2019

PLACE: Level 1, 8 Parliament Place, 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 11.00am (AWST) on 1 August 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – MARCH 2019 PLACEMENT 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 issue of 350,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or 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 – APPROVAL OF ISSUE OF OPTIONS – MARCH 2019 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 up to 350,000,000 Options with an exercise price of \$0.0035 and an expiry date of 1 June 2022 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – JUNE 2019 PLACEMENT SHARES (LR 7.1)

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 issue of 1,269,666 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or 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 – RATIFICATION OF PRIOR ISSUE – JUNE 2019 PLACEMENT SHARES (LR 7.1A)

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 issue of 234,130,334 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or 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 – APPROVAL OF ISSUE OF OPTIONS – JUNE 2019 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 up to 470,800,000 Options with an exercise price of \$0.0035 and an expiry date of 1 June 2022 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, 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.

6. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS – LEAD MANAGER MARCH 2019 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 up to 15,000,000 Options with an exercise price of \$0.0035 and an expiry date of 1 June 2022 to Sanlam Private Wealth Pty Ltd (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, 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.

7. RESOLUTION 7 – APPROVAL FOR ISSUE OF OPTIONS – CORPORATE ADVISOR

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 60,000,000 Options with an exercise price of \$0.0035 and an expiry date of 1 June 2022 to McNeil Nominees Pty Limited (or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, 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.

8. RESOLUTION 8 – APPROVAL FOR 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, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 500,000,000 Shares together with one (1) free-attaching Option for every one (1) Share subscribed for and issued, with an exercise price of \$0.0035 and an expiry date of 1 June 2022, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, 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.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2018 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 issue of 2,750,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or 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: 1 July 2019

By order of the Board

A handwritten signature in black ink, appearing to be 'Martin Stein', written over a horizontal line.

Martin Stein
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

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

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

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

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 – MARCH 2019 PLACEMENT SHARES

1.1 General

On 27 March 2019, the Company issued 350,000,000 Shares at an issue price of \$0.0018 per Share to raise \$630,000 (**March 2019 Placement**).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

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.

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 this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 350,000,000 Shares were issued;
- (b) the issue price was \$0.0018 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of Sanlam Private Wealth Pty Ltd, who are all sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (i) the funds raised from this issue were used for working capital purposes and applied toward the continued exploration of the Company's Lac Rainy Graphite Project.

2. RESOLUTION 2 – APPROVAL FOR ISSUE OF OPTIONS – MARCH 2019 PLACEMENT

2.1 General

As set out in the Company's ASX announcement dated 18 March 2019, subscribers under the Placement will, subject to receipt of prior Shareholder

approval, be issued with one (1) free-attaching Option for every one (1) Share issued under the Placement. The Company will apply for quotation of the Options the subject of this Resolution.

Resolution 2 seeks Shareholder approval for the issue of up to 350,000,000 free-attaching Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to the Placement 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.

2.2 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 Resolution 3:

- (a) the maximum number of Options to be issued is 350,000,000;
- (b) 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) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued free-attaching to the Shares the subject of the March 2019 Placement on a one-for-one basis;
- (d) the Options will be issued to those entities that participated in the Placement. None of these subscribers are related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options as they will be issued free-attaching (on a one-for-one basis) to the Shares the subject of the March 2019 Placement.

3. RESOLUTION 3 AND 4 – RATIFICATION OF PRIOR ISSUE – JUNE 2019 PLACEMENT SHARES

3.1 General

On 5 June 2019, the Company issued 235,400,000 Shares at an issue price of \$0.0018 per Share to raise \$423,720 (**June 2019 Placement**).

The issue of Shares to the participants of the June 2019 Placement was completed in two tranches, comprising:

- (i) 1,269,666 Shares issued on 5 June 2019 at an issue price of \$0.0018 pursuant to Listing Rule 7.1 (**Resolution 3**); and
- (ii) 234,130,334 Shares issued on 5 June 2019 at an issue price of \$0.0018 under Listing Rule 7.1A (**Resolution 4**).

Therefore, of the 235,400,000 Shares issued, 234,130,334 Shares were issued under the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 30 November 2018 and 1,269,666 were issued under the Company's 15% capacity under ASX Listing Rule 7.1.

3.2 ASX Listing Rule 7.1 (Resolution 3)

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1 and ASX Listing Rule 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 ASX Listing Rule 7.1A (Resolution 4)

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (i) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (ii) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 4, 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.

3.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (i) 235,400,000 Shares were issued on the following basis:
 - (A) 1,269,666 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (B) 234,130,334 Shares issued pursuant to ASX Listing Rule 7.1A.
- (ii) the issue price was \$0.0018 per Share under both issues of Shares the subject of Resolutions 3 and 4;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Shares were issued to professional and sophisticated investors, none of which are related parties of the Company; and
- (v) the funds raised from this issue were used for working capital purposes and applied toward the continued exploration of the Company's Lac Rainy Graphite Project.

4. RESOLUTION 5 – APPROVAL FOR ISSUE OF OPTIONS – JUNE 2019 PLACEMENT

4.1 General

As set out in the Company's ASX announcement dated 5 June 2019, subscribers under the Placement will, subject to receipt of prior Shareholder approval, be issued with two (2) free-attaching Options for every one (1) Share issued under the Placement. The Company will apply for quotation of the Options the subject of this Resolution.

Resolution 5 seeks Shareholder approval for the issue of up to 470,800,000 free-attaching Options.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Options pursuant to the Placement 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 Resolution 5:

- (a) the maximum number of Options to be issued is 470,800,000;
- (b) 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) and it is intended that issue of the Options will occur on the same date;

- (c) the Options will be issued free-attaching to the Shares the subject of the June 2019 Placement on a two-for-one basis;
- (d) the Options will be issued to those entities that participated in the Placement. None of these subscribers are related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options as they will be issued free-attaching (on a one-for-one basis) to the Shares the subject of the June 2019 Placement.

5. RESOLUTION 6 – APPROVAL FOR ISSUE OF OPTIONS – LEAD MANAGER MARCH 2019 PLACEMENT

5.1 General

This Resolution seeks Shareholder approval for the Company to issue up to 15,000,000 Options to Sanlam Private Wealth (or its nominee/s) (**Lead Manager Options**) as part consideration for acting as Lead Manager to the Placement completed in March 2019.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of this Resolution will be to allow the Company to issue the Lead Manager 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.

5.2 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:

- (a) the maximum number of Lead Manager Options to be issued is 15,000,000;
- (b) the Lead Manager 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 Lead Manager Options will occur on the same date;
- (c) the Lead Manager Options will be issued for nil cash consideration as part consideration for acting as Lead Manager to the Placement completed in March 2019;
- (d) the Lead Manager Options will be issued to Sanlam Private Wealth (or its nominee/s), who is not a related party of the Company;
- (e) the Lead Manager Options will be issued on the terms and conditions set out in **Error! Reference source not found.**Schedule 1; and
- (f) no funds will be raised from the issue as the Lead Manager Options are being issued in consideration for Sanlam Private Wealth acting as Lead Manager to the Placement completed in March 2019

6. RESOLUTION 7 – APPROVAL FOR ISSUE OF OPTIONS – CORPORATE ADVISOR

6.1 General

This Resolution seeks Shareholder approval for the Company to issue up to 60,000,000 Options to McNeil Nominees Pty Limited (or its nominee/s) (**Corporate Advisor Options**) as part consideration for acting as Corporate Advisor to the Placement completed in June 2019.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of this Resolution will be to allow the Company to issue the Corporate Advisor Options to McNeil Nominees Pty Limited (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.

5.2 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:

- (g) the maximum number of Corporate Advisor Options to be issued is 60,000,000;
- (h) the Corporate Advisor 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 Corporate Advisor Options will occur on the same date;
- (i) the Corporate Advisor Options will be issued for nil cash consideration as part consideration for acting as Corporate Advisor to the Placement completed in June 2019;
- (j) the Corporate Advisor Options will be issued to McNeil Nominees Pty Limited (or its nominee/s), who is not a related party of the Company;
- (k) the Corporate Advisor Options will be issued on the terms and conditions set out in **Error! Reference source not found.**Schedule 1; and
- (l) no funds will be raised from the issue as the Corporate Advisor Options are being issued in consideration for acting as Corporate Advisor to the Placement completed in June 2019.

7. RESOLUTION 8 – APPROVAL FOR FUTURE ISSUE OF SHARES AND OPTIONS

7.1 General

Resolution 8 seeks Shareholder approval for the issue of up to 500,000,000 Shares together with one free-attaching Option for every one Share subscribed for and issued.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The Company does not currently have a lead manager mandate in place with respect to the proposed placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead

manager at the time the funds are to be raised. The Company anticipates that any fees payable to a lead broker will be on standard market rates of approximately 5% to 6% of the total funds raised.

The effect of Resolution 8 will be to allow the Company to issue the Shares and Options pursuant the subject of Resolution 8 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.

7.2 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 Resolution 8:

- (a) the maximum number of Shares to be issued is 500,000,000 and the maximum number of Options to be issued is 500,000,000;
- (b) the Shares and 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 issue of the Shares and Options will occur on the same date;
- (c) the issue price of the Shares will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the issue price of the Options will be nil as they will be issued free-attaching with the Shares on a maximum of a one-for-one basis;
- (e) the Directors will determine to whom the Shares and Options will be issued but these persons will not be related parties of the Company;
- (f) the 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;
- (g) the Options will be issued on the terms and conditions set out in Schedule 2 and the Company will apply for quotation of the Options; and
- (h) the Company intends to use the funds raised towards continued exploration at the Company's 100%-owned Lac Rainy Graphite Project and towards general working capital requirements.

7.3 Dilution

Assuming no Options are exercised, or other Shares issued, the maximum number of Shares under this Resolution are issued, the number of Shares on issue would increase from 2,927,197,777 (being the number of Shares on issue as at the date of this Notice) to 3,427,197,777 and the shareholding of existing Shareholders would be diluted by 14.59%.

If subsequently the Options issued under this Resolution are exercised (and provided no other Shares are issued or Options exercised), the number of Shares

on issue would increase from 3,427,197,777 to 3,927,197,777, which would dilute the shareholding of existing Shareholders by an additional 12.73%.

7.4 Trading history

The volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 28 June 2019 was \$0.0016. The lowest issue price (i.e. maximum discount) of not less than 80% of this volume weighted average price would be \$0.00128 per Share.

If the Company issued the maximum number of Shares under this Resolution at an issue price of \$0.00128 per Share, the Company would raise \$640,000.

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.006	16 July 2019
Lowest	\$0.001	26 April 2019, 4/6 June 2019
Last	\$0.002	28 June 2019

The table below sets out the possible funds that the Company could raise under this Resolution, based on a volume weighted average price of \$0.006 and \$0.001, being the highest and lowest trading prices of the Shares over the past 12 months. To calculate the potential funds that could be raised under this Resolution, discounted figures of \$0.0048 and \$0.0008 have been used, being an issue price, which is not less than 80% of the volume weighted average prices set out below.

VWAP	VWAP Discount (80% of VWAP)	Funds raised
\$0.006	\$0.0048	\$2,400,000
\$0.001	\$0.0008	\$400,000

Assuming a management fee of 6% is payable in respect of the Placement, the Company would pay a management fee of \$24,000 if \$400,000 is raised and \$144,000 if \$2,400,000 is raised.

8. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2018 SHARES

8.1 General

On 18 September 2018, the Company issued 2,750,000 Shares at a deemed issue price of \$0.005 per Share to Geosmart International Pty Ltd as part of the consideration payable for an introduction fee and liaison to Nanhai Carbon.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 and ASX Listing Rule 7.4 is set out in Section 1.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 2,750,000 Shares were issued;
- (b) the deemed issue price was \$0.005 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Geosmart International Pty Ltd as part of the consideration payable for an introduction fee and liaison to Nanhai Carbon. Geosmart International Pty Ltd is not related party of the Company; and
- (i) no funds were raised from this issue as the Shares were issued as part of the consideration payable for an introduction fee and liaison to Nanhai Carbon.

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.

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.

Company means Metals Australia Ltd (ACN 008 982 474).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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.

Proxy Form means the proxy form accompanying the Notice.

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.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.0035 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 1 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under **Error! Reference source not found.**(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after

becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

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

(i) Reconstruction of capital

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

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

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

(l) Transferability

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

PROXY FORM

METALS AUSTRALIA LTD
ACN 008 982 474

ANNUAL 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 11.00am (AWST), on 5 August 2019 at Level 1, 8 Parliament Place, 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 – March 2019 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for Issue of Options – March 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue – June 2019 Placement Shares (LR7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue – June 2019 Placement Shares (LR7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Issue of Options – June 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Issue of Options – Lead Manager March 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Issue of Options – Corporate Advisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for Future Placement of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of Prior Issue – September 2018 Shares	<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, PO Box 1618, West Perth, Western Australia 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9481 7835; or
 - (c) email to the Company at mstein@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.