



METALLICA MINERALS LTD
ABN 45 076 696 092

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:
Metallica Minerals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

PROXY FORM

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

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **4:00pm on Thursday, 20 November 2014 at Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane, QLD, 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolutions 1, 5 and 6 (Remuneration Resolutions) (except where I/we have indicated a different voting intention below) even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or, if the Company is part of a consolidated entity, that entity.

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

If you do **not** direct your proxy on how to vote as your proxy in respect of the resolution/s, the Proxy may cast your vote as the Proxy thinks fit or may abstain from voting. By signing this appointment you acknowledge that, subject to the *Corporations Act 2001* (Cth), the Proxy may exercise your proxy even if he/she has an interest in the outcome of the resolution/s and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest (subject to the section above in relation to voting on Remuneration Resolutions by the Chairman of the Meeting).

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 ☒.

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Approval to issue securities under the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of David Barwick as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Approval to issue securities under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Dr Wu Shu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of previous issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

MLM PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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 shares 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 shares 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 share 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 shares 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 shareholder 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" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at 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 **4:00pm on Tuesday, 18 November 2014**, 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

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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Metallica Minerals 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 or Level 12, 680 George Street, Sydney NSW 2000.

**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.**

Notice of Annual General Meeting and Explanatory Memorandum

Metallica Minerals Limited ACN 076 696 092

Date of Meeting: 20 November 2014

Time of Meeting: 4.00 pm (Brisbane time)

Place of Meeting: Brisbane Polo Club

Naldham House

1 Eagle Street

Brisbane, Queensland

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of **Metallica Minerals Limited ACN 076 696 092 (Metallica or Company)** will be held at the Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane on Thursday 20 November 2014, commencing at 4.00 pm (Brisbane time).

Agenda

Ordinary business

Audited Financial Statements

Consideration and discussion of Audited Financial Statements for the year ended 30 June 2014 (**Audited Financial Statements**), which are being circulated to Shareholders who have elected to receive a paper copy of the Company's reports in the attached Annual Report. Shareholders who have given the Company an election to receive an electronic copy of the Company's reports and Shareholders from whom the Company has not received an election as to how they wish to receive the Company's reports can directly access the Audited Financial Statements on the Company's website at www.metallicaminerals.com.au/z_news-frameset.htm and by selecting the link, under Annual Reports for 2014, titled "Period Ending 30 June 2014", which was released to the ASX on 30 September 2014.

Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2014".

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 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;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (2) the voter is the chair of the meeting and the appointment of the chair

Notice of Annual General Meeting

as proxy:

- (A) does not specify the way the proxy is to vote on the resolution; and
- (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

Resolution 2 - Re-election of David Barwick as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That in accordance with article 15.4 of the current Constitution of the Company and for the purposes of Listing Rule 14.5 and for all other purposes, Mr David Barwick retires and being eligible, offers himself for re-election, to be appointed as a Director of the Company”.

Resolution 3 - Re-election of Dr Wu Shu as a director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That in accordance with article 15.4 of the current Constitution of the Company and for the purposes of Listing Rule 14.5 and for all other purposes, Dr Wu Shu retires and being eligible, offers himself for re-election, to be appointed as a Director of the Company”.

Resolution 4 – Ratification of previous issue of Securities

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of securities in the Company to those persons listed in, and on such terms as set out in, Section 6.3 of the Explanatory Memorandum accompanying this Notice of Meeting (**Placees**).”*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- the Placees; and
- any associate of the Placees.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

Notice of Annual General Meeting

- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 5 – Approval to issue securities under the Employee Share Option Plan

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That, for the purposes of Exception 9 of Listing Rule 7.2 and for all other purposes, the Company is authorised to issue securities under the Employee Share Option Plan (**ESOP**) as an exception to Listing Rules 7.1 and 7.1A, on the terms and conditions described in the Explanatory Memorandum.”*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- a Director who is eligible to participate in the ESOP; and
- any associate of such a Director.

However, the Company need not disregard a vote if:

- it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 5 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5, subject to compliance with the Corporations Act.

Notice of Annual General Meeting

Resolution 6 – Approval to issue securities under the Performance Rights Plan

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That, for the purposes of Exception 9 of Listing Rule 7.2 and for all other purposes, the Company is authorised to issue securities under the Performance Rights Plan (**PRP**) as an exception to Listing Rules 7.1 and 7.1A, on the terms and conditions described in the Explanatory Memorandum.”*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by:

- a Director who is eligible to participate in the PRP; and
- any associate of such a Director.

However, the Company need not disregard a vote if:

- it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 6 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 6 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of such Key Management Personnel,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this Resolution 6 if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 6, subject to compliance with the Corporations Act.

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Special Business

Resolution 7 - Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution with or without amendment, as a Special Resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of this Annual General Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (**10% Securities**).”*

Terms used in this Notice of Meeting are defined in Section 10 of the accompanying Explanatory Memorandum.

Voting exclusion statement

The Company will disregard any votes cast on this Special Resolution by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in their capacity as a holder of Shares, if the resolution is passed; and
- an associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.

Important Note:

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Notice of Annual General Meeting

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board

A handwritten signature in black ink, appearing to read 'John Haley', written in a cursive style.

John Haley
Company Secretary

10 October 2014

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of Metallica Minerals Limited ACN 45 076 696 092 (**Metallica** or **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the Brisbane Polo Club, Naldham House, 1 Eagle Street, Brisbane on Thursday 20 November 2014, commencing at 4.00 pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 10.

2. Consider the company's annual report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2014 were despatched to Shareholders and released to the ASX Limited on 30 September 2014. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

3. Resolution 1 – Adoption of Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with section 250R of the Corporations Act, .

The Remuneration Report is set out in the Directors' Report section of the Annual Report.

The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act.

4. Resolution 2 - Re-Election of Mr David Barwick as a Director

Under Article 15.4, the Company's Constitution requires that, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office, provided that a Director must not hold office beyond the third annual general meeting following that Director's appointment or

Explanatory Memorandum

3 years, whichever is longer. Mr David Barwick retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

David Barwick was appointed as a director of the Company on 11 March 2004.

In his capacity as Chairman, Managing Director and or President, Mr Barwick has played a significant role in successfully funding and bringing into production, four mining projects throughout his career in both Australia and Canada and has been Chairman of more than 30 public listed companies. He has considerable expertise in the restructure and financing of entities. An accountant by profession, Mr Barwick has over 40 years experience in the management and administration of publicly listed companies in both Australia and North America. As a director, he has used his strong skills in strategic planning to successfully restructure these and give them a solid financial base from which to operate. He has experience in preparing prospectuses and ensuring companies meet the necessary compliance standards for listing on both the Australian and Canadian Securities Exchanges.

The Directors (with Mr Barwick abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 3 - Re-Election of Dr Wu Shu as a Director

Under Article 15.4, the Company's Constitution requires that at each Annual General Meeting, one-third of the Directors in office at the date of the last Annual General Meeting stand for re-election. Dr Wu Shu retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Dr Wu Shu was appointed as a director of the Company on 12 May 2009.

Dr Wu Shu is a director of Jien Mining Pty Ltd which holds 40,099,678 shares and 12,293,220 options in Metallica Minerals Limited.

He is Chairman and Director of Jein Nickel Industry Co. Ltd listed on the Shanghai Stock Exchange (director since 2003), Director of Liberty Mines Inc. listed on the TSX, Canada (director since 2009)

The Directors (with Dr Wu Shu abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 4 – Ratification of previous issue of Securities

6.1 Securities issued by the Company in the previous 12 months

In the previous 12 months the Company has issued securities without Shareholder approval as set out in Section 6.3. These securities were issued within the capacity of the Company to issue not more than 15% of its capital in any 12 months period without Shareholder approval under Listing Rule 7.1.

Pursuant to Resolution 4, the Company is seeking the ratification by the Shareholders of the issue of the securities noted in the tables below (in section 6.3) and on the terms and conditions listed in those tables.

6.2 Listing Rule 7.4 – Ratification of issue of Securities

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

Explanatory Memorandum

In accordance with Listing Rule 7.4, Shareholder approval is sought under Resolution 4 to ratify the issue of the securities set out in the table in Section 7.3

If Resolution 4 is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further Shareholder approval.

6.3 Listing Rule Information

For the purposes of Listing Rule 7.5:

(a) Number of Securities issued

- (1) 1,000,000 unquoted options.
- (2) 6,250,000 fully paid ordinary Shares.

(b) Price at which Securities issued

- (1) Options – Nil.
- (2) Shares – 8 cents per share.

(c) Terms of the Securities

- (1) The options issued are unquoted options for ordinary fully paid shares in the Company having an exercise price of 10 cents and an expiry date of 31 December 2016. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company.
- (2) The Shares issued rank parri passu with all other fully paid ordinary shares on issue in the Company.

(d) Names of the persons to whom the Securities were issued or the basis upon which those persons were determined

- (1) The options were issued to John Kevin Haley pursuant to his employment contract.
- (2) The shares were issued to sophisticated investors under a share placement to clients of Taylor Collison, stockbrokers.

(e) Use or intended use of the funds raised

- (1) No funds were raised from the issue of the options.
- (2) Funds raised from the issue of the shares were raised to fund development of the Company's mineral sands and bauxite projects and for working capital.

There are restrictions on voting on these resolutions by the recipients of these Shares and Options and their associates. For additional details please refer to the Voting Exclusion Statements in Resolution 4 of the Notice of Meeting.

By approving Resolution 4 and ratifying the issue of these option and shares to those persons noted in the tables above will permit the Company to rely on Listing Rule 7.1 to raise further capital if required.

The Directors recommend that you vote in favour of Resolution 4.

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7. Resolutions 5 and 6 – Approval to issue securities under the Employee Share Option Plan and Performance Rights Plan

7.1 Introduction

The Company's Employee Share Option Plan (**ESOP**) and Performance Rights Plan were approved by shareholders at a general meeting of the Company on 17 November 2011.

The Directors have resolved to re-adopt the ESOP and the PRP on the same terms and conditions as have previously been approved.

ESOP

The Board's objective for executive remuneration has been a reward framework that ensures reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to key employee's interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

A summary of the terms and conditions of the ESOP is contained in Annexure A to this Explanatory Memorandum.

Explanatory Memorandum

Under Resolution 5, the Company is seeking Shareholder approval to issue securities in the future under the ESOP as an exception to Listing Rules 7.1 and 7.1A.

PRP

The Board established the PRP to:

- align the interests of eligible employees with Shareholders through the allocation of equity based incentives which are linked to the performance of the Company;
- attract, motivate and retain quality employees; and
- preserve cash reserves.

The PRP is a flexible equity-based scheme which allows the Company to grant different types of appropriately structured performance-based awards to eligible employees, depending upon the prevailing circumstances and having regard to market practices generally.

Performance Rights are a key component of the Company's executive remuneration strategy (in addition to securities granted under the ESOP). Performance Rights allow Participants to acquire Shares, subject to remaining employed by the Company and the performance of the Company.

The Directors invite eligible employees to participate in the Performance Rights Plan and grant Participants with a number of Performance Rights.

If Performance Rights vest, Participants are entitled to be issued with a corresponding number of Shares without being required to pay any monetary compensation.

The Performance Rights Plan has been designed so that it is an integral component of the Company's remuneration philosophy, having specific regard to the Company's current key business drivers.

A summary of the terms and conditions of the PRP is contained in Annexure B to this Explanatory Memorandum. Under Resolution 6, the Company is seeking Shareholder approval to issue securities in the future under the PRP as an exception to Listing Rules 7.1 and 7.1A.

7.2 Listing Rules 7.1

Listing Rule 7.1, also known as the "15% rule", limits the capacity of a company to issue Equity Securities without the prior approval of its shareholders. In broad terms, Listing Rule 7.1 provides that a company may not, in any 12 month period, issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the 12 month period unless the issue is first approved by a majority of disinterested shareholders or the issue otherwise comes within one of the exceptions to Listing Rule 7.1 (**15% Capacity**).

7.3 Exception 9 of Listing Rule 7.2

An exception to Listing Rules 7.1 exists for issues under employee incentive schemes such as the ESOP and the PRP. If the exception applies, then Options issued under the ESOP and equity securities issued under the PRP will not count towards the Equity Securities that the Company may issue as part of its 15% Capacity.

Pursuant to Exception 9 of Listing Rule 7.2, Options (and resultant Shares) issued under the ESOP and performance rights (and resultant Shares) issued under the PRP will not fall within 15% Capacity if Shareholders have approved the employee incentive scheme within the last 3 years and the Notice of Meeting contains:

- (a) a summary of the terms of the scheme;
- (b) the number of securities issued under the scheme since the date of the last approval; and

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- (c) a voting exclusion statement.

7.4 Approval to issue securities under the ESOP and the PRP

As three years have elapsed since the ESOP and PRP were last approved, shareholder approval of the ESOP and the PRP is required under Exception 9 of Listing Rule 7.2 so that any issue of securities under the ESOP or the PRP over the next 3 years is disregarded when determining the 15% Capacity and Listing Rule 7.1A Capacity (if applicable).

For this purpose, in accordance with Exception 9 of Listing Rule 7.2, the Company advises that:

- (a) a summary of the terms and conditions of the ESOP and PRP are contained in Annexure A and Annexure B (respectively) to this Explanatory Memorandum;
- (b) No Options have been issued under the ESOP since the ESOP was approved on 17 November 2011;
- (c) the number of performance rights which have been issued and vested under the PRP since the PRP was approved on 17 November 2011 is 575,000. However, as at the date of this Notice of Meeting there are no performance rights remaining on issue under the PRP; and
- (d) because Directors are eligible to participate in the ESOP and the PRP, a voting exclusion statement is included in the Notice of Meeting in relation to Directors and their associates.

7.5 Participation of Directors

Whilst Directors are eligible to participate under the provisions of the ESOP and PRP, no Options or performance rights will be issued to Directors (or their nominees) unless further specific approval for the issue of those Options is obtained pursuant to the provisions of Listing Rule 10.14.

Due to a potential interest in the outcome of this Resolution 4, the Directors make no recommendation as to how you should vote on this Ordinary Resolution.

7.6 Voting restrictions

There are restrictions on voting on these resolutions by Directors and their associates and by Key Management Personnel and their Closely Related Parties. For additional details please refer to the Voting Exclusion Statements in Resolution 5 and Resolution 6 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the resolutions the subject of this Meeting, including Resolution 5 and Resolution 6, subject to compliance with the Corporations Act.

Special Business

8. Resolution 7 – Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period

8.1 Introduction

Pursuant to Resolution 7, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period in accordance with Listing Rule 7.1A. If passed, this resolution will allow the Company to issue and allot up to 16,689,183 Shares (**10% Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's quoted class of Securities (calculated over the last 15 days on which trades in the quoted Securities are recorded, and immediately before the date on which the price at which the Shares are to be issued is agreed, or if not within 5 trading days of that date, the date on which the Shares are issued) (**Issue Price**).

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This approval is sought pursuant to Listing Rule 7.1A which enables small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary Shareholders by special resolution at the annual general meeting (**AGM**), to issue an additional 10% of issued capital over a 12 month period from the date of the AGM (**Additional 10% Issue**). The Additional 10% Issue under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the 10% Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of 10% Securities are intended to be used as follows:

- fund the Company's SCONI and Mineral Sands and Bauxite Projects; and
- working capital.

8.2 Listing Rule 7.1A

(a) General

(1) Eligibility

An entity is eligible to undertake an Additional 10% Issue if at the time of its AGM it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

As required by the Listing Rules, the Company's market capitalisation will be based on the closing price on the Trading Day before the AGM, and will be released by the Company to the ASX at that time. The calculation of market capitalisation will be based on the Closing Price of the Shares in the main class of Shares of the Company, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (in that main class, but excluding restricted securities and securities quoted on a deferred settlement basis).

For illustrative purposes only, as at 30 September 2014 the Company's market capitalisation is \$12,683,779 based on the Closing Trading Price of 7.6 cents on that date.

The Company is not included in the S&P/ASX300 Index as at the time of issue of this Notice of Meeting and the Company does not expect that it will be included in the S&P/ASX300 Index at the date of the Annual General Meeting.

The Company is therefore an eligible entity and able to undertake an Additional 10% Issue under Listing Rule 7.1A.

In the event that the Company is no longer an eligible entity to undertake an Additional 10% Issue after the Company has already obtained ordinary security holders' approval, the approval obtained will not lapse and the Company will still be entitled to undertake the Additional 10% Issue.

(2) Shareholder approval

The ability to issue the 10% Securities under the Additional 10% Issue is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Annual General Meeting. Pursuant to Listing Rule 7.1A, no Shares will be issued until and unless this Special Resolution is passed at Annual General Meeting.

(b) Issue Period – Listing Rule 7.1A.1

Shareholder approval of the Additional 10% Issue under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

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- (1) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (2) the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

or such longer period if allowed by ASX.

If approval is given for the Additional 10% Issue at the Annual General Meeting on 20 November 2014 then the approval will expire, unless there is a significant change to the Company's Business, on 20 November 2015.

(c) **Calculation for Additional 10% Issue – Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at AGM may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Shares calculated in accordance with the following formula:

(A x D) – E

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid Shares that became fully paid in the 12 months;
- (3) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid Shares cancelled in the 12 months.

D is 10 percent.

E is the number of Shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1A.3**

(1) **Shares**

Any Equity Securities issued under the Additional 10% Issue must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this notice of meeting, the Company has 166,891,830 quoted Shares on issue (and no other Equity Securities which are quoted). Accordingly, the Company is only seeking approval to issue ordinary Shares (and no other class of Equity Securities) under the Additional 10% Issue in addition to its 15% capacity permitted under Listing Rule 7.1.

(2) **Minimum Issue Price**

The issue price for the 10% Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Shares in the same class calculated over the 15 Trading Days immediately before:

- (A) the date on which the price at which the 10% Securities are to be issued is agreed; or

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- (B) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the 10% Securities are issued.

As required by the Listing Rules, the Company's market capitalisation based on the closing price on the Trading Day before the Annual General Meeting will be released by the Company to the ASX at that time.

(e) **Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 7 is passed and the Company issues any 10% Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the 10% Securities and the number of 10% Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:
 - (A) details of the dilution to the existing holders of Shares caused by the issue;
 - (B) where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
 - (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
 - (D) any other fees or costs incurred in connection with the issue.

(f) **Listing Rule 7.1 and 7.1A**

The ability of an entity to issue Shares under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 166,891,830 Shares, and, subject to Resolution 4 being passed, will have the capacity to issue:

- (1) 25,033,774 Shares under Listing Rule 7.1; and
- (2) 16,689,183 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (as above)

8.3 Specific Information required by Listing Rule 7.3A

(a) **Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.3A.1, the 10% Securities issued pursuant to approval under Listing Rule 7.1A must be not less than 75% of the VWAP for the Company's Shares over the 15 Trading Days immediately before:

- (1) the date on which the price at which the 10% Securities are to be issued is agreed; or
- (2) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the 10% Securities are issued.

The Company intends to issue the 10% Securities in accordance with Listing Rule 7.1A and will disclose to the ASX the Issue Price on the date of issue of the 10% Securities.

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(b) Risk of economic and voting dilution – Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if the Additional 10% Issue is passed by Shareholders and the Company issues the 10% Securities, there is a risk of economic and voting dilution to the existing ordinary security holders of the Company. The Company currently has on issue 166,891,830 Shares. Upon the Additional 10% Issue, and subject to the approval of Resolution 4, the Company will have approval to issue an additional 16,689,183 Shares. (The exact number of additional Shares to be issued under the Additional 10% Issue will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 and set out above). Any issue of 10% Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the Issue than it is on the date of the AGM; and
- (2) the 10% Securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the 10% Securities.

As required by Listing Rule 7.3A.2, Table 2 below shows the economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 2 also shows additional scenarios in which the number of issued capital has increased (by both 50% and 100%) and the Market Price of the Shares has:

- decreased by 50%; and
- increased by 100%.

Table 2

Issued Capital	50% decrease in Market Price 3.8 cents		Market Price 7.6 cents		100% increase in Market Price 15.2 cents	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Capital = 166,891,830 Shares	16,689,183	\$634,189	16,689,183	\$1,268,378	16,689,183	\$2,536,756
50% Increase in Capital = 250,337,745 Shares	25,033,774	\$951,283	25,033,774	\$1,902,567	25,033,774	\$3,805,134
100% Increase in Capital = 333,783,660 Shares	33,378,366	\$1,268,378	33,378,366	\$2,536,756	33,378,366	\$5,037,512

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Assumptions and explanations

- The Market Price is 7.6 cents based on the closing price of the Shares on ASX on 30 September 2014.
- The above table only shows the dilutionary effect based on the Additional 10% Issue and not the 15% under Listing Rule 7.1
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of 10% Securities available to it under the Additional 10% Issue.
- The Issued Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 30 September 2014.
- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Annual General Meeting which the Company anticipates will be 20 November 2014. The approval under Resolution 7 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of 10% Securities are intended to be used as follows:

- fund the Company's SCONI and Mineral Sands Projects; and
- working capital.

(e) Shares Issued for Non-cash consideration – Listing Rule 7.3A.4

The Company may issue 10% Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1A.3.

(f) Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of 10% Securities pursuant to the Additional 10% Issue. The identity of the allottees of Shares will be determined on a case-by-case basis having regard to the factor including but not limited to the following:

- (1) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate;
- (2) the effect of the issue of the 10% Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and

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- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the 10% Securities under the Additional 10% Issue have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Issue will be the vendors of the new assets or investments.

- (g) **Details of all equity securities issued where previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.6**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous annual general meeting held on 26 November 2013 but has not issued any Equity Securities under this authority.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of equity securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 20 November 2013):

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue on at commencement of 12 month period	176,870,996
Equity securities issued in prior 12 month period*	7,250,000
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	4.1%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Specific details that are required to be provided for each issue of equity securities in the prior 12 month period are set out in the table in Annexure C.

- (h) **Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

9. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7pm (Sydney time) on Tuesday 18 November 2014. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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10. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

AGM means annual general meeting;

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

Business Day means a day on which all banks are open for business generally in Brisbane;

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (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 dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Company means Metallica Minerals Limited ACN 076 696 092 (ASX: MLM);

Constitution means the constitution of the Company from time to time;

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

Directors or Board means the board of directors of the Company from time to time;

Eligible Entity has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules;

Meeting means the Annual General Meeting to be held on 20 November 2014 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Resolutions means the resolutions set out in the Notice of Meeting;

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Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company;

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Subsidiaries has the meaning given to that term in the Corporations Act;

Trading Day has the meaning given to that term in the Listing Rules.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to: John Haley Ph: 07 3249 3000

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ANNEXURE A – SUMMARY OF EMPLOYEE SHARE OPTION PLAN

The Company has established the ESOP to assist in the retention and motivation of employees by providing them with the opportunity to acquire Shares. Under the ESOP, Options over unissued Shares in the Company will be offered.

The ESOP contains usual provisions dealing with matters such as the administration, variation, termination or suspension of the plan.

Other features of the ESOP are as follows:

- The persons who are eligible to participate in the ESOP are employees of the Company (**Eligible Employee**) or their nominee who have been selected by the Board to participate in the ESOP;
- The Options will not be transferable or assignable to any person other than an Eligible Employee's nominee;
- The Options may be exercised at any time 12 months after their issue unless otherwise determined by the Board.
- The Options may be exercised wholly or in part by notice in writing to the Company received at any time during the relevant exercise period together with a cheque for the exercise price and the option certificate (if any) for those Options for cancellation by the Company;
- The Company shall allot the number of shares the subject of any exercise notice and apply at its cost for listing of the Shares within 14 days of the allotment of the shares;
- The Options will be exercisable at a price to be determined in the absolute discretion of the Board.

Shares issued on the exercise of the Options will rank pari passu with all existing Shares of the Company from the date of issue.

The number of Shares which may be acquired on the exercise of an option and the exercise price will be adjusted, as is appropriate, following any pro-rata bonus issue, rights issue, reconstruction or re-organisation of the issued ordinary capital of the Company.

The maximum number of Options that may be offered to participants under the ESOP is 5% of the issued capital of the Company at the time. If there is to be a re-organisation of the issued shares in the Company unexercised Options will be re-organised in accordance with the requirements of ASX Listing Rules.

Options not exercised lapse on the first to occur of the following:

- The expiration of such period nominated by the Board at its sole discretion, but being not less than 2 years after the date of issue;
- The expiry of 3 months, or any longer period which the Directors determine, after the Eligible Employee ceases to be employed by the Company or a Subsidiary of the Company; or
- The Eligible Employee ceasing to be employed by the Company or a Subsidiary of the Company due to fraud or dishonesty.

Quotation of Options on the ASX will not be sought. The Company will apply for quotation of Shares arising upon the exercise of Options.

The above description is a summary only of the principal terms and conditions of the ESOP. A copy of the ESOP is available from the Company on request.

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ANNEXURE B – SUMMARY OF PERFORMANCE RIGHTS PLAN

The Performance Rights Plan is a long term incentive scheme aimed at creating a stronger link between an eligible employees performance and reward whilst increasing Shareholder value in the Company.

The Board may from time to time in its absolute discretion issue or cause to be issued invitations on behalf of the Company to eligible employees to participate in the Performance Rights Plan. The invitation will include information such as performance hurdles and performance periods. On vesting, one Performance Right is exercisable into one Share.

A participant in the Performance Rights Plan will not pay any consideration for the grant of the Performance Rights. An eligible employee has no right to be granted any Performance Rights unless and until such Performance Rights are granted on meeting any performance conditions. The Performance Rights will not be listed for quotation on the ASX.

The Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

The performance hurdles applicable to any performance period (including how they will be measured) relating to Performance Rights shall be set out in the invitation to eligible employees to take part in the Performance Rights Plan.

As soon as reasonably practicable after the date at which performance hurdles are to be measured to determine whether the Performance Right becomes vested (Test Date), the Board shall determine in respect of each Participant as at that Test Date:

- (a) whether, and to what extent, the performance hurdles applicable up to the Test Date have been satisfied;
- (b) the number of Performance Rights (if any) that will vest as at the Test date;
- (c) the number of Performance Rights (if any) that will lapse as a result of the non-satisfaction of performance hurdles as at the Test Date; and
- (d) the number of Performance Rights (if any) in respect of the performance period that continue unvested,

and shall provide written notification to each Participant as to that determination.

Following exercise of a Performance Right, the Company must issue or transfer to the Eligible Person exercising the Performance Right the number of Shares in respect of which the Performance Right has been exercised

If a Participant's employment with the Company ceases because of an uncontrollable event such as death or serious injury, all of the Participant's Performance that are capable of becoming exercisable if performance hurdles are met at the next Test Date will become vested and the Performance Rights may be exercised within 3 months.

Where there is publicly announced any proposal (whether by takeover bid, scheme of arrangement or otherwise) in relation to the Company which the Board reasonably believes may lead to a change in control event:

- (a) all of the Participant's unvested Performance Rights, that have not lapsed, will become vested Performance Rights; and
- (b) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice, exercise vested Performance Rights.

The Performance Rights Plan will be administered by the Board. The Board will have power to delegate the exercise of its powers or discretions arising under the Performance Rights Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board) for such period and on such conditions as the Board may determine.

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If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate under the Performance Rights Plan, in accordance with the provisions of the Listing Rules.

Participants who are holding a Performance Right issued pursuant to the Performance Rights Plan have no rights to dividends and no rights to vote at meetings of the Company until that Performance Right is exercised and the Participant is the holder of a valid Share in the Company.

The terms and conditions of the Performance Rights Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Performance Rights Plan and the Listing Rules then the Listing Rules will prevail.

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ANNEXURE C – TABLE FOR THE PURPOSES OF SECTION 8.3(g) - DETAILS OF EQUITY SECURITIES ISSUED SINCE THE PREVIOUS ANNUAL GENERAL MEETING FOR THE PURPOSES OF LISTING RULE 7.3A.6

Date of issue:	19 December 2013	21 August 2014	20 August 2014
Number issued:	500,000	500,000	6,250,000
Class/Type of equity security:	Unquoted options	Unquoted options	Fully paid ordinary Shares
Summary of terms:	Options issued with an exercise price of 10 cents and an expiration date of 31 December 2016. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company	Options issued with an exercise price of 10 cents and an expiration date of 31 December 2016. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company	Shares issued will rank parri passu with all other fully paid ordinary shares on issue in the Company.
Names of persons who received securities or basis on which those persons was determined:	Granted to John Haley, Chief Financial Officer, under employment contract	Granted to John Haley, Chief Financial Officer, under employment contract	Persons entitled to receive the shares under a placement at 8 cents per share
Price:	Nil	Nil	Shares issued at 8 cents.
Discount to market price (if any):	Not Applicable	Not Applicable	3.3%
Total cash consideration received:	Nil	Nil	\$500,000
Amount of cash consideration spent:	Not Applicable	Not Applicable	It is estimated that \$100,000 of the funds raised have been expended on general working capital.

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Use of cash consideration:	Not Applicable	Not Applicable	To fund working capital
Intended use for remaining amount of cash (if any):	Not Applicable	Not Applicable	To fund working capital
Non-cash consideration paid:	Not Applicable	Not Applicable	Nil
Current value of that non-cash consideration:	Not Applicable	Not Applicable	Not Applicable