

Electrometals Technologies Limited (Subject to Deed of Company Arrangement)
ACN 000 751 093

Notice of Annual General Meeting

to be held at: Thomson Geer Lawyers
Level 16, Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Time: 11.00am

Date: 27 October 2014

This is an important document and requires your attention

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor

Notice of Annual General Meeting

Notice is given that the 2014 Annual General Meeting of Electrometals Technologies Limited ACN 000 751 093 (**Company**) will be held at Thomson Geer Lawyers, Level 16, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, on Monday, 27 October 2014 at 11:00am (Brisbane time).

The business to be considered at the meeting is set out below. This notice of meeting should be read in conjunction with the accompanying Explanatory Memorandum. A Proxy Form also accompanies this Notice of Annual General Meeting.

Agenda

Financial statements and reports

To receive and consider the Financial Report, Director's Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 31 December 2013.

Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution under section 250R(2) of the Corporations Act:

'That the Remuneration Report for the year ended 31 December 2013 is hereby adopted.'

Notes:

- (1) *This resolution is advisory only and does not bind the Company or the directors.*
- (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*

Voting exclusion

The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:

- (a) *a member of the Company's Key Management Personnel; or*
- (b) *a Closely Related Party of a member of the Company's Key Management Personnel.*

unless:

- (c) *the person:*
 - (i) *does so in relation to a resolution where they hold a Directed Proxy Form; or*
 - (ii) *is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and*
- (d) *the vote is not cast on behalf of a person described in paragraph (a) and (b) above.*

Resolution 2 – Re-election of Mr Ronald Gregory Melgaard as director

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

'That Mr Ronald Gregory Melgaard, a non-executive director retiring by rotation in accordance with the Constitution and the Listing Rules and being eligible for re-election, be re-elected as a director of the Company.'

Resolution 3 – Appointment of auditors

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

'That, subject to the Australian Securities and Investments Commission (ASIC) providing its consent to the resignation of Ernst & Young as the auditor of the Company, PKF Hacketts being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as auditor of the Company effective from the date on which the resignation of Ernst & Young takes effect.'

Resolution 4 – Issue of shares to Waverton Holdings Limited

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

'That for the purposes of Listing Rule 10.11 and all other purposes, shareholders approve the issue of the maximum number of fully paid ordinary shares in the Company that Waverton Holdings Limited can acquire without shareholder approval under section 611 Item 9 of the Corporations Act 2001 (Cth) to Waverton Holdings Limited, pursuant to the deed of company arrangement dated 2 April 2014.'

Voting restrictions:

The Company will disregard any votes cast on this resolution by Waverton Holdings Limited and any of its associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.*

Resolution 5 – Issue of shares to Mr Ian Ewart

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

'That for the purposes of Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 1,666,667 fully paid ordinary shares to Mr Ian Ewart or his nominee on the terms and conditions set out in the Explanatory Memorandum.'

Voting restrictions:

The Company will disregard any votes cast on this resolution by Mr Ian Ewart and any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.*

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy Form; or*
- (b) the proxy is Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.*

Resolution 6 – Issue of shares to Mr Robert Mills

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

'That for the purposes of Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 2,857,143 fully paid ordinary shares to Mr Robert Mills or his nominee on the terms and conditions set out in the Explanatory Memorandum.'

Voting restrictions:

The Company will disregard any votes cast on this resolution by Mr Robert Mills and any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.*

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy Form; or*
- (b) the proxy is Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.*

Resolution 7 – Issue of shares to Mr Kevin Powell

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

'That for the purposes of Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 500,000 fully paid ordinary shares to Mr Kevin Powell or his nominee on the terms and conditions set out in the Explanatory Memorandum.'

Voting restrictions:

The Company will disregard any votes cast on this resolution by Mr Kevin Powell and any of his associates. However, the Company will not disregard a vote if:

- (a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.*

In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:

- (a) the proxy holds a Directed Proxy Form; or*
- (b) the proxy is Chairman of the Meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.*

Resolution 8 – Delisting from the Australian Securities Exchange

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

'That, for the purposes of Listing Rule 17.11, the Company be removed from the official list of the ASX on a date to be decided by the ASX and that the directors of the Company be authorised to do all things reasonably necessary to give effect to the delisting of the Company from the official list of the ASX.'

Dated: 25 September 2014

By order of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

.....
Kevin Powell

Company Secretary

Notes

- 1 Under regulation 7.11.37 of the *Corporations Regulations 2001*, the directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the meeting will be as it appears in the share register at 7.00pm (Brisbane time) on Saturday, 25 October 2014.
- 2 Votes at the meeting may be given personally or by proxy, attorney or representative. A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies.
- 3 A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 4 If the member appoints two proxies and the appointment does not specify the proportion or the number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither proxy may vote on a show of hands.
- 5 A proxy form is attached. A proxy need not be a member of the Company.
- 6 A proxy form must be signed by the member or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.
- 7 The proxy form (and any power of attorney under which it is signed) must be received by the Registry either by –
 - (a) fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), or
 - (b) by mail to GPO Box 242, Melbourne Victoria 3001no later than 48 hours before the commencement of the meeting, that is by no later than 11.00am (Brisbane time) on Saturday, 25 October 2014. Any proxy form received after that time will not be valid for the scheduled meeting.
- 8 Shareholders may vote online by logging into www.investorvote.com.au or by scanning the QR code on the front of your proxy form with a mobile device. Login details can be found on the front of the personalised proxy form that accompanies this notice.
- 9 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 1.
- 10 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
 - (a) the proxy holds a Directed Proxy Form;
 - (b) where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
 - (c) the proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- 11 Clause 10(b) does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- 12 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions, including Remuneration Resolutions.

13 The following definitions apply in this Notice of Meeting:

AGM means the annual general meeting of the Company.

Closely Related Party means the closely related parties of Key Management Personnel as defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

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

Directed Proxy Form means a proxy form which specifies how a proxy is to vote.

Key Management Personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 31 December 2013.

Listing Rules means the ASX Listing Rules.

Remuneration Resolution means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Undirected Proxy Form means a proxy form which does not specify how the proxy is to vote.

Explanatory Memorandum

This explanatory memorandum has been prepared to assist shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on 27 October 2014. This explanatory memorandum should be read with, and form part of, the accompanying Notice of Annual General Meeting.

Financial statements and reports

As required by law, the financial report, Director's report and Auditor's report are laid before the AGM.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports. There is no requirement however for members to approve the reports.

Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report of the Company for the financial year ended 31 December 2013 is set out in the Company's 2013 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for directors, including the Managing Director, and the Company's employees. The chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

By law, the Company is required to put the remuneration report to a vote by members at the AGM. The vote on the resolution is advisory only and does not bind the directors or the Company. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the note to Resolution 1.

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

As the directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how shareholders should vote on the Resolution.

Resolution 2 – Re-election of Mr Ronald Gregory Melgaard as Director

In accordance with clause 13.5 of the Company's Constitution and Listing Rule 14.4, Mr Melgaard is retiring by rotation. Being eligible, Mr Melgaard offers himself for re-election.

Mr Melgaard was appointed a director on 20 December 2004. He was appointed Deputy Chairman on 23 April 2007 and Chairman on 16 February 2012. In 1977, Mr Melgaard joined leading management consultancy McKinsey & Company, working in the United States and Australia. He went on to co-find AFP Investment Corporation (**AFP**), an ASX-listed investment firm. AFP acquired interests in office equipment, resources, fire protection, media, agribusiness and brewing. Mr Melgaard now acts as an adviser to Waverton Holdings Limited, which holds the private equity interests of the Melgaard family and is the largest shareholder of the Company.

The directors (with Mr Melgaard abstaining) unanimously recommend that shareholders vote in favour of this Resolution.

Resolution 3 – Appointment of auditors

Ernst & Young has tendered its resignation as auditor of the Company and advised the Company that it has applied to the Australian Securities and Investments Commission (**ASIC**) for consent to resign effective from 27 October 2014. It is anticipated that Ernst & Young's resignation will take effect from the later of that date and the day on which ASIC gives its consent.

In accordance with subsection 328B(1) of the Corporations Act, notice in writing nominating PKF Hacketts as auditor has been given to the Company by a shareholder. A copy of this notice is annexed to this notice of meeting. PKF Hacketts has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolution 3 is passed, the appointment of PFK Hacketts as the Company's auditor will take effect from the date on which the resignation of Ernst & Young takes effect.

The directors unanimously recommend that shareholders vote in favour of this Resolution.

Resolution 4 – Issue of shares to Waverton Holdings Limited

Introduction

In accordance with the Listing Rules, shareholders of the Company are asked to approve the issue of the maximum number of fully paid ordinary shares in the Company that Waverton Holdings Limited can acquire without shareholder approval under section 611 Item 9 of the *Corporations Act 2001* (Cth) (**Corporations Act**) to Waverton Holdings Limited (**Subscription Shares**) pursuant to the deed of company arrangement dated 2 April 2014 (**DOCA**). Waverton Holdings Limited (**Waverton**) is a related party of the Company because it holds 81.32% of the shares in, and controls, the Company.

A copy of the DOCA is available from the Company's ASX announcements platform.

On 28 February 2014 the Company announced that it had appointed an administrator and on 2 April 2014, a DOCA was executed under which Waverton agreed to make a contribution so that the deed fund was equal to \$175,000.

Pursuant to clause 7(b) of the DOCA, if Waverton gave the Company a notice in writing of its election to subscribe for the Subscription Shares, the Company was required to arrange for the allotment of the maximum number of shares in the Company that Waverton can acquire without shareholder approval under section 611 Item 9 of the Corporations Act.

The Company has received a written notice from Waverton electing to subscribe for the Subscription Shares. Accordingly, the Company seeks shareholder approval to grant the Subscription Shares to Waverton.

If the Resolution is approved, the Company will grant the Subscription Shares as soon as practicable but in any event no later than 1 month after the date of the meeting.

Section 611 Item 9 of the Corporations Act

As Waverton has maintained voting power of at least 19% in the Company for six months, acquisitions increasing its voting power to a point no more than 3% higher than it was six months prior are permitted as an exception to the takeover provisions in the Corporations Act.

ASX regulatory requirements

Listing Rule 10.11 provides that the Company must not issue or agree to issue equity securities to a related party without shareholder approval. As Waverton controls the Company, it is considered to be a related party.

If the proposed issue of the Subscription Shares is approved under Listing Rule 10.11, then approval is not required under Listing Rule 7.1.

Information required under ASX Listing Rules

In accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Subscription Shares to Waverton.

Maximum number of securities to be issued	The maximum number of shares that Waverton can acquire without shareholder approval under section 611 Item 9 of the Corporations Act which in any event will not exceed 200,000,000 shares.
The date by which the entity will issue securities	The Subscription Shares will be issued no later than 1 month after the date of the meeting.
Price at which the securities will be issued	\$nil per share
Terms of issue	The Subscription Shares will rank <i>pari passu</i> in all respects with existing fully paid ordinary shares in the Company.
Use (or intended use) of the funds raised	No additional funds will be raised by the issue of the Subscription Shares.

A voting exclusion applies in relation to Resolution 4 (see notes to Resolution 4).

Directors Recommendation

The directors (with Mr Melgaard abstaining) unanimously recommend that shareholders vote in favour of this Resolution.

Resolutions 5 to 7 – Issue of shares to directors**Introduction**

In accordance with the Listing Rules, shareholders of the Company are asked to approve the grant of the following shares to directors (**Director Shares**):

Director	Shares
Ian Ewart	1,666,667
Robert Mills	2,857,143
Kevin Powell	500,000

Remuneration policy

The performance of the Company depends upon the quality of its directors. The compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives. Equity-based incentives consistent with the Company's remuneration policy better aligns the directors' performance with the Company's financial position. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives.

The directors consider the remuneration policy to be a sensible and well-balance policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

If the Resolutions are approved, the Company will grant the Director Shares as soon as practicable but in any event no later than 1 month after the date of the meeting.

Regulatory requirements**(a) ASX Requirements**

Listing Rule 10.11 provides that the Company must not issue or agree to issue equity securities to a related party without shareholder approval. As Messrs Ewart, Mills and Powell are directors of the Company they are considered to be related parties.

If the proposed issue of the Director Shares is approved under Listing Rule 10.11, then approval is not required under Listing Rule 7.1.

(b) Corporations Act Requirements

Shareholder approval under Chapter 2E of the Corporations Act (related party benefit) is not required because the Director Shares are considered reasonable remuneration and falls within the exception to the requirements for shareholder approval.

Director remuneration

Messrs Ewart, Mills and Powell's remuneration packages for the year ended 31 December 2013 (as detailed in the Remuneration Report included in the Director's Report of the 2013 Annual Report) is as follows:

	Short-Term		Post Employment		Long-term	Share-based	
Director	Salary and fees (\$)	Cash bonus (\$)	Superannuation (\$)	Other (\$)	Long service leave (\$)	Options (\$)	Total (\$)
Ian Ewart	201,614	20,161	2,375	1,258	-	13,776	239,184
Robert Mills	32,700	-	-	-	-	-	32,700
Kevin Powell	139,037	5,000	12,691	-	-	4,133	160,861

Relevant interest in shares and options

Messrs Ewart, Mills and Powell's current relevant interest in shares and options in the Company as at the date of this notice are as follows:

Director	Shares	Preference Shares	Unlisted Options
Ian Ewart	6,106,625	-	5,000,000
Robert Mills	4,535,428	-	-
Kevin Powell	1,552,505	-	1,500,000

Cost to the Company

The accounting cost to the Company is \$0.007 per share based on the closing price the shares of the Company were last traded on 14 January 2014. The directors consider this price to represent the fair value of the Company's shares.

Impact on capital structure

If the Resolutions are approved, an additional 5,023,810 fully paid ordinary shares will be issued representing approximately 1.15% of the total issued share capital of the Company as at the date of this notice (assuming that no options are exercised or shares issued by the Company before the date the Director Shares are granted).

Information required under ASX Listing Rules

In accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Director Shares to Messrs Ian Ewart, Robert Mills and Kevin Powell.

Maximum number of securities to be issued	1,666,667 fully paid ordinary shares to Mr Ian Ewart 2,857,143 fully paid ordinary shares to Mr Robert Mills 500,000 fully paid ordinary shares to Mr Kevin Powell
The date by which the entity will issue securities	The Director Shares will be issued no later than 1 month after the date of the meeting.
Price at which the securities will be issued	\$nil per share
Terms of issue	The Director Shares will rank <i>pari passu</i> in all respects with existing fully paid ordinary shares in the Company.
Use (or intended use) of the funds raised	No additional funds will be raised by the issue of the Director Shares.

A voting exclusion applies in relation to Resolutions 5 to 7 (see notes to Resolutions 5 to 7).

Directors Recommendation

The directors (with Messrs Ewart, Mills and Powell abstaining) recommend that shareholders vote in favour of this Resolution.

Resolution 8 – Delisting from the Australian Securities Exchange**Introduction**

On 14 June 2014 the Company sought in-principle advice from ASX on whether it is likely to agree to a request for removal from the official list of the ASX (**Official List**) in accordance with paragraph 2.2 of Guidance Note 33.

ASX advised that it would be likely to grant its approval for the Company to pursue delisting subject to compliance with the following conditions:

- (a) that the request for removal of the Company from the Official List be approved by an ordinary resolution of the Company's shareholders;
- (b) that the removal shall not take place any earlier than one month after the date on which the resolution to approve the delisting is passed; and
- (c) that the notice of general meeting seeking shareholder approval for the removal sets out clearly the timetable that will be followed for the removal.

In accordance with the conditions of the ASX approval, this Resolution seeks shareholder approval for the delisting of the Company from the Official List.

Rationale for delisting

The key reasons the directors recommend shareholders approve the Company's delisting are as follows:

(a) Listing and related costs

Maintaining admission to the Official List adds significant direct costs to the Company's business. Direct costs with maintaining a listing on ASX and associated annual share registry costs were in the order of \$14,000 in the year ended 31 December 2013.

In addition, there are indirect costs associated with the need to devote management time attending to matters relating to the listing. The Board believes that these financial resources being used by maintaining a listing on the Official List could be directed elsewhere if the Company were unlisted.

(b) **Low share liquidity and tightly held register**

In the three month period prior to the appointment of administrators to the Company on 27 February 2014, there were only two trades of 500,000 and 64,525 shares, respectively, for a total value of \$3,952 or approximately 0.13% of the Company's current market capitalisation. In the 12 month period to 27 February 2014 total shares traded on ASX was approximately 7,953,576 for a total value of approximately \$66,358 or 2.17% of the Company's current market capitalisation.

This low level of liquidity also reflects the fact that the shares in the Company are tightly held. The top 20 shareholders currently hold approximately 92.21% of the shares currently on issue.

(c) **Inability to raise further funds from existing shareholders**

The most recent rights issue announced to the market on 28 February 2011 sought to raise approximately \$4.3 million. Eligible shareholders only subscribed for approximately \$225,257, representing only 5.3% of the entitlements. The underwriter, Waverton Holdings Limited (**Waverton**), the Company's largest shareholder with a relevant interest in 81.32% of the capital of the Company, took up the 94.7% balance.

Given this, the Company considers it is unlikely that the majority of the current shareholder base, particularly small shareholders, would support any further equity raising. Accordingly, any future equity raising, if achievable, would have to come from the underwriter and would be likely to materially dilute the position of those current shareholders who do not maintain their current relative position in the Company.

(d) **Inability to satisfy listing criteria**

The Company does not currently meet the listing rule requirements under Listing Rule 1.1 and the directors consider it unlikely to change in the foreseeable future.

(i) **Condition 7 – Number of shareholders**

Listing Rule 1.1 Condition 7 requires the Company to satisfy one of three conditions relating to the spread of shareholders:

- (A) Minimum 400 shareholders with holdings valued at a minimum of A\$2000 each; or
- (B) Minimum 350 shareholders with holdings valued at a minimum of A\$2000 each and at least 25% of the Company's shares must be held by parties unrelated to the Company and its directors; or
- (C) Minimum 300 shareholders with holdings valued at a minimum of A\$2000 each and at least 50% of the Company's shares must be held by parties unrelated to the Company and its directors.

As at the date of this notice of meeting, the Company had approximately 280 shareholders (excluding related parties of Waverton, directors and their relatives). In addition, the Company had approximately 50 unrelated party shareholders with a holding valued at a minimum of A\$2000.

(ii) **Condition 8 – Profit test or assets test**

Listing Rule 1.1 Condition 8 requires the Company to satisfy either the profit test in Listing Rule 1.2 (**Profit Test**) or the assets test in Listing Rule 1.3 (**Assets Test**).

The Profit Test requires the Company's aggregated profit from continuing operations for the last 3 full financial years to be at least \$1 million and the Company's consolidated profit from continuing operations for the 12 months to a date no more than 2 months before the Company applied for admission must exceed \$400,000.

The Company is unable to satisfy the Profits Test as it incurred a loss of \$527,142 for the year ended 31 December 2013, a loss of \$1,872,177 for the year ended 31 December 2012 and a loss of \$2,914,628 for the year ended 31 December 2011.

The Assets Test requires the Company to have, at the time of admission, net tangible assets (**NTA**) of at least \$3 million or a market capitalisation of at least \$10 million.

The Company's NTA for the year ended 31 December 2013 was \$1.3 million. Accordingly, it does not satisfy the NTA requirement of the Assets Test.

The market capitalisation of the Company as at the date of this notice is approximately \$3,063,703. The shares of the Company last traded on 14 January 2014 and closed at \$0.007. In order to achieve a market capitalisation of \$10 million, the share price would have to increase from \$0.007 to approximately \$0.023. The Company's share price has not closed higher than \$0.014 at any point in the last two years.

Effect of delisting

The effects of delisting from the Official List are as follows:

(a) Removal date

If shareholders approve Resolution 8, the Company will be removed from the Official List on a date to be decided by ASX (**Removal Date**). The Removal Date will be no earlier than one month after the date such shareholder approval is obtained.

Set out below is an indicative timetable for removal. The timetable is indicative only and may change and assumes that the Company announces its intention to delist immediately upon receipt of shareholder approval. Shareholders will be notified of any changes to the timetable.

The indicative timetable is:

Event	Date
Dispatch of notice of General Meeting	25 September 2014
General meeting of shareholders	27 October 2014
Announcement of proposed delisting	28 October 2014
Last day of trading	28 November 2014
Removal Date	4 December 2014

(b) Corporate governance policies and procedures

The Company anticipates that following delisting it will amend its corporate governance policies and procedures which were specific to the requirements of ASX.

However, as the Company will remain a public company and be subject to continuous disclosure obligations, corporate governance policies and procedures will be retained or adapted consistent with the Company's unlisted status.

(c) Effect on share liquidity and ability to sell

If the Company is delisted from the Official List, there will no longer be a readily identifiable market value for the Company's securities. This means that the market for the Company's securities is expected to be illiquid and shareholders will be responsible for finding a purchaser of their shares.

The Company considers that the best way to continue business is to move forward as an unlisted company.

(d) Cessation of regulation under the Listing Rules

As a result of delisting, the Company will no longer be subject to the requirements of the Listing Rules. For example, the following requirements will no longer apply to the Company:

- (i) the Company will no longer be required under Listing Rule 7.1 to obtain prior approval of shareholders for an issue of equity securities if the equity securities will, when aggregated with the ordinary securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period;
- (ii) the Company will not be required to seek prior shareholder approval for the issue of shares to directors and other related parties under Listing Rule 10.11. The Company will, however, still be subject to regulation under Part 2E of the Corporations Act which generally requires shareholder approval for the provision of any financial benefit to a director or other related party subject to certain exceptions; and
- (iii) significant transactions of the Company will not be subject to regulation under Listing Rule 11.1 (change of nature or scale of activities) and Listing Rule 11.2 (change of main undertaking) which generally requires shareholder approval of significant changes to the Company's assets, undertakings or activities in certain circumstances.

(e) Continued regulation under the Corporations Act and the Company's Constitution

As a result of delisting, the Company will no longer be subject to regulation under the Listing Rules. Shareholders who remain on the Company's register after the removal of the Company from the Official List will retain the protections afforded to them under the Corporations Act and the Company's Constitution.

Removal of the Company from the Official List will not result in any material diminution of the protection for minority shareholders afforded by the Corporations Act for the following reasons:

- (i) the Company will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act;
- (ii) while the Company has 100 or more shareholders, the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act;
- (iii) the acquisition and control of shares will still continue to be subject to the takeovers provisions in Chapter 6 of the Corporations Act; and
- (iv) The majority of the provisions of the Company's Constitution will not be affected by the Company ceasing to be listed.

(f) Continuous disclosure obligations

Following the delisting, while the Company has more than 100 shareholders, the Company will be classified as an 'unlisted disclosing entity' and the Company's securities will be classified as 'enhanced disclosure securities' under the Corporations Act. Accordingly, the Company will be obliged to lodge with ASIC as soon as practicable information material to the price or value of its shares.

However, as the Company would not be subject to the Listing Rules, it would be under no obligation to lodge this information with a market operator but information lodged with ASIC will be available from ASIC.

Directors Recommendation

The directors unanimously recommend that shareholders vote in favour of this Resolution.

Electrometals Technologies Limited
Unit 3/ 75 Railway Street
Mudgeeraba QLD 4213

9 September 2014

Dear Directors

Nomination of Auditor

Pursuant to section 328B(1) of the Corporations Act, I nominate PKF Hacketts Audit to be appointed as Auditor of Electrometals Technologies Limited (**Company**) at the Company's next Annual General Meeting.

I am a member of the Company.

Please distribute copies of this notice as required by section 328B(3) of the Corporations Act.

Yours sincerely

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

Kevin Powell



electrometals

TECHNOLOGIES LIMITED

ABN 25 000 751 093

└ 000001 000 EMM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

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



For your vote to be effective it must be received by 11:00am (Brisbane time) Saturday 25 October 2014

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



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



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Electrometals Technologies Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Electrometals Technologies Limited to be held at **Thomson Geer Lawyers, Level 16, Waterfront Place, 1 Eagle Street, Brisbane, Queensland, 4000 on Monday, 27 October 2014 at 11:00 am** and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 5, 6 & 7** (except where I/we have indicated a different voting intention below) even though **Items 1, 5, 6 & 7** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 5, 6 & 7** by marking the appropriate box in step 2 below.

STEP 2

Items of Business



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

	For	Against	Abstain
1. Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Ronald Gregory Melgaard as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of shares to Waverton Holdings Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of shares to Mr Ian Ewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of shares to Mr Robert Mills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of shares to Mr Kevin Powell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Delisting from the Australian Securities Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

EMM

1 8 9 9 3 3 A

Computershare +