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**METALS AUSTRALIA LTD**

**ACN 008 982 474**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:30 am (WST)

**DATE:** 30 November 2016

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

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

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

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 10:30 am (WST) on 30 November 2016 at:  
Level 1, 10 Kings Park Road, West Perth, WA 6005

### Your vote is important

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

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 28 November 2016.

### Voting in person

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

### Voting by proxy

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

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

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

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

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

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

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

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

***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ROBERT COLLINS

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

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

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 5. RESOLUTION 4 – SIGNIFICANT CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

*“That, subject to the passing of all other Acquisition Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to complete the Acquisition as described in the Explanatory Statement and to consequently make a significant change to the nature and scale of its activities.”*

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

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#### 6. RESOLUTION 5 – ISSUE OF CONSIDERATION SECURITIES

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

*“That, subject to the passing of all other Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 150,000,000 Shares and 150,000,000 Options exercisable at \$0.003 each on or before 1 December 2019 on the terms and conditions set out in the Explanatory Statement.”*

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

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**7. RESOLUTION 6 – ELECTION OF DIRECTOR – GINO D’ANNA**

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

*“That, subject to the passing of all other Acquisition Resolutions, and for all other purposes, Gino D’Anna having been nominated and give his consent to act, be elected as a director of the Company on and from Settlement of the Acquisition.”*

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**8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES – TRANCHE 1 OF CAPITAL RAISING**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 158,333,334 Shares and 39,583,334 Options exercisable at \$0.003 each on or before 1 December 2019 on the terms and conditions set out in the Explanatory Statement.”*

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

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**9. RESOLUTION 8 – APPROVAL TO ISSUE SECURITIES – TRANCHE 2 OF CAPITAL RAISING**

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

*“That, subject to the passing of all other Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 158,333,334 Shares and 39,583,334 Options exercisable at \$0.003 each on or before 1 December 2019 on the terms and conditions set out in the Explanatory Statement.”*

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

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**10. RESOLUTION 9 – ISSUE OF OPTIONS TO BROKER**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 9,000,000 Options exercisable at \$0.003 each on or before 1 December 2019 on the terms and conditions set out in the Explanatory Statement.”*

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

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**Dated: 27 October 2016**

**By order of the Board**

**Norman Grafton  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.metalsaustralia.com.au>.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.



Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ROBERT COLLINS**

### **3.1 General**

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

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

Robert Collins, who has served as a Director since 26 February 2014, retires by rotation and seeks re-election.

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

Robert Collins has served on a number of ASX listed industrial and mining company boards and owned a large West Perth accounting practice servicing the corporate sector. He is currently a Director of Golden Deeps Limited and Metals Australia Ltd.

### **3.3 Independence**

If re-elected the board considers Robert Collins will be an independent director.

### **3.4 Board recommendation**

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

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## **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **4.1 General**

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

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

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

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2.4 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2016).

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

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

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

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

#### **4.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

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

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

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

**(c) Risk of voting dilution**

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

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 19 October 2016.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0015 50% decrease in Issue Price	\$0.003 Issue Price	\$0.0045 50% increase in Issue Price
1,286,617,777 (Current Variable A)	Shares issued - 10% voting dilution	128,661,778 Shares	128,661,778 Shares	128,661,778 Shares
	Funds raised	\$192,993	\$385,985	\$578,978
1,929,926,664 (50% increase in Variable A)	Shares issued - 10% voting dilution	192,992,666 Shares	192,992,666 Shares	192,992,666 Shares
	Funds raised	\$289,489	\$578,978	\$868,467
2,573,235,552 (100% increase in Variable A)	Shares issued - 10% voting dilution	220,656,888 Shares	220,656,888 Shares	220,656,888 Shares
	Funds raised	\$385,985	\$771,971	\$1,157,956

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 1,286,617,777 Shares on issue comprising:
  - 819,951,110 existing Shares as at the date of this Notice of Meeting;

- (b) 158,333,334 Shares which will be issued prior to the date of the Meeting under Tranche 1 of the Capital Raising (the subject of Resolution 7; and
  - (c) 308,333,333 Shares which will be issued if Resolutions 5 and 8 are passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 19 October 2016.
  3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
  4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
  5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
  6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
  7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
  8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

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

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

- (i) as cash consideration in which case the Company intends to use funds raised for insert the acquisition of additional natural resource exploration projects (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and, subject to settlement of the Acquisition, the QLL Projects (funds would then be used for project, feasibility studies and ongoing project administration), general working capital; and
- (ii) as non-cash consideration for insert the acquisition of additional natural resources exploration projects excluding previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

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

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

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 November 2015 (**Previous Approval**).

The Company has issued 74,924,002 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2015, the Company otherwise issued a further 83,409,332 Shares and 39,583,334 Options which represents approximately 15% of the total diluted number of Equity Securities on issue in the Company on 30 November 2015, which was 819,951,110.

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

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 26 October	158,333,334	Shares <sup>2</sup>	Sophisticated investors	\$0.003 (nil discount)	Cash consideration. Amount raised = \$475,000

2016					Amount spent = \$Nil Proposed of funds <sup>4</sup> : Refer to Section 5.10.
Issue – 26 October 2016	39,583,334	Unquoted Options <sup>3</sup>	Sophisticated investors	Nil cash consideration (free attaching to Shares on a 1:4 basis)	Nil consideration. The Options will be issued free attaching to Shares on a 1:4 basis. Current value <sup>5</sup> = \$114,792

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: MLS (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.003 each, on or before 1 December 2019. The full terms and conditions are set out in Schedule 3.
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.003) on the ASX on 19 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

Key metrics used in the Black & Scholes valuation are as follows:

- (a) Exercise Price - \$0.003;
- (b) Share Price - \$0.005;
- (c) Risk-free rate of interest – 2.50%;
- (d) Expiry Date – 1 December 2019;
- (e) Share Price Volatility – 60%;
- (f) No dividend yield; and
- (g) Theoretical Option Valuation - \$0.0029 per Option.

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

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

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

### 4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

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## 5. ACQUISITION OF QUEBEC LITHIUM LIMITED

### 5.1 Background

The Company was incorporated on 25 June 1981 and was admitted to the Official List of the ASX on 23 January 1986. The Company's principal activities are mineral exploration and project evaluation.

The Company currently has two projects located in Western Australia, being the Manindi Zinc Project and the Sherlock Bay Extended Base Metals Project and one project located in Namibia, being the Mile 72 Project (**Existing Projects**). Further details of the Existing Project are set out in Section 5.2 below.

Recently, the Company has been evaluating investment opportunities for the Company which will provide added Shareholder value.

On 20 October 2016, the Company announced that it had entered into an agreement (**Agreement**) with Quebec Lithium Limited (ACN 614 157 630) (**QLL**) and the shareholders of QLL (**Vendors**), pursuant to which the Company has agreed to conditionally acquire 100% of the issued capital in QLL (**Acquisition**).

The material terms of the Agreement are set out in Section 5.2 below.

QLL is an unlisted Australian company and is the 100% owner (with transfers currently in processing) of the Lac Rainy Nord Graphite Project, Lac La Motte Lithium Project, Lac La Corne Lithium Project and Lacourciere-Darveau Lithium Project, located in Quebec, Canada (together, the **QLL Projects**) which are prospective for graphite and lithium.

Further details of the QLL Projects are set out in Section 5.4 and Schedule 1 below.

The acquisition of QLL, and the QLL Projects, will allow the Company to diversify its project suite and take advantage of the transformational growth of the technology driven commodities such as graphite and lithium and complement the existing high grade Manindi zinc project owned by the Company. The Company and QLL are also reviewing additional projects for joint venture or acquisition.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions. Each of the Acquisition Resolutions is interdependent and accordingly, if any of the Acquisition Resolutions are not approved by Shareholders, all of the Acquisition Resolutions will fail and completion of the Acquisition will not occur.

A summary of the Acquisition Resolutions is as follows:

- (a) the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 4);

- (b) the issue at Settlement of:
  - (i) 150,000,000 Shares (**Consideration Shares**); and
  - (ii) 150,000,000 Options with an exercise price of \$0.003 each and expiring 1 December 2019 and otherwise on the terms set out in Schedule 3 (**Consideration Options**),
 (together, the **Consideration Securities**) to the Vendors (or their nominee/s) in consideration for the Acquisition, so that the Company will acquire all the issued capital in QLL (Resolution 5); and
- (c) the appointment of Gino D'Anna to the Board on and from Settlement of the Acquisition (Resolution 6).

In part to satisfy a condition precedent to the Acquisition, the Company is proposing to undertake a two tranche placement to raise up to \$950,000 (**Capital Raising**) comprising:

- (a) an initial tranche of 158,333,334 Shares at an issue price of \$0.003 per Share to raise up to \$475,000, with one (1) Option issued for every four (4) Shares subscribed (exercise price \$0.003, expiring on 1 December 2019) which were issued on 26 October 2016 without prior Shareholder approval under the Company's placement capacity provided by ASX Listing Rules 7.1 and 7.1A (**Tranche 1**); and
- (b) a subsequent tranche of up to 158,333,334 Shares at an issue price of \$0.003 per Share to raise up to \$475,000, with one (1) Option issued for every four (4) Shares subscribed (exercise price \$0.003, expiring on 1 December 2019), subject to Shareholder approval (**Tranche 2**).

The Company has engaged the services of Sanlam Private Wealth Pty Ltd (ACN 136 960 775) (**Sanlam Private Wealth**), a licensed securities dealer (AFSL 337927), to manage the Capital Raising. The Company will pay Sanlam Private Wealth a management fee of 6% (plus GST) on the Capital Raising amount (being \$57,000). The Company has also agreed to issue 9,000,000 Options to Sanlam Private Wealth (or its nominee/s) (**Broker Options**).

This Notice of Meeting seeks Shareholder approval for:

- (a) the ratification of Shares and Options issued under Tranche 1 of the Capital Raising (Resolution 7);
- (b) the issue of the Shares and Options under Tranche 2 of the Capital Raising (Resolution 8); and
- (c) the issue of the Broker Options to Sanlam Private Wealth (Resolution 9).

## 5.2 Terms of the Acquisition

As set out in Section 5.1, the Company has entered into the Agreement with QLL and the Vendors to acquire 100% of the issued share capital in QLL (**QLL Shares**).

The key terms of the Agreement are set out below:

- (a) **Acquisition:** Subject to the satisfaction (or waiver) of the conditions precedent set out in paragraph (c) below, the Company agrees to acquire, and each Vendor agrees to sell, all of their QLL Shares



(representing 100% of the issue capital of QLL), free from encumbrances, for the consideration referred to in paragraph (b) below.

- (b) **Consideration:** The consideration to be paid to the Vendors (or their nominee/s) will be:
- (i) a cash payment of \$70,000 (inclusive of GST), in reimbursement of past expenditure incurred in the development of the QLL Projects together with the cost of rental and maintenance of the active mining claims (**Reimbursement**);
  - (ii) 150,000,000 Shares (**Consideration Shares**) at a deemed issue price of \$0.002 per Consideration Share; and
  - (iii) 150,000,000 Consideration Options.
- (c) **Conditions Precedent:** Completion of the Acquisition remains, at the date of this Notice of Meeting, conditional upon the satisfaction (or waiver) of the following conditions precedent (**Conditions**):
- (i) completion of financial, legal and technical due diligence by the Company on QLL, its business, assets and operations, to the absolute satisfaction of the Company;
  - (ii) completion of financial, legal and technical due diligence by QLL on the Company, its business, assets and operations, to the absolute satisfaction of QLL;
  - (iii) the Company obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, the Corporations Act and any other law to allow the Company to lawfully complete the matters set out in the Agreement, including but not limited to, a resolution authorising the issue of the Consideration Shares and Consideration Options to the Vendors; and
  - (iv) the Company obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Company to lawfully complete the matters set out in the Agreement.
- If the Conditions are not satisfied (or waived) on or before 5:00pm (Perth time) on 30 November 2016 (or such other date as the Company and QLL agree) (**End Date**), either the Company or QLL may terminate the Agreement.
- (d) **MLS Board Composition:** The Company may, if requested by the Vendors, appoint one (1) nominee of the Vendors as a director of the Company, with effect from Settlement. QLL has nominated Gino D'Anna to be appointed to the Company's Board.
- (e) **QLL Board Composition:** At Settlement, QLL must deliver the written resignations of each of the existing directors and secretary of QLL and appoint as additional directors and secretary of QLL those persons nominated by the Company by written notice before Settlement.

## 5.3 Existing Projects

A summary on the Company's Existing Projects is set out below.

### (a) The Manindi Zinc Project

The Manindi Zinc Project is located around 500 km northeast of Perth and is being explored with a view to expanding the existing resources and examining the project's zinc potential. The project is comprised of three granted mining leases.

The Manindi base metal deposit is considered to be a volcanogenic massive sulphide zinc deposit, comprising a series of lenses of zinc-dominated mineralisation that have been folded, sheared, faulted, and possibly intruded by later dolerites and gabbro. The style of mineralisation is similar to other base metal sulphide deposits in the Yilgarn Craton, particularly Golden Grove at Yalgoo to the west of Manindi, and Teutonic Bore-Jaguar in the Eastern Goldfields.

In 2008, the Company delineated a resource that complied with the Australian Code for Reporting of Exploration Results, Minerals, Resources and Ore Reserves (**JORC Code**) requirements at that time. Work undertaken in 2015 upgraded the mineral resource to a JORC 2012 standard. The resource (at a 2% Zinc cut-off) was calculated to be 1.076 million tonnes @ 6.52% Zinc, 0.26% Copper, 3.19 g/t Silver<sup>1</sup>.

A detailed exploration targeting exercise was completed in 2015. The aim was to identify potential opportunities to discover additional mineralisation. Any increase to the mineral resource estimate at Manindi has the potential to improve the project economics.

The high priority targets in order of ranking (with the highest ranking on top) are as follows:

1. Kaluta (greenfields): This target was identified by the 2012 VTEM survey, and refined by follow-up FLTEM in the same year. Kaluta is a relatively large untested highly conductive body. The 3D model is at least 70m by 600m in surface area. The target sits just 30m below surface, where it resolves into several discrete bodies then plunges shallowly, at approximately 25 degrees at an azimuth of 290 degrees. It is located close to the Wombat Cu-Ni soil anomaly and is coincident with a deep-rooted magnetic body comparable to the setting of the Manindi mineralisation.

The Kaluta EM anomaly was first identified by Western Mining Corporation (WMC) in 1974. Drill testing was attempted, but modern TEM surveying and 3D processing have confirmed that the conductor was not effectively drill tested at the time.

Follow-up will involve diamond drill testing followed by DHTeM surveying. DHTeM surveying will be used to determine whether or not the conductor has been effectively intersected, to refine the 3D

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<sup>1</sup> Comprising 2012 JORC measured resources of ~38,000 tonnes, indicated resources of ~131,000 tonnes and inferred resources of ~906,000 tonnes. Refer ASX announcement of 17 April 2015 entitled "Manindi Mineral Resource Upgrade Re-release". The Company is not aware of any new information or data that materially affects the information included in the announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed.

conductor models, and to provide a vector for future phases of drilling. Future phases of drilling would depend on the discovery of significant mineralisation.

Kaluta is the highest ranked target because it is highly conductive, it is potentially large in size, it is coincident with a strongly magnetic body with similar geological setting to the existing Manindi mineral resource, and it is completely untested by drilling.

2. Kultarr Deeps and Kultarr North (resource extension): Various phases of TEM surveying dating back as far as the 1970s have identified this highly conductive zone, which hosts the Kultarr mineralisation. The 2012 VTEM survey and follow-up FLTEM surveying showed that this zone extends to at least 1,000m vertically below surface. The deepest drilling only tests to a maximum of 300m vertical below surface.

Given its location directly below and along strike from the Kultarr mineralisation, which is also highly conductive, this is a very high priority drill target.

Follow-up will involve a program of deeper drilling followed by DHTeM surveying. The DHTeM surveying will be used to map out the sulphide mineralisation in detail and target future drilling. This target alone has the potential to greatly increase the Manindi mineral resource.

3. Kowari Deeps (resource extension): This target is similar to Kultarr Deeps but ranks lower because the Kowari and Numbat mineralisation are both of a lower grade than Kultarr. However, given the generally high segregated and zoned nature of VMS style mineralisation, there is a good chance this conductor represents higher grade zinc and/or copper mineralisation. The highest grade copper intersected by drilling in the Manindi area, occurs at the Kowari prospect.

Follow-up will involve a program of drilling followed by DHTeM surveying. The DHTeM surveying will be used to map out the sulphide mineralisation in detail and target future drilling.

4. Dibbler (greenfields): This TEM conductor is located 300m east of Kowari, coincident with a magnetic trend similar to, and parallel to the Manindi trend. It may represent a new mineralised horizon lower down in the volcanic sequence to the main Manindi position, or possibly mineralisation remobilised into the footwall gabbro. This would be expected in a typical VMS target model. Although this conductor is relatively small at its top, it may represent the top of something larger, which develops at depth.

Dibbler was identified by historic EM surveys. A shallow percussion hole was drilled by Esso Exploration and Production Australia INC (Esso) in 1984 over the conductor. Modern 3D modelling indicates that the hole failed to intersect the conductor. The hole was terminated at 39m in +300ppm copper. The Manindi deposits are typically surrounded by an alteration halo containing +250ppm copper, so this is a very positive sign for Dibbler.

Follow-up will involve drilling one hole to intersect the conductor followed by DHTEM surveying. If significant mineralisation is intersected, a second phase of drilling will be carried out.

5. Brushtail (greenfields): Identified by the 2012 VTEM survey and refined by follow-up FLTEM in the same year. This conductor is coincident with a strongly magnetic trend similar to the Manindi trend, the area is undercover and completely unexplored, and may represent a mineralised position higher up in the volcanic sequence to Manindi.

Although the conductor appears to be relatively small at its top, it could represent the top of something larger developing at depth, particularly given the coincidence with a magnetic body. Only drilling and DHTEM surveying can determine this.

The fact that this area has never been explored for Manindi style mineralisation makes Brushtail a very high priority target.

Follow-up will involve drilling of one or two diamond holes followed by DHTEM surveying. If mineralisation is encountered, further drilling and DHTEM surveying may be proposed.

6. Ningbing (greenfields): This EM conductor is located on the Manindi magnetic trend in a similar stratigraphic position to the Manindi deposits. The 2012 VTEM survey identified the anomaly and FLTEM surveying refined it in the same year. Historic EM had already identified the anomaly but modern 3D modelling indicates that drilling failed to effectively test it.

WMC drilled a single hole over the conductor in 1974 but missed in by about 60m. A second hole was drilled by Plutonic Resources in 1997; this hole was very close to the conductor, but was drilled at a low angle and failed to effectively test it. The Plutonic hole intersected a broad zone of +250ppm copper<sup>2</sup> which typically surrounds the Manindi deposits. This is a positive sign for Ningbing.

Although not particularly large in size at 200m by 50m in extent, this conductor is only 80m from surface and has the potential to add a significant tonnage to the Manindi mineral resource. For comparison Warrabi measures approximately 150m by 65m by 10m thick and contains approximately 152,000t (14%) of the JORC 2012 mineral resource estimate.<sup>3</sup>

7. Monjon (greenfields): This EM is similar in style, stratigraphic position and history to Ningbing. The 2012 VTEM and FLTEM surveys identified and refined the target. The anomaly was identified and targeted from historic EM surveys but modern 3D modelling indicates that drilling was ineffective at the time.

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<sup>2</sup> Refer ASX announcement of 7 April 2015 entitled "Manindi Exploration Target Update". The Company is not aware of any new information or data that materially affects the information included in the announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed.

<sup>3</sup> Refer ASX announcement of 7 April 2015 entitled "Manindi Exploration Target Update". The Company is not aware of any new information or data that materially affects the information included in the announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed.

Plutonic drilled two holes here in 1997. Drillhole orientation and positioning was not optimal and the conductor was not effectively tested. Narrow zones of weakly anomalous copper up to 480ppm were intersected by the drilling.<sup>4</sup>

Follow-up will involve the drilling of a single hole to intersect the conductor at the correct orientation followed by DHTM surveying. If significant mineralisation is intersected and DHTM provides a vector to more conductive material, a second phase of drilling will be carried out.

There are several other lower ranking targets at Manindi with the potential to add to the mineral resource. These include:

- Mulgara/Warabi: Resource extension opportunities. Pre 2002 EM models extend to at least 150m below deepest drilling at Warabi.
- Ningau/Bandicoot: Large EM conductor, only partially tested by drilling. This target needs more systematic drilling on an optimised grid direction.
- Ampurta: Medium to large EM conductor only partially tested by drilling. Historic drilling is not systematic. This target needs further systematic drilling.
- Dunnart: Small untested EM conductor on the Manindi magnetic trend. The anomaly is located beneath conductive overburden so it could be larger than EM modelling indicates.

(b) **Sherlock Bay Extended Base Metals Project**

The Sherlock Bay Extended Project is comprised of two granted exploration licences and is prospective for nickel, copper, silver and gold mineralisation.

The project is a joint venture between the Company and Australasian Resources Ltd (ASX:ARH). Australasian Resources Ltd is the manager of the project with the Company being free-carried through to completion of a bankable feasibility study and the decision to commence commercial mining.

In late 2014, the results of samples collected in 2014 on E47/1769 were received by Australasian Resources Ltd. To date, no analysis of these results has been undertaken. No activity has taken place on the project in the last 12 months.

The two exploration licences comprising the Sherlock Bay Extended Project are currently subject to forfeiture due to being under-expended.

ARH has recently been fined by the Department of Mines and Energy and is in the process of paying the associated penalties which will keep the Sherlock Bay Extended Project tenements in good standing.

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<sup>4</sup> Refer ASX announcement of 7 April 2015 entitled "Manindi Exploration Target Update". The Company is not aware of any new information or data that materially affects the information included in the announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed.

(c) **Mile 72 Project**

The Mile 72 Project is an exploration project on the coast of Namibia, north of the city of Swakopmund which is prospective for uranium.

During the September 2014 quarter, the Company conducted a review of all of its recent drilling and exploration at the Mile 72 Project.

No significant work has been undertaken on the project in the last 18 months.

The Company is not currently seeking to recommence significant exploration activities at the Mile 72 project due to the outlook for uranium. The cost of capital in exploring the Mile 72 project is such that it requires a higher uranium price to ensure its viability as an exploration project. The Company plans to undertake an additional review of the geological drilling that has been completed.

As part of the review of the historical geological drilling, the Company plans to re-analyse the drill core from the previous programs with a view to assaying for other elements such as Lithium and other Rare Earth Elements (**REE's**) that have been identified in other project areas in the region and may be present at the Mile 72 Project.

#### 5.4 Overview of QLL and QLL Projects

QLL is an unlisted Australian public company that was incorporated in 2016 to acquire the QLL Projects. The Vendors (and shareholders of QLL) are set out below.

<b>Vendor</b>	<b>No. of QLL Shares</b>
Rachel D'Anna	4
Kalgoorlie Mine Management Pty Ltd	7
Glenn Griesbach	3
<b>Total</b>	<b>14</b>

QLL holds mineral claims comprising four (4) separate project areas located in Quebec, Canada:

- (a) the Lac Rainy Nord Graphite Project; and
- (b) the Lac La Motte, Lac La Corne and Lacourciere-Darveau Lithium Projects.

The QLL Projects comprise 336 mineral claims and 53 mineral claim applications which cover an aggregate area of approximately 212 km<sup>2</sup>. Details of the mineral claims and mineral claim applications are provided in Schedule 1.

Each mineral claim has either been formally granted, resulting in the grant of active mineral claims by the Quebec mines department or is an application pending grant subject to "Villegiature-status" which relates to areas located in close proximity to water bodies and where additional consultation with First Nations is required. Exploration activities are permitted on the "Villegiature-status" mineral claims.

Of the project portfolio, three of the project areas are considered to be prospective for lithium with the final project area considered to be prospective for graphite.

(a) **Lac Rainy Nord Graphite Project**

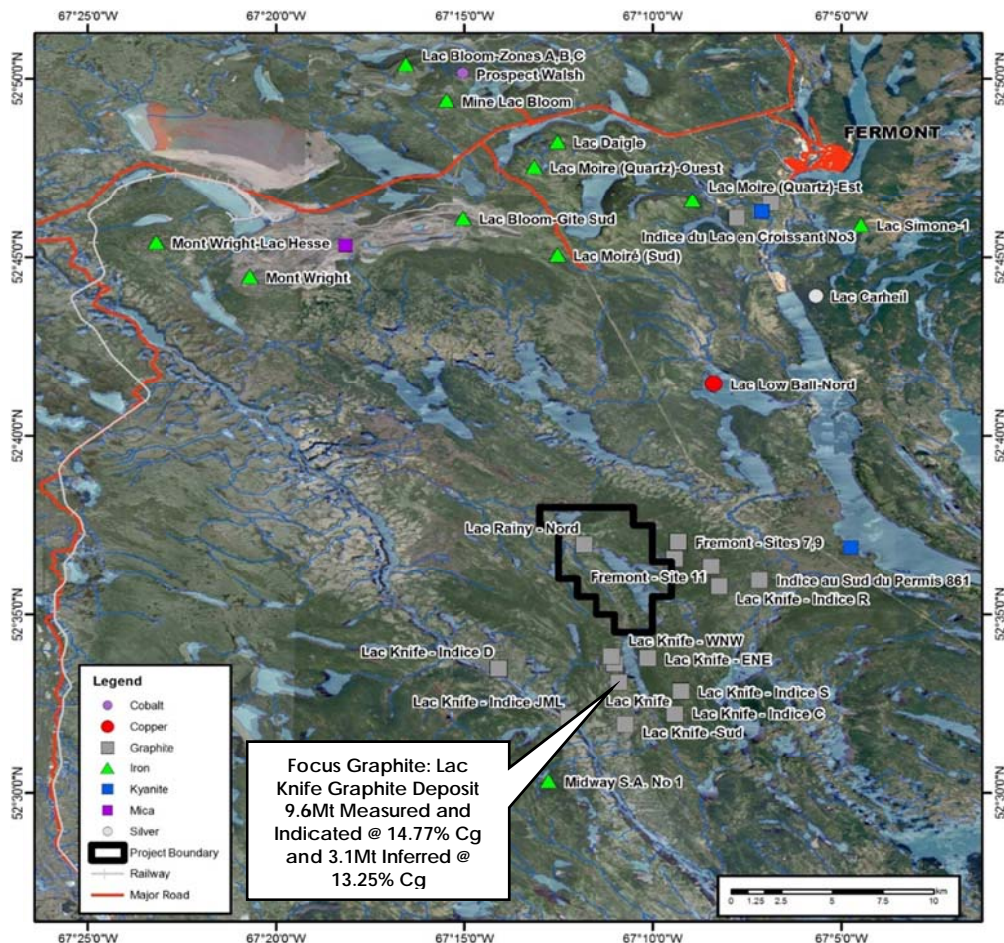
The Lac Rainy Nord Graphite Project is 100% owned by QLL and is located in one of the most dominant graphite geological provinces of Quebec, approximately 22km southwest of the historic mining town of Fermont and 260km north-north-east of city of Sept-Iles. The Lac Rainy Nord is located approximately 15km east of Route 389, a paved highway which travels north into the mining town of Fermont.

Access to the Lac Rainy Nord Graphite Project is facilitated by a system of small off-road tracks which connect to Route 389. The Lac Rain Nord Graphite Project consists of a contiguous landholding of 32 mineral claims covering an area of approximately 16.74 km<sup>2</sup>.

The Lac Rainy Nord Graphite Project was previously owned by Soc. Expl. Min. Mazarin Inc. (**Mazarin Inc.**).

Historical exploration and analysis of the Lac Rainy Nord Graphite Project is comprised of geophysics (MAG - VLF EM) ground and helicopter prospecting, stripping, trenching, geological surveys and sampling. The Lac Rainy Nord Graphite Project is located in a well understood geological setting which is host to numerous graphite occurrences and deposits owned by major operators.

The favourable location and access to the project facilitates exploration and development in a low cost environment. Figure 1 illustrates the location of the Lac Rainy Nord graphite project and its location relative to other developed graphite occurrences and deposits in the region.



**Figure 1: Location of the Lac Rainy Nord graphite project**

The Lac Rainy Nord Graphite Project is located within 5 km of the following known and explored graphite projects<sup>5</sup>:

- **Fermont – Site 7 and 9:** 15.06% Cg over 1.5 m (sample RX- 5324; Site 7); 11.83% Cg over 1.5 m (sample spline RX- 5328; Site 9); 9.96% Cg over 2.0 m (sample RX- 5332; Site 9); 25.37% Cg (grab samples RX- 5351; Site 9) and 24.69% Cg (grab samples RX- 5353; Site 9).
- **Fermont – Site 11:** 21.58% Cg over 1.5 m (RX- 5339); 11.39% Cg over 1.5 m (sample RX- 5341); 5.57% Cg over 1.5 m (sample RX- 5338); 13.90% Cg (sample RX- 5352). The size of graphite flakes is from 1 to 5 mm.
- **Fermont – Site 3, 5 and 6:** 16.87% Cg (sample RX- 5347); 6.78% Cg (sample RX- 5349 - Site 5); 6.25% Cg (sample RX- 5317 - Site 3); 5.49% Cg to 1.5 m (sample RX – 5323 - Site 6). The size of graphite flakes is from 2 to 8 mm.
- **Permit 861:** 22.27% Cg and 16.68% Cg (sample 2215 and 2214). In this stratigraphic horizon, the content ranges from 5% to 20% graphitic carbon and fine flake.
- **Lac Knife:** 13.19% Cg (sample RX4560); 9.55% Cg over 2.5 m (sample RX4559). Graphite is very coarse flakes.

The Lac Rainy Nord Graphite Project was first discovered in 1989 and has been subject to some exploration over that time, however previous exploration was not conducted in a systematic manner which has meant that the true mineralisation and potential of the Lac Rainy Nord Graphite Project has not been fully established.

The Lac Rainy Nord Graphite Project is contiguous with Focus Graphite and its 100% owned Lac Knife Graphite Deposit at which it has announced Measured and Indicated resources totalling 9,576,000 million tonnes grading 14.77% graphitic carbon, with Inferred resources of 3,102,000 tonnes grading 13.25% graphitic carbon.

(Note: Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves)

The Feasibility Study completed by Met-Chem Canada Inc. (released on 8 August 2014) on the Lac Knife Graphite Deposit indicates that the Lac Knife Graphite Deposit has the potential to become one of the lowest-cost, highest-margin producers of graphite in the world.

(b) **Lac La Motte, Lac La Corne and Lacourciere-Darveau Lithium Projects**

QLL has secured a dominant ~20,000Ha landholding in the La Corne-La Motte lithium district, known as the Abitibi Greenstone Belt, the most

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<sup>5</sup> Refer ASX announcement of 20 October 2016 entitled "MLS to Acquire Graphite and Lithium Projects in Canada". The Company is not aware of any new information or data that materially affects the information included in the announcement, and all material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed.

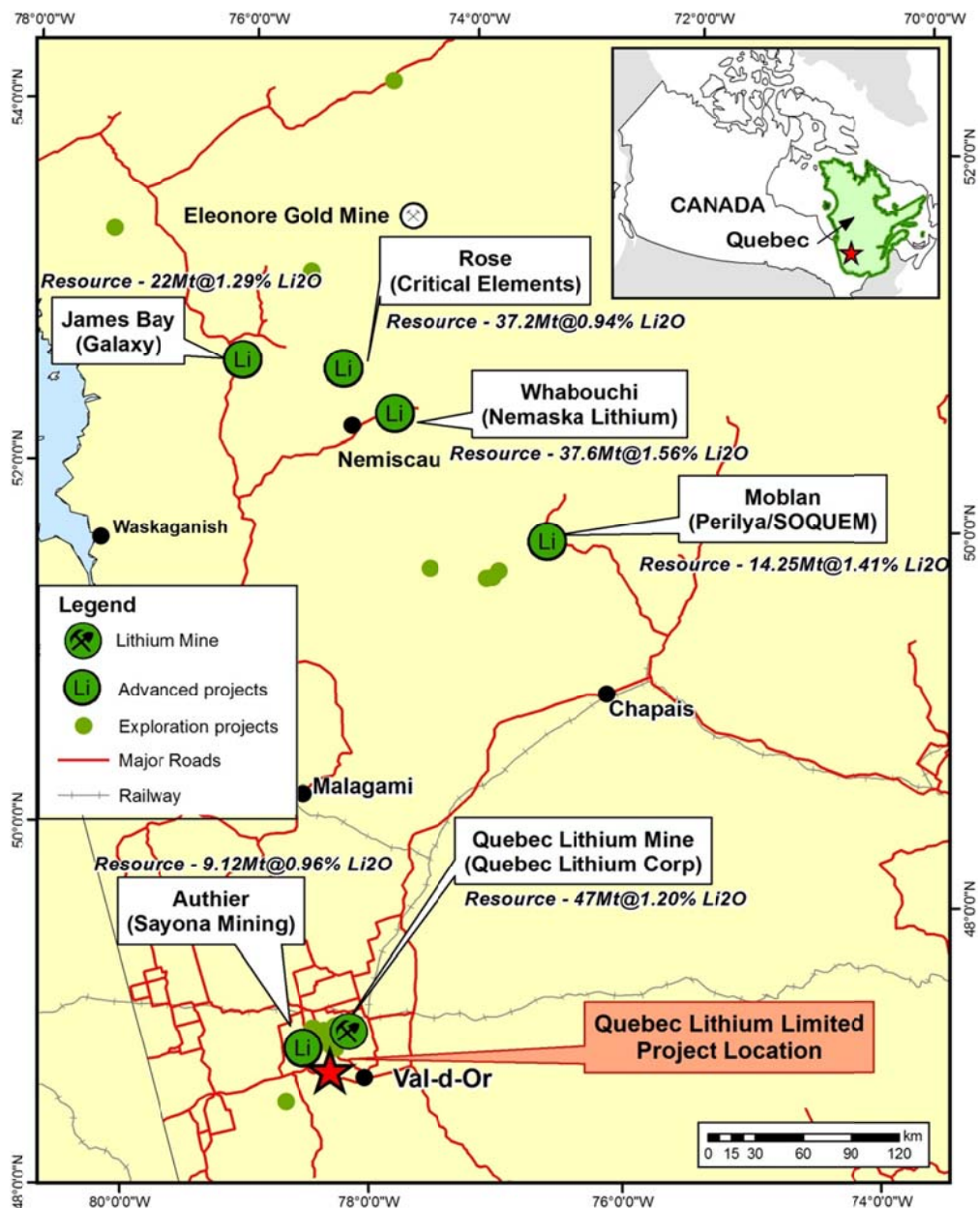


advanced lithium producing region in Quebec, hosting the only operating lithium mine in Canada's history.

The Abitibi Greenstone Belt is host to more than 20 recorded lithium occurrences and deposits with some of the highest Li<sub>2</sub>O grades in the world.

QLL owns three projects, known as Lac Rainy Nord, Lac La Motte, Lac La Corne and Lacourciere-Darveau, that are all located in well-known geological environments and are host to existing graphite occurrences in the case of Lac Rainy Nord and extensively mapped LCT pegmatite dyke swarms and known lithium and beryl occurrences in the case of La Motte, La Corne and Lacourciere-Darveau. The Lac La Motte and Lac La Corne lithium projects are situated within the Preissac-Lacorne plutonic complex of the Abitibi Greenstone Belt – the complex forming one of the best prospective areas for lithium mineralization.

Figure 2 below illustrates the location of the projects relative to other lithium deposits in Quebec.



## **Figure 2. Project Location Map of QLL Lithium Projects**

### **Lac La Motte Lithium Project**

QLL owns 100% of the Lac La Motte lithium project which is located in Quebec's well known La Corne - La Motte lithium district, approximately 25 kilometres northwest of the historic mining town of Val d'Or and 400 km northwest of Montreal.

The Lac La Motte project consists of a contiguous landholding of 64 mineral claims and 25 mineral claim applications covering an area of approximately 49.4 km<sup>2</sup>.

Access to the Lac La Motte project from Val d'Or is easily gained via paved Highway 111 and a number of all-weather gravel roads.

The Lac La Motte lithium project is less than 1 km from the Authier lithium mine (Sayona Mining ASX: SYA), less than 1.5km south from the Duval lithium deposit (1.45% Li<sub>2</sub>O), and about 500m west of the Baillarge-Ouest lithium project, where spodumene rich outcrops have assayed up to 1.94% Li<sub>2</sub>O.

The east-west trending Lac La Motte VII-47 lithium occurrence is located within metres from the Lac La Motte lithium project claims held by Quebec Lithium. This occurrence is a mapped 10m wide pegmatite, trending in an east-west direction which remains open along strike.

A further occurrence known as Lac La Motte is located in close proximity to the active claims owned by Quebec Lithium. This lithium-bearing pegmatite dyke swarm contains spodumene in high concentration and beryl.

### **Lac La Corne Lithium Project**

The Lac La Corne lithium project is located less than 1 km east of the Chubb lithium deposit (1% Li<sub>2</sub>O) and 5km south west of Jilin Jien Nickel Industry Co., Ltd (**Jilin**) Quebec Lithium Mine (formerly owned and operated by Canada Lithium Corporation and RB Energy Inc) which has a mineral resource of 47Mt at 1.20% Li<sub>2</sub>O.

The La Corne lithium district is the most advanced lithium region in Quebec, hosting Canada's only operating lithium mine, located less than 5 km northeast of the Lac La Corne lithium project.

An outcropping spodumene pegmatite was mapped by the Geological Survey of Quebec on the Lac La Corne lithium project in July 2014. The Geological Survey sampling showed it contained spodumene in high concentration, however despite recommendations, no follow-up drilling or exploration has been undertaken to date.

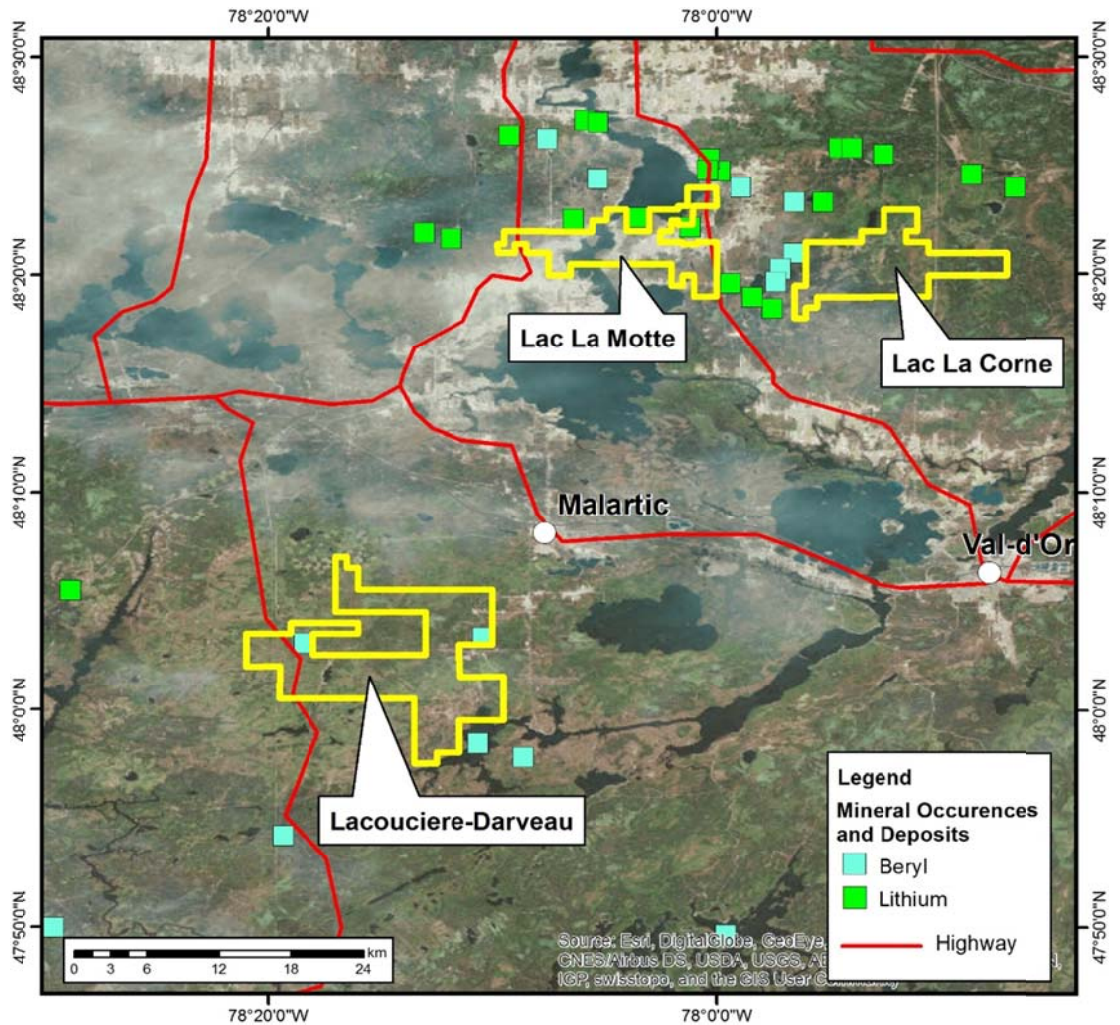
### **Lacourciere-Darveau Lithium Project**

The Lacourciere-Darveau lithium project sits within a massive pegmatitic pluton.

Beryl occurrences and lithium mineralisation in the vicinity indicate high potential for the discovery of complex pegmatites and associated lithium mineralisation within the project area.

Within the vicinity of the Lacourciere-Darveau lithium project is the Wells-Lacourciere historic lithium showing which during a bulk sample program exhibited results ranging from 2.87% Li<sub>2</sub>O to 4.0% Li<sub>2</sub>O.

Figure 3 below indicates the location of the above three lithium projects.



**Figure 3: Location of the three QLL lithium projects**

## 5.5 Lithium Market

### (a) Lithium

Lithium is a key component of the accelerating growth in battery technology which includes cell phones, laptops & tablets, electric & hybrid cars (EV), and grid storage.

The emergence of these markets is being driven by a global desire to reduce carbon emissions and break away from traditional infrastructure networks. This shift in energy use is supported by the improving economics of lithium-ion batteries. Global battery consumption is set to increase significantly over the next decade, placing pressure on the battery supply chain & lithium market.

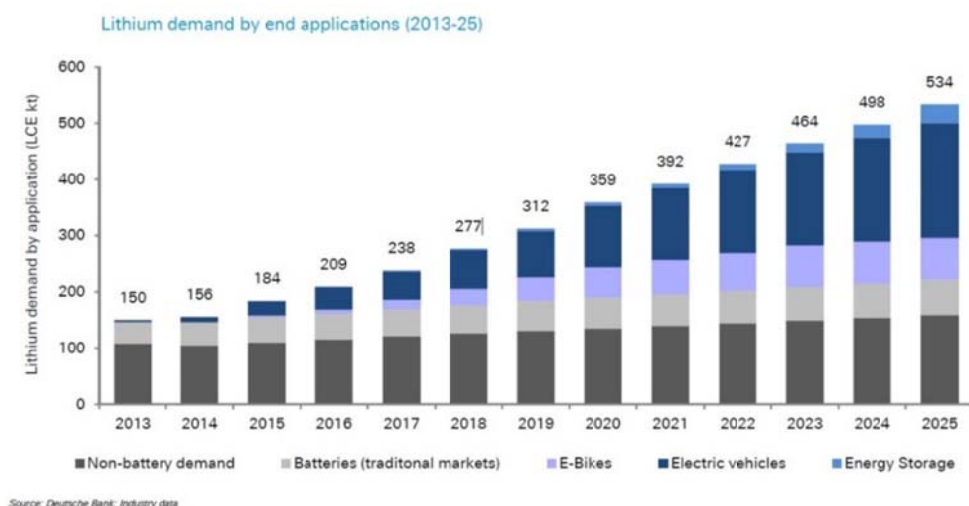
### (b) Lithium-ion Batteries

Lithium-ion batteries are a type of rechargeable battery in which lithium ions move from the negative electrode (anode) to the positive

electrode (cathode) during discharge, and from the cathode to the anode when charged. Lithium-ion batteries are common in portable consumer electronics because of their high energy-to-weight ratios, lack of memory effect, and slow loss of charge when not in use. In addition to consumer electronics, lithium-ion batteries are increasingly used in defence, automotive and aerospace applications due to their high energy density. They are generally much lighter than other types of rechargeable batteries of the same size. The electrodes of a lithium-ion battery are made of lightweight lithium and carbon. It is expected that the next major area of use for lithium rechargeable batteries will be electric bicycles and scooters, automotive starter batteries, mass energy storage batteries and the electric vehicle industry.

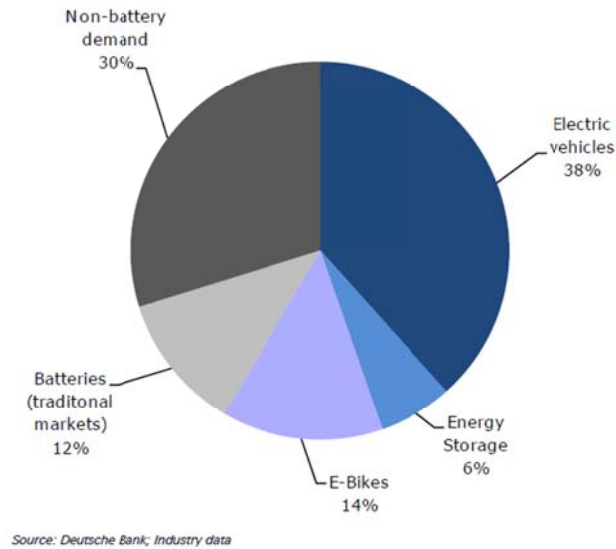
(c) **Global lithium demand to triple over the next 10 years**

According to Deutsche Bank's Markets Research, Lithium 101, May 2016, the dramatic fall in lithium-ion costs over the last five years from US\$900/kWh to US\$225/kWh has improved the economics of electric vehicles and energy storage products as well as opening up new demand markets. Global battery consumption has increased 80% in two years to 70GWh in 2015, of which electric vehicles accounted for 35%. Global battery demand is expected to reach 210GWh in 2018 across EV, energy storage & traditional markets.



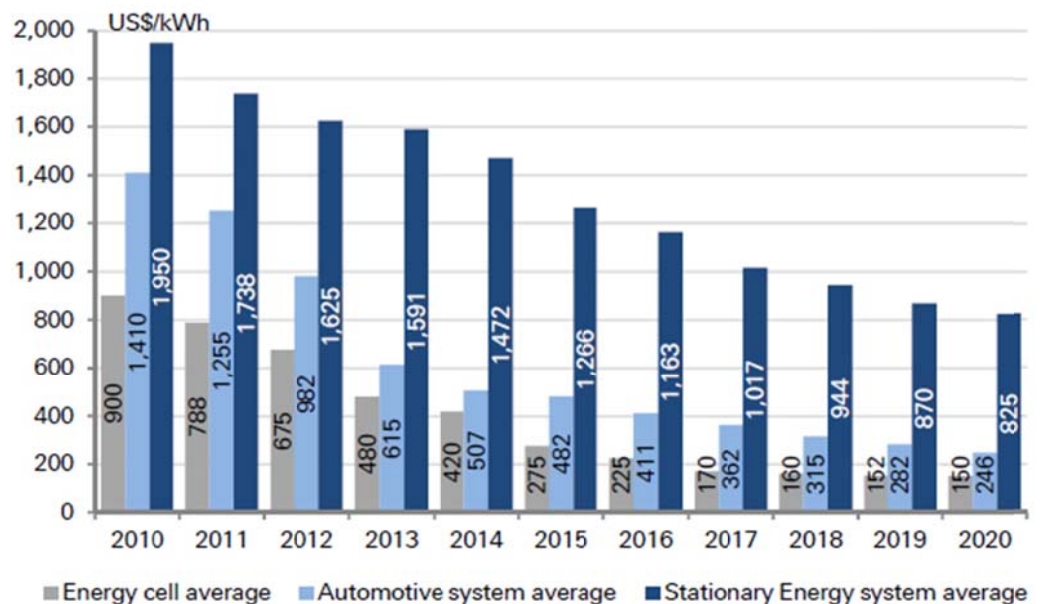


### 2025 lithium demand by applications



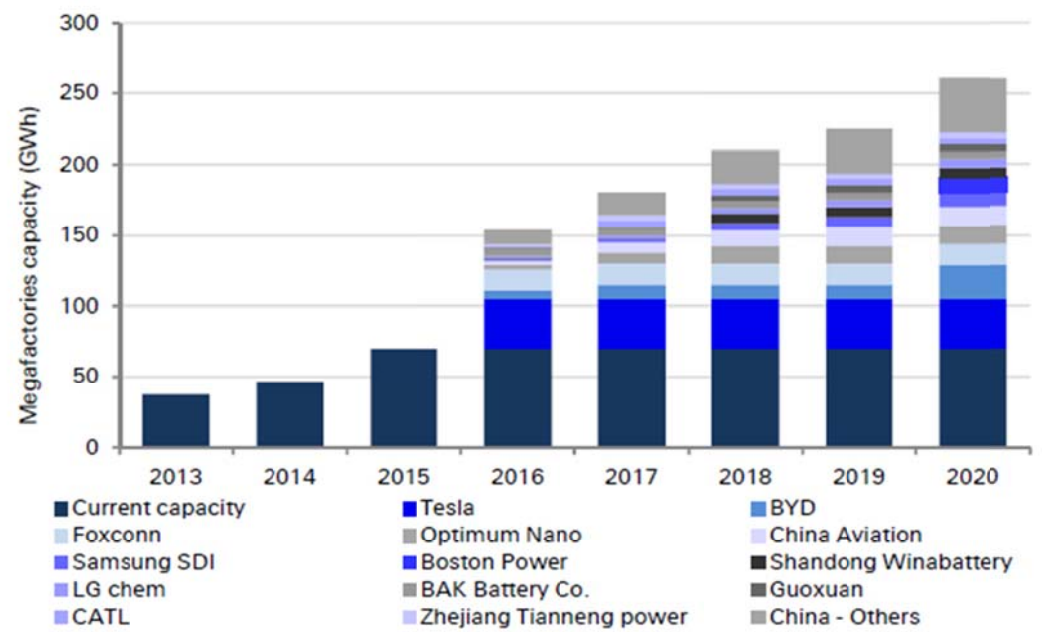
According to Deutsche Bank, by 2025, global battery consumption could exceed 535GWh. This is anticipated to have major impacts on lithium. Global demand increased to 184kt Lithium Carbonate Equivalent (LCE) in 2015 (+18%), leading to a market deficit and rapid price increases. Lithium demand is expected to reach 280kt LCE by 2018 (+18% 3-year CAGR) and 535kt LCE by 2025 (+11% CAGR).

### Figure 2: Lithium-ion battery costs are falling



Source: Deutsche Bank; Cairn ERA

Figure 3: The battery supply chain is rapidly increasing



Source: Deutsche Bank, company data

(d) **Global lithium supply late to respond**

According to Deutsche Bank, global lithium production was 171kt LCE in 2015, with 83% of supply from four producers: Albemarle, SQM, FMC and Sichuan Tianqi. Supply has not responded fast enough to demand, and recent price hikes have incentivized new assets to enter the market. Orocobre (17.5ktpa), Mt. Marion (27ktpa), Mt. Cattlin (13ktpa), La Negra (20ktpa), Chinese restarts (17ktpa) and production creep should take supply to 280kt LCE by 2018.

(e) **The Electric Vehicle industry is the major demand market**

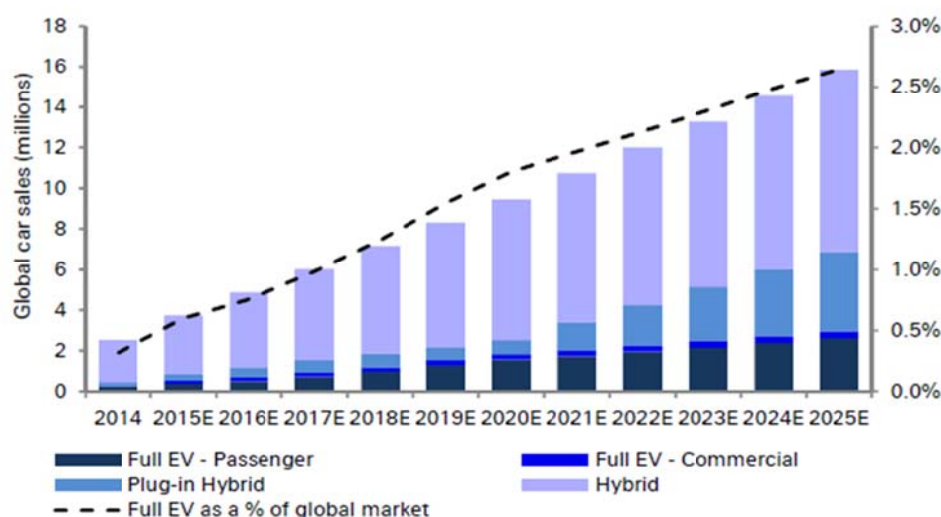
The growth in demand for electric and hybrid car batteries is a driving factor. This growing market has been pioneered by Tesla in recent years, but the larger catalyst for global mass market uptake of EV technology is China, where government subsidies are in place for both passenger EV vehicles and commercial EV's (buses and small trucks). Hybrids & plug-in hybrids currently dominate global EV sales, with full-electric EV's accounting for only 0.6% of global auto sales in 2015. EV sales is expected to grow to over 16 million vehicles by 2025 with full electric EV sales rising to 3.0 million vehicles (2.6% of global sales, 6x the 2015 market). This market share gain should lift lithium consumption in EV's from 25kt LCE in 2015 to 205kt LCE in 2025 (23% CAGR over the next 10 years).

**DB global EV forecasts (m units)**

	2015	2020	2025
Hybrid	2.9	6.9	9.0
Plug-in Hybrid	0.3	0.7	3.9
Full EV - Passenger	0.4	1.6	2.6
Full EV - Commercial	0.1	0.3	0.4
<b>Subtotal</b>	<b>3.7</b>	<b>9.5</b>	<b>16</b>
Diesel	18	19	20
Gasoline	67	73	76
<b>Total</b>	<b>89</b>	<b>102</b>	<b>112</b>
Hybrid as % of global market	3.2%	6.8%	8.0%
Plug-in Hybrid as % of global market	0.4%	0.7%	3.5%
Full EV as % of global market	0.6%	1.8%	2.6%
Full EV as % of Total EV	14.3%	19.4%	18.7%

Source: Deutsche Bank

## DB global EV forecasts



Source: Deutsche Bank

### (f) Energy Storage an emerging market

Driven by the declining costs of lithium-ion batteries, battery storage is now economically feasible for a number of Energy Storage applications. Battery use in Energy Storage is expected to grow to be a 50GWh per annum market by 2025 (46% CAGR over next 10 years). Lithium-ion batteries should be the leading technology, with superior performance and rapidly falling costs helping ensure it will be the battery of choice in Energy Storage. As a consequence, it is expected that lithium battery consumption will reach 48GWh (54% CAGR), accounting for 97% of battery use in Energy Storage. As a result, lithium demand for this sector could increase from virtually nothing in 2015 to 34kt LCE in 2025 (6% of 2025 demand).

### (g) Market deficit driving global supply response

Lithium is produced from either brine-based deposits or from hard-rock mineral deposits. Lithium products derived from brine operations can be used directly in end-markets, but hard-rock lithium concentrates need to be further refined before they can be used in value-added applications like lithium-ion batteries.

The current lithium supply market is dominated by four major producers. Albemarle, SQM, FMC and Sichuan Tianqi accounted for 83% of global supply in 2015. An increase in lithium prices in the late 2000's led to a wave of investment in mine expansions for South America-based lithium brine assets and increasing conversion capacity in China for hard-rock lithium feedstocks. However, stagnant global growth met an oversupplied lithium market, leading to depressed lithium pricing from 2013 until mid-2015.

Over the last 12 months, global lithium demand has surged, leaving a number of Chinese conversion plants searching for lithium feedstocks to be converted into value-added products. China currently has 115kt LCE installed capacity for hard-rock processing and only 55-60kt LCE of imports (mainly from the Greenbushes asset in Australia) and domestic



production of 17kt LCE, leading to conversion plant utilization of 65% in 2015.

The capital-intensive brine operations, which account for 50% of global lithium supply, have been unable to respond quickly to market conditions and increase output. The subsequent supply shortage, particularly in China, has led to a significant surge in pricing; 1Q16 spot prices in China for battery-grade lithium carbonate and lithium hydroxide were 196% and 190% higher than six months ago, respectively. The lithium market will remain in deficit for 2016, suggesting that these elevated prices can hold to the end of this year. It is this market backdrop that is now incentivizing new projects into the market.

**References: Deutsche Bank (DB) Markets Research, Lithium 101, May 2016**

## **5.6 Quebec, Canada**

Québec is vast: its total area is 1.7 million km<sup>2</sup>, of which only 1% is currently mined and 5% is covered by mining rights. With its favourable business climate and immense potential, Québec is a dream location for mineral extraction.

Québec is known for its tremendous mineral potential and a business climate that is very favourable to mining investment. Québec is especially attractive for resource exploration and development.

With 25 mines now in production and over 350 surface mineral mining operations in progress, the value of Québec's mineral shipments reached \$8.7 billion in 2014.

- Québec is the only producer of niobium in North America and one of only three in the world.
- The province is also Canada's biggest producer of iron and zinc and its second-largest producer of gold.

Developing the province's mineral potential has always been key for the Québec government. In 2009, to boost mining investment and ensure maximum benefits for Québec, the government adopted a provincial mineral strategy, working closely with local and Aboriginal communities.

### **(a) A transparent mining system**

The procedure for obtaining mining rights is simple and efficient. A claim can be acquired by map designation online, or by staking in the field. Rights are valid for two years and can be renewed indefinitely, provided the renewal conditions are met.

The Québec mining system is built around three guiding principles:

- Open access to resources is ensured on the largest possible portion of the territory.
- Mineral rights are granted on a first-come, first-served basis: the first investor to file an application that complies with the requirements is granted exclusive search rights on the land covered by the claim.

- If a discovery is made, the title holder can be reasonably sure of obtaining the right to develop the resource.

In 2013, Québec amended its Mining Act to clarify the regulatory framework for international investors. To ensure greater transparency, provisions on processing, environmental protection and dialogue with local communities were added to the Act.

As a result of these changes, companies must henceforth submit a scoping and market study regarding ore processing in Québec before they can obtain a mining lease.

(b) **Modern and Efficient Infrastructure**

Québec's bustling urban centres and position next-door to the U.S., at the hub of a highly-developed transportation network, make it an ideal location for business. In addition, its infrastructure is modern and efficient.

**Ports**

Québec offers ready access to Asia and Europe via its numerous deep-water ports, located in Trois-Rivières, Bécancour, Sorel-Tracy, Baie-Comeau, Port-Cartier, Sept-Îles and Valleyfield. Plans for two new deep-water ports are currently under study.

**Rail**

In addition to covering much of Québec, the rail network connects the Labrador Trough to the deep-water port in Sept-Îles. An increase in rail system capacity is planned to support new mining projects.

**Highways**

Québec boasts an efficient road network that ensures direct access to the North American market. Expanding road access to the Far North is a priority for the Québec government.

**Electrical infrastructure**

Québec is the world's fourth-largest producer of hydroelectricity. This renewable energy is supplied at competitive rates by a reliable distribution system that covers a large portion of the province. An increase in generating capacity is already planned to meet the demand from new mining projects.

## 5.7 **Composition of Directors**

It is proposed that the Board of Directors of the Company will comprise the following upon Settlement:

- (a) Robert Collins (subject to the passing of Resolution 2);
- (b) Hersch Majteles;
- (c) Michael Scivolo; and
- (d) Gino D'Anna (**Proposed Director**).

It is not proposed that any existing Directors will resign upon Settlement of the Acquisition.

A summary of the background and experience of the Proposed Director is set out below.

*Gino D'Anna Proposed Non-Executive Director*

Gino has significant primary and secondary capital markets experience having been involved in a number of IPOs and secondary capital raisings. He has been involved in a number of corporate reconstructions and recapitalisations and has raised in excess of \$100 million for companies involved in natural resources, technology and industrial and manufacturing businesses.

Gino was a founder of K2fly NL and was previously Executive Director of ASX Listed Atrium Coal NL. Gino was previously Executive Director of ASX Listed Ferrum Crescent Limited (ASX: FCR) and ASX Listed SWW Energy Limited (ASX: SWW). Gino is currently the Executive Director of BC Anthracite NL and Executive Director and Founder of MetalsTech Limited.

## 5.8 Pro-forma capital structure

The anticipated effect of the Acquisition on the capital structure of the Company will be as follows:

	Shares	Options
Current issued capital <sup>1</sup>	978,284,444	39,583,334 <sup>2</sup>
Tranche 2 of the Capital Raising	158,333,334	39,583,334 <sup>2</sup>
Consideration	150,000,000	150,000,000 <sup>2</sup>
Broker Options	Nil	9,000,000 <sup>2</sup>
<b>Total<sup>3</sup></b>	<b>1,286,617,778</b>	<b>238,166,668</b>

**Notes:**

1. This includes Tranche 1 of the Capital Raising.
2. Unquoted Options exercisable at \$0.003 each, expiring 1 December 2019. The terms of the Options are set out in Schedule 3.
3. Assumes no further securities are issued prior to settlement of the Acquisition, other than as set out in this table.

## 5.9 Pro-forma statement of financial position

An unaudited pro-forma balance sheet of the Company following Settlement of the Acquisition is set out in Schedule 2.

The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

## 5.10 Use of funds

The Company's current cash position (net of all trade creditors) is approximately \$471,500 (includes funds raised under Tranche 1 of the Capital Raising and existing cash at bank of \$25,000 and less brokerage payable of \$28,500).

If the Acquisition is completed, the Company intends to use the aggregated cash of the Company together with the funds raised pursuant to the Tranche 2 of the Capital Raising, which when aggregated would give a total of approximately \$918,000 funds available, as follows:

Item	Amount (\$)
Estimated cost of Acquisition and Capital Raising, including fees payable and duty payable	\$5,000
Brokerage (6.0% of gross proceeds)	\$57,000
Reimbursement of expenditure payable to the Vendors)	\$70,000
Expenditure on Existing Projects	\$100,000
Expenditure on QLL Projects	\$120,000
Evaluation of additional complementary projects	\$50,000
Working capital and corporate administration	\$516,000
<b>TOTAL</b>	<b>\$918,000</b>

The above table of proposed expenditure is a statement of current intentions as at the date of this Notice. Intervening events (such as exploration success or failure) may alter the way funds are ultimately applied by the Company and may alter the costs estimated above.

#### 5.11 Indicative timetable<sup>1</sup>

The current proposed timetable of the Acquisition is as follows:

Event	Date
Announcement of Acquisition	20 October 2016
General Meeting of Shareholders	30 November 2016
Settlement of Acquisition <sup>2</sup>	On or around 30 November 2016

**Notes:**

1. This timetable is indicative only and subject to change. The Directors of the Company reserve the right to amend the timetable.
2. The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may be extended.

#### 5.12 Advantages of the proposals in the Acquisition Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) the Acquisition will result in the diversification of the Company's assets and reduce its business risk associated with the current business strategy of the Company. At present the Company has three (3) projects, two (2) in WA and one (1) in Namibia;
- (b) the Acquisition will strengthen the Company's balance sheet;

- (c) the Acquisition will result in a larger market capitalisation and may encourage new investors in the Company because the Company is pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to an increased liquidity of Shares and greater trading depth than currently experienced by Shareholders;
- (c) Shareholders may be exposed to further debt and equity opportunities that it did not have prior to the Acquisition;
- (d) the appointment of the Proposed Director will add experience and skill to the Board to assist with the growth of the Company; and
- (e) as detailed in Section 5.2, the consideration for the acquisition of QLL is comprised of 150,000,000 Consideration Shares and 150,000,000 Consideration Options and Reimbursement of \$70,000, thereby conserving the Company's cash reserves.

### **5.13 Disadvantages of the proposals in the Acquisition Resolutions**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on each Acquisition Resolution:

- (a) the issue of the Consideration Shares and Consideration Options, as well as the Shares and Options under the Capital Raising and the Broker Options, will dilute existing Shareholders' respective interests in the Company;
- (b) the change of commodity focus and jurisdiction (outside Australia and Namibia) may not be consistent with the objectives of some existing Shareholders;
- (c) the acquisition of QLL will result in a change of nature and scale of the Company and its redirection of certain funds towards the new QLL Projects which may not be consistent with the objectives of some existing Shareholders;
- (d) there is no guarantee that the QLL Projects will prove to be economically viable for the Company;
- (e) there is no guarantee that the Company's Shares will not fall in value as a result of the issue; and
- (f) current Shareholders will be exposed to the additional risks associated with the QLL business as set out in Section 5.14 and Shareholders may consider these risks outweigh the potential advantages.

### **5.14 Risk factors**

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional or increased risks arising from QLL, parties contracted or associated with QLL and the Agreement and other agreements.

The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers immaterial, which may affect the

Company and QLL. Based on the information available, a non-exhaustive list of risk factors for the Company, associated with the Company's proposal to acquire all of the QLL Shares is set out below.

***Risks relating to the Change in Nature and Scale of Activities***

**(a) Change in nature and scale of activities**

The Acquisition constitutes a significant change in the nature and scale of the Company's activities.

The ASX has advised the Company that, before it completes the Acquisition, it must obtain Shareholder approval (however, ASX has confirmed that the Company is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX). As part of this process, the Shares may be suspended from trading from the date of announcement of the Acquisition until such time as the Company makes an announcement to the market confirming the results of the Meeting and that it will be proceeding with the Acquisition.

There is a risk that Shareholders will not approve the Acquisition and subsequent change to the nature and scale of the Company's activities. Should this occur, the Acquisition will not complete.

**(b) Potential for significant dilution**

The Company currently has 819,951,110 Shares on issue. Upon completion of the Acquisition a total of up to 150,000,000 Consideration Shares and 150,000,000 Consideration Options will be issued to the Vendors (or their nominees). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

In addition, Shareholders should note that their holdings are likely to be diluted as a result of the Capital Raising (as compared to their holdings and number of Shares on issue prior to the Capital Raising).

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Company's business and projects.

**(c) Contractual risk**

Pursuant to the Agreement, the Company has agreed to acquire 100% of the shares in the capital of QLL, subject to the satisfaction of a number of Conditions (as outlined in Section 5.2).

The ability of the Company to fulfil its stated objectives will depend on the performance of the QLL and the Vendors of their obligations under the Agreement.

If the Vendors or QLL defaults in the performance of their obligations, it may delay the completion of any stage of the Acquisition (if it completes at all) and it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

## ***Risks relating to QLL's current operations***

### **(a) Tenure and access for tenements in Quebec**

Mining and exploration tenements in the Quebec are subject to renewal every two years. Where a mineral claim has met the terms of the grant, renewal will not be denied. However, if expenditure conditions are not met there is no guarantee that current or future mineral claims or future applications for mineral claims will be approved. In Quebec, a proponent is able to pay a prescribed fee in the instances where the expenditure on the project is not above the minimum threshold.

There can be no assurance that mineral claim applications applied for will be granted in due course, or on acceptable conditions.

### **(b) Exploration success**

The tenements comprising the QLL Projects are at various stages of exploration, and Shareholders should understand that metals exploration and development are high-risk undertakings.

There can be no assurance that exploration of the mineral claims, or any other mineral claims that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of QLL may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of QLL.

The exploration costs of QLL are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect QLL's viability.

### **(c) Sovereign Risk**

The QLL Projects are located in the Quebec, Canada. Possible sovereign risks associated with operating in Quebec include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Canada or any other country in which the Company may, in the future, have an interest.

## ***General risks relating to the Company***

### **(a) Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading prices of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar and United States dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

### **(b) Failure to raise capital**

The funds to be raised under the Capital Raising are considered sufficient to meet the objectives of the Company in the near future. However, additional funding may be required by the Company to develop the Existing Projects and the QLL Projects, to effectively implement the Company's business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of explorations, development or production on the Company's projects or even loss of an interest. There can be no assurance that additional finance will be available when needed, or if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

### **(c) Exploration and Development Risks**

The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;



- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production;
- (vi) obtaining consents and approvals necessary for the procurement of sufficient power capacity; and
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities.

There can be no assurance that any exploration on current or future interests will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

**(d) Changes to key personnel**

The Company's business model depends on a management team with the talent and experience to develop exploration projects and the Company's core business operations. There is a risk that operating and financial performance would be adversely affected by the loss of these key personnel.

**(e) No market sector diversification**

As the Company is entirely exposed to the mining sector, its business performance may be affected should this sector perform poorly.

**(f) Commodity price volatility and exchange rate risks**

If the Company achieves success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

**(g) Environmental**

Although the Company intends to conduct its activities in an environmentally responsible manner, if it is responsible for environmental damage it may incur substantial costs for environmental rehabilitation, damage control and losses by third parties resulting from its operations. Environmental and safety legislation may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. This may lead to increased costs or other difficulties with compliance for the Company.

(h) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(i) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Acquisition. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(j) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

(k) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(l) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(m) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia, Namibia and/or Quebec, Canada may change,

resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

### ***Investment speculative***

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, QLL or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and QLL and the value of the Company's securities. Potential investors should consider that the investment in the Company is highly speculative.

## **5.15 Disclosure of Interests**

The Directors do not have any material interest in the outcome of the Acquisition Resolutions, other than as a result of their interest arising solely in the capacity as Shareholders.

As at the date of this Notice of Meeting, the Directors and Proposed Director have a relevant interest in the following securities in the Company:

Director	Shares	Options
Hersh S Majteles	2,950,000 <sup>1</sup>	Nil
Michael Scivolo	25,000 <sup>2</sup>	Nil
Robert Collins	Nil	Nil
Gino D'Anna	Nil	Nil

### **Notes:**

1. 2,000,000 held indirectly through Alexis Pty Ltd, of which Mr Majteles is a director and shareholder and 950,000 held indirectly through Simon Nominees Pty Ltd of which Mr Majteles is a director and shareholder.
2. 25,000 held directly.

## **5.16 Intentions if the Acquisition does not occur**

If the Acquisition Resolutions are not passed, and the Acquisition is not completed, the Company will continue its existing exploration activities and continue considering new potential business acquisitions which will build Shareholder value.

## **5.17 Conditional Resolutions**

All Acquisition Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of Resolutions 4 to 6 (inclusive) is not approved at the Meeting, none of them will take effect and the Agreement and other matters contemplated by the Acquisition Resolutions will not be completed pursuant to this Notice.

## **5.18 Directors' Recommendation**

The Directors do not have any material personal interests in the outcome of the Acquisition Resolutions and unanimously recommend that Shareholders vote in favour of the Acquisition Resolutions as they consider the proposed Acquisition to be in the best interests of Shareholders as after assessment of the advantages

and disadvantages referred to in Sections 5.12 and 5.13 the Directors are of the view that the advantages outweigh the disadvantages.

## **5.19 JORC Competent Person's Statement**

The information in this Notice of Meeting, which relate to exploration targets, exploration results, mineral resources or ore reserves in relation to the Company's existing projects is based on information compiled by Luke Marshall, a consultant to the Company and a Member of the Australasian Institute of Geoscientists. Mr Marshall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Marshall consents to the inclusion in this Notice of Meeting of the matters based on his information in the form and context in which it appears.

The information in this Notice of Meeting, which relate to exploration targets, exploration results, mineral resources or ore reserves in relation to the QLL Projects is based on information compiled by Glenn S Griesbach, PGeo who is a Member of the Association of Professional Engineers and Geoscientists of Saskatchewan (a Recognised Overseas Professional Organisation ('ROPO') included in a list promulgated by the ASX from time to time). Mr Griesbach is a Consultant Geologist to and a shareholder of Quebec Lithium Limited. Mr Griesbach has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Griesbach consents to the inclusion in this Notice of Meeting of the matters based on his information in the form and context in which it appears.

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## **6. RESOLUTION 4 – SIGNIFICANT CHANGE TO NATURE AND SCALE OF ACTIVITIES**

### **6.1 General**

Resolution 4 seeks approval from Shareholders for the change in scale to its activities that will result from the Acquisition.

As detailed in Section 5 above, the Company has entered into the Agreement to acquire 100% of the issued share capital of QLL.

A summary of the terms and conditions of the Agreement is set out in Section 5.2 and a detailed description of QLL and the QLL Projects is outlined in Section 5.4.

Resolution 4 is subject to the passing of all other Acquisition Resolutions.

### **6.2 Legal requirements**

ASX Listing Rule 11.1 provides that, where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for (ASX Listing Rule 11.1.1);
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting (ASX Listing Rule 11.1.2); and

- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX (ASX Listing Rule 11.1.3).

ASX has indicated to the Company that, before completing the Acquisition, it must obtain Shareholder approval for the change in scale of its activities resulting from the Acquisition. However ASX has indicated that for the purposes of ASX Listing Rule 11.1.3, the Company is not required to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

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## **7. RESOLUTION 5 – ISSUE OF CONSIDERATION SECURITIES**

### **7.1 General**

As set out in Section 5, as part consideration for the acquisition by the Company of 100% of the issued share capital in QLL, the Company has agreed to issue:

- (a) 150,000,000 Shares (**Consideration Shares**) at a deemed issue price of \$0.002 per Consideration Share; and
- (b) 150,000,000 Options exercisable at \$0.003 each and expiring 1 December 2019 (**Consideration Options**),

(together, the **Consideration Securities**) to the Vendors (or their nominee/s).

Resolution 5 seeks Shareholder approval for the issue of the Consideration Securities.

Resolution 5 is subject to the passing of all other Acquisition Resolutions.

### **7.2 ASX Listing Rule 7.1**

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

The effect of Resolution 5 will be to allow the Company to issue the Consideration Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **7.3 Chapter 2E of the Corporations Act**

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

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Consideration Securities constitutes giving a financial benefit and Rachel D'Anna is a related party of the Company by virtue of being the wife of the Proposed Director.

The current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Consideration Securities to Rachel D'Anna (or her nominee/s), as the Consideration Securities will be issued to Rachel D'Anna (or her nominee/s) on the same terms as Consideration Securities issued to the non-related party Vendors and as such the giving of the financial benefit is on arm's length terms.

#### **7.4 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

ASX Listing Rule 10.12 (Exception 6) provides that where a person is only a related party by reason of the transaction which is the reason for the issue of the securities and the application of section 228(6) of the Corporations Act, ASX Listing Rule 10.11 shall not apply.

Other than Rachel D'Anna, none of the Vendors are related parties of the Company. Rachel D'Anna as the wife of the Proposed Director, is a related party of the Company by virtue of the operation of section 228(6) of the Corporations Act.

Rachel D'Anna is a related party by reason only of the Acquisition which is the reason for the issue of the securities to her. The Consideration Securities will be issued to the Vendors (or their nominee/s) at Settlement of the Acquisition. As such, separate Shareholder approval for the issue of Consideration Securities to Rachel D'Anna (or her nominee/s) under ASX Listing Rule 10.11 is not required (see ASX Listing Rule 10.12 (Exception 6)).

#### **7.5 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Consideration Shares to be issued is 150,000,000;
- (b) the maximum number of Consideration Options to be issued is 150,000,000;
- (c) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Consideration Securities will occur on the same day;
- (d) the Consideration Securities will be issued for nil consideration as they are being issued in consideration for the Acquisition;
- (e) the Consideration Securities will be issued to the Vendors (or their nominee/s). Other than Rachel D'Anna, none of these parties are

related parties of the Company. The Directors consider that Shareholder approval pursuant to ASX Listing Rule 10.11 is not required in respect of the issue of Consideration Securities to Rachel D'Anna because she is only a related party of the Company by reason of the Acquisition, which is the reason for the issue of the Consideration Securities and the application to each of them of section 228(6) of the Corporations Act;

- (f) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Consideration Options will be issued on the terms and conditions set out in Schedule 3; and
- (h) no funds will be raised from the issue of the Consideration Securities as they are being issued in consideration for the Acquisition.

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## **8. RESOLUTION 6 – ELECTION OF DIRECTOR – GINO D'ANNA**

### **8.1 General**

In accordance with the Agreement, the Company has agreed to appoint Gino D'Anna (**Proposed Director**) as a director of the Company. His appointment will take effect on and from Settlement.

### **8.2 Qualifications**

The qualifications and experience of the Proposed Director is set out in Section 5.7.

### **8.3 Independence**

If elected, the Board considers that Gino D'Anna will not be an independent director.

### **8.4 Proposed remuneration**

The proposed remuneration (inclusive of superannuation) proposed to be paid to the Proposed Director on an annual basis following Settlement of the Acquisition is \$12,000 per annum in respect of non-executive director fees. The Company will pay the Proposed Director an hourly rate for services provided beyond standard non-executive director duties.

### **8.5 Board Recommendation**

The Board supports the election of the Proposed Director and recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is subject to the passing of all other Acquisition Resolutions.

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## **9. RESOLUTION 7 – RATIFICATION OF PREVIOUS ISSUE OF SECURITIES – TRANCHE 1 OF CAPITAL RAISING**

### **9.1 General**

As set out in Section 5.1, pursuant to Resolution 7, the Company seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares and Options under Tranche 1 of the Capital Raising (**Ratification**).

## 9.2 ASX Listing Rules 7.1 and 7.1A

A summary of ASX Listing Rule 7.1 is set out in Section 7.2 above.

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

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

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

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

The Company's capacity under ASX Listing Rule 7.1A was approved by Shareholders at the annual general meeting held on 27 November 2015.

## 9.3 ASX Listing Rule 7.4

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

By ratifying, under Resolution 7, the issue of 158,333,334 Shares issued as part of the Capital Raising, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval (although note that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 3 being passed by the requisite majority.)

## 9.4 Technical information required by ASX Listing Rule 7.5

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

- (a) 158,333,334 Shares were issued on the following basis:
  - (i) 83,409,332 Shares issued pursuant to ASX Listing Rule 7.1; and
  - (ii) 74,924,002 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) 39,583,334 Options were issued pursuant to ASX Listing Rule 7.1;



- (c) the Shares were issued at an issue price of \$0.003 per Share. The Options were issued for nil cash consideration as they were free attaching;
- (d) the Shares issued were in the same class of the Company's existing quoted fully paid ordinary shares. The terms and conditions of the Options are set out in Schedule 3;
- (e) the Shares and Options were issued to sophisticated investors who are unrelated parties of the Company; and
- (f) a total of \$475,000 was raised from Tranche 1 of the Capital Raising. The Company intends to use the funds raising from the Capital Raising in the manner set out in Section 5.10.

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## **10. RESOLUTION 8 – APPROVAL TO ISSUE SECURITIES – TRANCHE 2 OF CAPITAL RAISING**

### **10.1 General**

As set out in Section 5.1, pursuant to Resolution 8, the Company now seeks approval to issue the Shares and Options the subject of Tranche 2 of the Capital Raising, in order to complete the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 7.2 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares and Options pursuant to Tranche 2 of the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 8 is subject to the passing of all other Acquisition Resolutions.

### **10.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (i) the maximum number of Shares to be issued is 158,333,334 and the maximum number of Options to be issued is 39,583,334;
- (ii) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (iii) the issue price will be \$0.003 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:4 basis;
- (iv) the Shares and Options will be issued to sophisticated investors who have been identified by the Directors. None of the subscribers will be related parties of the Company;
- (v) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The terms and conditions of the Options are set out in Schedule 3; and

- (vi) a total of up to \$475,000 will be raised from Tranche 2 of the Capital Raising. The Company intends to use the funds raising from the Capital Raising in the manner set out in Section 5.10.

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## **11. RESOLUTION 9 – ISSUE OF OPTIONS TO BROKER**

### **11.1 General**

As set out in Section 5.1, Resolution 9 seeks Shareholder approval for the Company to issue 9,000,000 Options to Sanlam Private Wealth (or its nominee/s) (**Broker Options**) as part consideration for acting as lead manager to the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 7.2 above.

The effect of Resolution 9 will be to allow the Company to issue the Broker Options to Sanlam Private Wealth (or its nominee/s) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **11.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Broker Options to be issued is 9,000,000;
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Broker Options will occur on the same date;
- (c) the Broker Options will be issued for nil cash consideration as part consideration for acting as lead manager to the Capital Raising;
- (d) the Broker Options will be issued to Sanlam Private Wealth (or its nominee/s), who is not a related party of the Company;
- (e) the Sanlam Private Wealth Options will be issued on the terms and conditions set out in 3; and
- (f) no funds will be raised from the issue as the Broker Options are being issued in consideration for acting as lead manager to the Capital Raising.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

**Acquisition** means the acquisition by the Company of 100% of the issued capital in QLL.

**Acquisition Resolutions** means the inter-conditional Resolutions in this Notice, being Resolutions 4 to 6 (inclusive).

**Agreement** has the meaning given in Section 5.1.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Broker Options** has the meaning given in Section 5.1.

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

**Capital Raising** has the meaning given in Section 5.1.

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

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

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

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

**Consideration Securities** means the Consideration Shares and Consideration Options.

**Consideration Shares** has the meaning given in Section 5.1.

**Consideration Options** has the meaning given in Section 5.1.

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

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

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

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

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

**Proposed Director** means Gino D'Anna.

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

**QLL** means Quebec Lithium Limited (ACN 614 157 630).

**Reimbursement** has the meaning given in Section 5.2(b).

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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

**Settlement** means settlement under the Agreement.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Variable A** means “A” as set out in Section 4.2(c) and calculated in accordance with Listing Rule 7.1A.

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

## SCHEDULE 1 – QLL PROJECTS MINERAL CLAIMS

### Lac Rainy Nord Graphite Project

Cell count	Licenses application number	Map sheet	Cell polygon (row and column)	Claim number (CDC series)	Area (ha.)	License owners. With prospectors permit number and percentage held. Application status if Villegiature status). <sup>1</sup>	Claims license expiry date
1	1578708	23B11	X0012 0039	CDC 2462752	52.34	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
2	1578708	23B11	X0014 0039	CDC 2462753	52.32	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
3	1578708	23B11	X0014 0038	CDC 2462754	52.32	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
4	1578708	23B11	X0014 0040	CDC 2462755	52.32	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
5	1578708	23B11	X0015 0036	CDC 2462756	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
6	1578708	23B11	X0016 0035	CDC 2462757	52.30	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
7	1578708	23B11	X0012 0037	CDC 2462758	52.34	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
8	1578708	23B11	X0012 0038	CDC 2462759	52.34	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
9	1578708	23B11	X0014 0036	CDC 2462760	52.32	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
10	1578708	23B11	X0014 0037	CDC 2462761	52.32	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
11	1578708	23B11	X0016 0037	CDC 2462762	52.30	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
12	1578708	23B11	X0013 0039	CDC 2462763	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
13	1578708	23B11	X0015 0037	CDC 2462764	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
14	1578708	23B11	X0015 0039	CDC 2462765	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
15	1578708	23B11	X0016 0036	CDC 2462766	52.30	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
16	1578708	23B11	X0010 0040	CDC 2462767	52.36	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
17	1578708	23B11	X0013 0036	CDC 2462768	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
18	1578708	23B11	X0013 0041	CDC 2462769	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
19	1578708	23B11	X0015 0035	CDC 2462770	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
20	1578708	23B11	X0015 0040	CDC 2462771	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
21	1578708	23B11	X0011 0038	CDC 2462772	52.35	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
22	1578708	23B11	X0011 0040	CDC 2462773	52.35	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
23	1578708	23B11	X0015 0038	CDC 2462774	52.31	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
24	1578708	23B11	X0016 0038	CDC 2462775	52.30	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
25	1578708	23B11	X0016 0039	CDC 2462776	52.30	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
26	1578708	23B11	X0010 0039	CDC 2462777	52.36	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
27	1578708	23B11	X0011 0039	CDC 2462778	52.35	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
28	1578708	23B11	X0012 0041	CDC 2462779	52.34	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
29	1578708	23B11	X0013 0040	CDC 2462780	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
30	1578708	23B11	X0013 0037	CDC 2462781	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
31	1578708	23B11	X0013 0038	CDC 2462782	52.33	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18
32	1578708	23B11	X0012 0040	CDC 2462783	52.34	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	18-Sep-18

**Note:**

1. Transfers are currently being processed from Griesbach and Tedy Asihto to Quebec Lithium Limited.

## Lac La Motte Lithium Project

Count	License application number	Map sheet	Cell polygon (row & col.) or (Range & lot)	Claim number (CDC series)	Area (ha.)	License owners. With prospectors permit number and percentage held. Application status if Villegiature status). <sup>1</sup>	Claim license expiry date
1	1571638	32D08	X0009 0058	<b>Villegiature</b>	57.29	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-1</b>
2	1570688	32D08	X0009 0059	CDC 2455462	57.29	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
3	1570688	32D08	X0009 0060	CDC 2455463	57.29	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
4	1571638	32D08	X0010 0052	CDC 2455487	57.28	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
5	1571638	32D08	X0010 0053	CDC 2455488	57.28	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
6	1570688	32D08	X0010 0054	<b>Villegiature</b>	57.28	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-2</b>
7	1570688	32D08	X0010 0055	<b>Villegiature</b>	57.28	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-3</b>
8	1570688	32D08	X0010 0056	<b>Villegiature</b>	57.28	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-4</b>
9	1570688	32D08	X0010 0057	<b>Villegiature</b>	57.28	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-5</b>
10	1570688	32D08	X0010 0059	CDC 2455464	57.28	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
11	1570688	32D08	X0010 0060	CDC 2455465	57.28	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
12	1570688	32D08	X0011 0046	CDC 2455466	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
13	1570688	32D08	X0011 0047	CDC 2455467	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
14	1571638	32D08	X0011 0051	<b>Villegiature</b>	57.27	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-6</b>
15	1571638	32D08	X0011 0052	CDC 2455489	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
16	1571638	32D08	X0011 0053	CDC 2455490	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
17	1571638	32D08	X0011 0054	CDC 2455491	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
18	1571638	32D08	X0011 0055	CDC 2455492	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
19	1571638	32D08	X0011 0056	CDC 2455493	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
20	1570688	32D08	X0011 0057	CDC 2455468	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
21	1570688	32D08	X0011 0058	CDC 2455469	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
22	1570688	32D08	X0011 0059	CDC 2455470	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
23	1570688	32D08	X0011 0060	CDC 2455471	57.27	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
24	1570688	32D08	X0012 0046	CDC 2455472	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
25	1570688	32D08	X0012 0047	CDC 2455473	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
26	1570688	32D08	X0012 0048	CDC 2455474	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
27	1570688	32D08	X0012 0049	CDC 2455475	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
28	1570688	32D08	X0012 0050	CDC 2455476	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
29	1570688	32D08	X0012 0051	CDC 2455477	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
30	1570688	32D08	X0012 0052	CDC 2455478	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
31	1570688	32D08	X0012 0053	CDC 2455479	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
32	1570688	32D08	X0012 0054	CDC 2455480	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
33	1570688	32D08	X0012 0055	CDC 2455481	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
34	1570688	32D08	X0012 0056	CDC 2455482	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
35	1570688	32D08	X0012 0057	CDC 2455483	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
36	1570688	32D08	X0012 0058	CDC 2455484	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
37	1570688	32D08	X0012 0059	CDC 2455485	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
38	1570688	32D08	X0012 0060	CDC 2455486	57.26	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
39	1568029	32D08	X0013 0041	CDC 2455432	29.94	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
40	1568029	32D08	X0013 0042	CDC 2455433	54.02	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
41	1568029	32D08	X0013 0044	<b>Villegiature</b>	57.25	Griesbach: 50%, Tedy Asihto: 50% (appl. status)	<b>pending-7</b>
42	1568029	32D08	X0013 0045	CDC 2455434	57.25	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
43	1568029	32D08	X0013 0046	CDC 2455435	57.25	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
44	1568029	32D08	X0013 0047	CDC 2455436	57.25	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
45	1568029	32D08	X0013 0048	CDC 2455437	57.25	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
46	1569550	32D08	X0013 0049	<b>Villegiature</b>	57.25	1126 Griesbach: 100% (application status)	<b>pending-8</b>
47	1569550	32D08	X0013 0050	<b>Villegiature</b>	57.25	1126 Griesbach: 100% (application status)	<b>pending-9</b>
48	1569550	32D08	X0013 0051	CDC 2455445	57.25	1126 Griesbach: 100%	27-Jul-18
49	1569550	32D08	X0013 0052	CDC 2455446	57.25	1126 Griesbach: 100%	27-Jul-18
50	1569550	32D08	X0013 0053	CDC 2455447	57.25	1126 Griesbach: 100%	27-Jul-18
51	1569550	32D08	X0013 0054	CDC 2455448	57.25	1126 Griesbach: 100%	27-Jul-18
52	1569550	32D08	X0013 0055	CDC 2455449	57.25	1126 Griesbach: 100%	27-Jul-18

53	1569550	32D08	X0013 0056	CDC 2455450	57.25	1126 Griesbach: 100%	27-Jul-18
54	1569550	32D08	X0013 0057	CDC 2455451	57.25	1126 Griesbach: 100%	27-Jul-18
55	1569550	32D08	X0013 0058	CDC 2455452	47.63	1126 Griesbach: 100%	27-Jul-18
56	1569550	32D08	X0013 0059	CDC 2455453	57.25	1126 Griesbach: 100%	27-Jul-18
57	1569550	32D08	X0013 0060	<b>Villegiature</b>	57.25	1126 Griesbach: 100% (application status)	<b>pending-10</b>
58	1568029	32D08	X0014 0042	CDC 2455438	39.10	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
59	1568029	32D08	X0014 0043	CDC 2455439	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
60	1568029	32D08	X0014 0044	CDC 2455440	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
61	1568029	32D08	X0014 0045	CDC 2455441	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
62	1568029	32D08	X0014 0046	CDC 2455442	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
63	1568029	32D08	X0014 0047	CDC 2455443	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
64	1568029	32D08	X0014 0048	CDC 2455444	57.24	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
65	1569550	32D08	X0014 0049	<b>Villegiature</b>	57.24	1126 Griesbach: 100% (application status)	<b>pending-11</b>
66	1569550	32D08	X0014 0050	<b>Villegiature</b>	57.24	1126 Griesbach: 100% (application status)	<b>pending-12</b>
67	1569550	32D08	X0014 0051	<b>Villegiature</b>	57.24	1126 Griesbach: 100% (application status)	<b>pending-13</b>
68	1569550	32D08	X0014 0052	<b>Villegiature</b>	57.24	1126 Griesbach: 100% (application status)	<b>pending-14</b>
69	1569550	32D08	X0014 0053	CDC 2455454	57.24	1126 Griesbach: 100%	27-Jul-18
70	1569550	32D08	X0014 0054	CDC 2455455	57.24	1126 Griesbach: 100%	27-Jul-18
71	1569550	32D08	X0014 0055	CDC 2455456	57.24	1126 Griesbach: 100%	27-Jul-18
72	1569550	32D08	X0015 0050	<b>Villegiature</b>	57.23	1126 Griesbach: 100% (application status)	<b>pending-15</b>
73	1569550	32D08	X0015 0051	<b>Villegiature</b>	57.23	1126 Griesbach: 100% (application status)	<b>pending-16</b>
74	1569550	32D08	X0015 0052	CDC 2455457	57.23	1126 Griesbach: 100%	27-Jul-18
75	1569550	32D08	X0015 0055	CDC 2455458	57.23	1126 Griesbach: 100%	27-Jul-18
76	1569550	32D08	X0015 0056	<b>Villegiature</b>	57.23	1126 Griesbach: 100% (application status)	<b>pending-17</b>
77	1569550	32D08	X0016 0051	<b>Villegiature</b>	57.22	1126 Griesbach: 100% (application status)	<b>pending-18</b>
78	1569550	32D08	X0016 0052	<b>Villegiature</b>	57.22	1126 Griesbach: 100% (application status)	<b>pending-19</b>
79	1569550	32D08	X0016 0055	<b>Villegiature</b>	57.22	1126 Griesbach: 100% (application status)	<b>pending-20</b>
80	1569550	32D08	X0016 0056	<b>Villegiature</b>	57.22	1126 Griesbach: 100% (application status)	<b>pending-21</b>
81	1569550	32D08	X0016 0057	CDC 2455459	33.56	1126 Griesbach: 100%	27-Jul-18
82	1569550	32D08	Range 7 lot 56	CDC 2455460	41.19	1126 Griesbach: 100%	27-Jul-18
83	1529267	32D08	Range 7 lot 57	CDC 2438019	42.48	1126 Griesbach: 100%	13-Mar-18
84	1529267	32D08	Range 7 lot 58	CDC 2438020	45.81	1126 Griesbach: 100%	13-Mar-18
85	1569550	32D08	Range 8 lot 58	<b>Villegiature</b>	46.08	1126 Griesbach: 100% (application status)	<b>pending-22</b>
86	1569550	32D08	Range 8 lot 59	CDC 2455461	22.73	1126 Griesbach: 100%	27-Jul-18
87	1569550	32D08	Range 8 lot 60	<b>Villegiature</b>	63.15	1126 Griesbach: 100% (application status)	<b>pending-23</b>
88	1569550	32D08	Range 8 lot 61	<b>Villegiature</b>	83.89	1126 Griesbach: 100% (application status)	<b>pending-24</b>
89	1569550	32D08	Range 8 lot 63	<b>Villegiature</b>	41.50	1126 Griesbach: 100% (application status)	<b>pending-25</b>

4942.48

**Note:**

1. Transfers are currently being processed from Griesbach and Tedy Asihto to Quebec Lithium Limited.



## Lac La Corne Lithium Project

Count	License application number	Map sheet	Cell polygon (row and column)	Claim number (CDC series)	Area (ha.)	License owners. With prospectors permit number and percentage held <sup>1</sup>	Claim license expiry date
1	1567089	32C05	X0007 0008	CDC 2455213	57.31	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
2	1567089	32C05	X0008 0008	CDC 2455214	57.30	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
3	1567089	32C05	X0008 0009	CDC 2455215	57.30	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
4	1567089	32C05	X0009 0008	CDC 2455216	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
5	1567089	32C05	X0009 0009	CDC 2455217	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
6	1567089	32C05	X0009 0010	CDC 2455218	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
7	1568007	32C05	X0009 0011	CDC 2455240	57.29	20879 Tedy Asihito: 100%	27-Jul-18
8	1568007	32C05	X0009 0012	CDC 2455241	57.29	20879 Tedy Asihito: 100%	27-Jul-18
9	1568007	32C05	X0009 0013	CDC 2455242	57.29	20879 Tedy Asihito: 100%	27-Jul-18
10	1568007	32C05	X0009 0014	CDC 2455243	57.29	20879 Tedy Asihito: 100%	27-Jul-18
11	1568007	32C05	X0009 0015	CDC 2455244	57.29	20879 Tedy Asihito: 100%	27-Jul-18
12	1568007	32C05	X0009 0016	CDC 2455245	57.29	20879 Tedy Asihito: 100%	27-Jul-18
13	1568007	32C05	X0009 0017	CDC 2455246	57.28	20879 Tedy Asihito: 100%	27-Jul-18
14	1568007	32C05	X0009 0018	CDC 2455247	57.28	20879 Tedy Asihito: 100%	27-Jul-18
15	1568007	32C05	X0009 0019	CDC 2455248	57.29	20879 Tedy Asihito: 100%	27-Jul-18
16	1563137	32C05	X0010 0009	CDC 2450086	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	19-Jun-18
17	1563137	32C05	X0010 0010	CDC 2450087	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	19-Jun-18
18	1565954	32C05	X0010 0011	CDC 2454427	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
19	1565954	32C05	X0010 0012	CDC 2454428	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
20	1567128	32C05	X0010 0013	CDC 2455233	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
21	1567128	32C05	X0010 0014	CDC 2455234	57.29	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
22	1568007	32C05	X0010 0015	CDC 2455249	57.29	20879 Tedy Asihito: 100%	27-Jul-18
23	1568007	32C05	X0010 0016	CDC 2455250	57.29	20879 Tedy Asihito: 100%	27-Jul-18
24	1568007	32C05	X0010 0017	CDC 2455251	57.28	20879 Tedy Asihito: 100%	27-Jul-18
25	1568007	32C05	X0010 0018	CDC 2455252	57.28	20879 Tedy Asihito: 100%	27-Jul-18
26	1568007	32C05	X0010 0019	CDC 2455253	57.27	20879 Tedy Asihito: 100%	27-Jul-18
27	1563137	32C05	X0011 0009	CDC 2450088	57.27	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	19-Jun-18
28	1552358	32C05	X0011 0010	CDC 2444218	57.27	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	4-May-18
29	1552358	32C05	X0011 0011	CDC 2444219	57.27	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	4-May-18
30	1565954	32C05	X0011 0012	CDC 2454429	57.27	20879 Tedy Asihito: 100%	27-Jul-18
31	1565954	32C05	X0011 0013	CDC 2455219	57.27	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
32	1567128	32C05	X0011 0014	CDC 2455235	57.27	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
33	1568007	32C05	X0011 0015	CDC 2455254	57.27	20879 Tedy Asihito: 100%	27-Jul-18
34	1568007	32C05	X0011 0016	CDC 2455255	57.27	20879 Tedy Asihito: 100%	27-Jul-18
35	1568007	32C05	X0011 0017	CDC 2455256	57.27	20879 Tedy Asihito: 100%	27-Jul-18
36	1568007	32C05	X0011 0018	CDC 2455257	57.27	20879 Tedy Asihito: 100%	27-Jul-18
37	1568007	32C05	X0011 0019	CDC 2455258	57.27	20879 Tedy Asihito: 100%	27-Jul-18
38	1568007	32C05	X0011 0020	CDC 2455259	57.27	20879 Tedy Asihito: 100%	27-Jul-18
39	1568007	32C05	X0011 0021	CDC 2455260	57.26	20879 Tedy Asihito: 100%	27-Jul-18
40	1568007	32C05	X0011 0022	CDC 2455261	57.26	20879 Tedy Asihito: 100%	27-Jul-18
41	1568007	32C05	X0011 0023	CDC 2455262	57.26	20879 Tedy Asihito: 100%	27-Jul-18
42	1568007	32C05	X0011 0024	CDC 2455263	57.26	20879 Tedy Asihito: 100%	27-Jul-18
43	1568007	32C05	X0011 0025	CDC 2455264	57.26	20879 Tedy Asihito: 100%	27-Jul-18
44	1568007	32C05	X0011 0026	CDC 2455265	57.26	20879 Tedy Asihito: 100%	27-Jul-18
45	1565954	32C05	X0012 0009	CDC 2454430	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
46	1563137	32C05	X0012 0010	CDC 2450089	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	19-Jun-18
47	1563137	32C05	X0012 0011	CDC 2450090	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	19-Jun-18
48	1565954	32C05	X0012 0012	CDC 2454431	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
49	1567089	32C05	X0012 0013	CDC 2455220	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
50	1567089	32C05	X0012 0014	CDC 2455221	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
51	1567089	32C05	X0012 0015	CDC 2455222	57.26	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
52	1568007	32C05	X0012 0016	CDC 2455266	57.26	20879 Tedy Asihito: 100%	27-Jul-18

53	1568007	32C05	X0012 0017	CDC 2455267	57.26	20879 Tedy Asihito: 100%	27-Jul-18
54	1568007	32C05	X0012 0018	CDC 2455268	57.26	20879 Tedy Asihito: 100%	27-Jul-18
55	1568007	32C05	X0012 0019	CDC 2455269	57.26	20879 Tedy Asihito: 100%	27-Jul-18
56	1568007	32C05	X0012 0020	CDC 2455270	57.26	20879 Tedy Asihito: 100%	27-Jul-18
57	1568007	32C05	X0012 0021	CDC 2455271	57.26	20879 Tedy Asihito: 100%	27-Jul-18
58	1568007	32C05	X0012 0022	CDC 2455272	57.26	20879 Tedy Asihito: 100%	27-Jul-18
59	1568007	32C05	X0012 0023	CDC 2455273	57.25	20879 Tedy Asihito: 100%	27-Jul-18
60	1568007	32C05	X0012 0024	CDC 2455274	57.25	20879 Tedy Asihito: 100%	27-Jul-18
61	1568007	32C05	X0012 0025	CDC 2455275	57.25	20879 Tedy Asihito: 100%	27-Jul-18
62	1568007	32C05	X0012 0026	CDC 2455276	57.25	20879 Tedy Asihito: 100%	27-Jul-18
63	1565954	32C05	X0013 0009	CDC 2454432	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	24-Jul-18
64	1565954	32C05	X0013 0010	CDC 2454433	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	24-Jul-18
65	1565954	32C05	X0013 0011	CDC 2454434	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	24-Jul-18
66	1565954	32C05	X0013 0012	CDC 2454435	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	24-Jul-18
67	1567128	32C05	X0013 0013	CDC 2455236	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
68	1567089	32C05	X0013 0014	CDC 2455223	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
69	1567089	32C05	X0013 0015	CDC 2455224	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
70	1567089	32C05	X0013 0016	CDC 2455225	57.25	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
71	1568007	32C05	X0013 0017	CDC 2455277	57.25	20879 Tedy Asihito: 100%	27-Jul-18
72	1568007	32C05	X0013 0018	CDC 2455278	57.25	20879 Tedy Asihito: 100%	27-Jul-18
73	1568007	32C05	X0013 0019	CDC 2455279	57.25	20879 Tedy Asihito: 100%	27-Jul-18
74	1567089	32C05	X0014 0014	CDC 2455226	57.24	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
75	1567089	32C05	X0014 0015	CDC 2455227	57.24	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
76	1567089	32C05	X0014 0016	CDC 2455228	57.24	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
77	1567089	32C05	X0014 0017	CDC 2455229	57.24	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
78	1567089	32C05	X0015 0016	CDC 2455230	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
79	1567089	32C05	X0015 0017	CDC 2455231	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
80	1567089	32C05	X0015 0018	CDC 2455232	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
81	1569244	32C05	X0016 0016	CDC 2455280	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
82	1569244	32C05	X0016 0017	CDC 2455281	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
83	1569244	32C05	X0016 0018	CDC 2455282	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
84	1569244	32C05	X0016 0019	CDC 2455283	57.23	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
85	1567128	32C05	X0017 0016	CDC 2455237	57.21	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
86	1567128	32C05	X0017 0017	CDC 2455238	57.21	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
87	1567128	32C05	X0018 0017	CDC 2455239	57.20	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18

4981.90

**Note:**

1. Transfers are currently being processed from Griesbach and Tedy Asihito to Quebec Lithium Limited.

## Lacourciere-Darveau Lithium Project

Cell count	Licenses application number	Map sheet	Cell polygon (row and column)	Claim number (CDC series)	Area (ha.)	License owners. With prospectors permit number and percentage held. Application status if Villegiature status). <sup>1</sup>	Claims license expiry date
1	1570439	31M16	X0026 0034	CDC 2455550	57.68	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
2	1570439	31M16	X0026 0035	CDC 2455551	57.68	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
3	1570439	31M16	X0027 0034	CDC 2455552	57.67	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
4	1570439	31M16	X0027 0035	CDC 2455553	57.67	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
5	1570439	31M16	X0027 0036	CDC 2455554	57.67	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
6	1570439	31M16	X0027 0037	CDC 2455585	57.67	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
7	1570439	31M16	X0028 0034	CDC 2455586	57.66	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
8	1570439	31M16	X0028 0035	CDC 2455587	57.66	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
9	1570439	31M16	X0028 0036	CDC 2455588	57.66	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
10	1570439	31M16	X0028 0037	CDC 2455589	57.66	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
11	1570439	31M16	X0029 0034	CDC 2455555	57.65	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
12	1570439	31M16	X0029 0035	CDC 2455556	57.65	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
13	1570439	31M16	X0029 0036	CDC 2455590	57.65	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
14	1570439	31M16	X0029 0037	CDC 2455591	57.65	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
15	1570439	31M16	X0030 0034	CDC 2455592	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
16	1570439	31M16	X0030 0035	CDC 2455593	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
17	1570439	31M16	X0030 0036	CDC 2455594	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
18	1570439	31M16	X0030 0037	CDC 2455595	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
19	1570439	31M16	X0030 0038	CDC 2455596	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
20	1570439	31M16	X0030 0039	CDC 2455557	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
21	1570439	31M16	X0030 0040	CDC 2455558	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
22	1570439	31M16	X0030 0041	CDC 2455559	57.64	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
23	1569825	32D01	X0001 0034	CDC 2455560	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
24	1569825	32D01	X0001 0035	CDC 2455597	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
25	1569825	32D01	X0001 0036	CDC 2455598	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
26	1569825	32D01	X0001 0037	CDC 2455599	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
27	1570414	32D01	X0001 0038	CDC 2455600	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
28	1570414	32D01	X0001 0039	CDC 2455601	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
29	1570414	32D01	X0001 0040	CDC 2455602	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
30	1570414	32D01	X0001 0041	CDC 2455603	57.63	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
31	1570414	32D01	X0002 0022	CDC 2455604	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
32	1569309	32D01	X0002 0023	CDC 2455605	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
33	1569309	32D01	X0002 0024	CDC 2455606	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
34	1569309	32D01	X0002 0025	CDC 2455561	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
35	1569309	32D01	X0002 0026	CDC 2455562	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
36	1569309	32D01	X0002 0027	CDC 2455563	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
37	1569309	32D01	X0002 0028	CDC 2455564	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
38	1569309	32D01	X0002 0029	CDC 2455565	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
39	1569309	32D01	X0002 0030	CDC 2455607	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
40	1569619	32D01	X0002 0031	CDC 2455608	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
41	1569619	32D01	X0002 0032	CDC 2455609	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
42	1569825	32D01	X0002 0033	CDC 2455610	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
43	1569825	32D01	X0002 0034	CDC 2455611	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
44	1569825	32D01	X0002 0035	CDC 2455612	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
45	1569825	32D01	X0002 0036	CDC 2455613	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
46	1569825	32D01	X0002 0037	CDC 2455614	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
47	1570414	32D01	X0002 0038	CDC 2455615	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
48	1570414	32D01	X0002 0039	CDC 2455566	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
49	1570414	32D01	X0002 0040	CDC 2455567	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
50	1570414	32D01	X0002 0041	CDC 2455568	57.62	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
51	1570414	32D01	X0003 0022	CDC 2455569	57.61	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18
52	1569309	32D01	X0003 0023	CDC 2455570	57.61	1126 Griesbach: 50%, 20879 Tedy Asihito: 50%	27-Jul-18



112	1568175	32D01	X0007 0017	CDC 2455127	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
113	1568175	32D01	X0007 0018	CDC 2455128	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
114	1568175	32D01	X0007 0019	CDC 2455129	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
115	1568175	32D01	X0007 0020	CDC 2455130	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
116	1568175	32D01	X0007 0021	CDC 2455131	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
117	1568175	32D01	X0007 0022	CDC 2455132	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
118	1568175	32D01	X0007 0023	CDC 2455133	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
119	1568175	32D01	X0007 0024	CDC 2455134	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
120	1569619	32D01	X0008 0023	CDC 2454934	57.56	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
121	1569619	32D01	X0008 0024	CDC 2454935	57.56	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
122	1569619	32D01	X0008 0025	CDC 2454936	57.56	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
123	1569619	32D01	X0008 0026	CDC 2454937	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
124	1569619	32D01	X0008 0027	CDC 2454938	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
125	1569619	32D01	X0008 0028	CDC 2454939	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	27-Jul-18
126	1576003	32D01	X0004 0037	Villegiature	57.61	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-1
127	1576003	32D01	X0005 0035	CDC 2454997	57.60	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
128	1576003	32D01	X0005 0036	Villegiature	57.60	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-2
129	1576003	32D01	X0005 0037	Villegiature	57.60	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-3
130	1576003	32D01	X0006 0035	Villegiature	57.59	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-4
131	1576003	32D01	X0006 0036	Villegiature	57.59	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-5
132	1576003	32D01	X0006 0037	Villegiature	57.59	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-6
133	1576003	32D01	X0007 0035	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-7
134	1576003	32D01	X0007 0036	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-8
135	1576003	32D01	X0007 0037	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-9
136	1576180	32D01	X0007 0038	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-10
137	1576180	32D01	X0007 0039	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-11
138	1576180	32D01	X0007 0040	Villegiature	57.58	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-12
139	1576056	32D01	X0008 0035	CDC 2454998	57.57	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
140	1576180	32D01	X0008 0036	Villegiature	57.57	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-13
141	1576180	32D01	X0008 0037	Villegiature	57.57	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-14
142	1576180	32D01	X0008 0038	Villegiature	57.57	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-15
143	1576180	32D01	X0008 0039	Villegiature	57.57	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-16
144	1576180	32D01	X0008 0040	Villegiature	57.57	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-17
145	1576056	32D01	X0009 0035	CDC 2454999	57.56	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
146	1576180	32D01	X0009 0036	Villegiature	57.56	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-18
147	1576180	32D01	X0009 0037	Villegiature	57.56	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-19
148	1576180	32D01	X0009 0038	Villegiature	57.56	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-20
149	1576180	32D01	X0009 0039	Villegiature	57.56	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-21
150	1576180	32D01	X0009 0040	Villegiature	57.56	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-22
151	1576056	32D01	X0010 0027	CDC 2455000	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
152	1576056	32D01	X0010 0028	CDC 2455001	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
153	1576056	32D01	X0010 0029	CDC 2455002	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
154	1576056	32D01	X0010 0030	CDC 2455003	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
155	1576056	32D01	X0010 0031	CDC 2455004	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
156	1576056	32D01	X0010 0032	CDC 2455005	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
157	1576056	32D01	X0010 0033	CDC 2455006	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
158	1576056	32D01	X0010 0034	CDC 2455007	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
159	1576056	32D01	X0010 0035	CDC 2455008	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
160	1576056	32D01	X0010 0036	CDC 2455009	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
161	1576056	32D01	X0010 0037	CDC 2455010	57.55	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
162	1576180	32D01	X0010 0038	Villegiature	57.55	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-23
163	1576180	32D01	X0010 0039	Villegiature	57.55	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-24
164	1576180	32D01	X0010 0040	Villegiature	57.55	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-25
165	1576056	32D01	X0011 0027	CDC 2455011	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
166	1576056	32D01	X0011 0028	CDC 2455012	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
167	1576056	32D01	X0011 0031	CDC 2455013	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
168	1576056	32D01	X0011 0032	CDC 2455014	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
169	1576056	32D01	X0011 0033	CDC 2455015	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
170	1576056	32D01	X0011 0034	CDC 2455016	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18

171	1576056	32D01	X0011 0035	CDC 2455017	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
172	1576056	32D01	X0011 0036	CDC 2455018	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
173	1576056	32D01	X0011 0037	CDC 2455019	57.54	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
174	1576056	32D01	X0011 0038	Villegiature	57.54	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-26
175	1576180	32D01	X0011 0039	Villegiature	57.54	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-27
176	1576180	32D01	X0011 0040	Villegiature	57.54	Griesbach: 50%, Tedy Asihto: 50% (applic. status)	pending-28
177	1576056	32D01	X0012 0027	CDC 2455020	57.53	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
178	1576056	32D01	X0012 0028	CDC 2455021	57.53	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
179	1576056	32D01	X0013 0027	CDC 2455022	57.52	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
180	1576056	32D01	X0013 0028	CDC 2455023	57.52	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18
181	1576056	32D01	X0014 0027	CDC 2455024	57.51	1126 Griesbach: 50%, 20879 Tedy Asihto: 50%	26-Jul-18

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**Note:**

1. Transfers are currently being processed from Griesbach and Tedy Asihto to Quebec Lithium Limited.

## SCHEDULE 2 – PRO-FORMA STATEMENT OF FINANCIAL POSITION

The unaudited pro-forma consolidation statement of financial position has been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma includes the Capital Raising of \$950,000 (gross) reflected in cash and issued capital.

### Consolidated Statement of Financial Position as at 30 June 2016

	AUDITED 30 JUNE 2016 \$	PROFORMA 30 JUNE 2016 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	55,765	878,760
Trade and other receivables	91,210	91,210
Financial assets	54,669	54,669
<b>TOTAL CURRENT ASSETS</b>	<b>201,644</b>	<b>1,019,644</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	152	152
Exploration and evaluation	5,828,270	5,828,270
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,828,422</b>	<b>5,828,422</b>
<b>TOTAL ASSETS</b>	<b>6,030,066</b>	<b>6,848,066</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	44,896	44,896
<b>TOTAL CURRENT LIABILITIES</b>	<b>44,896</b>	<b>44,896</b>
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	439,312	439,312
Loans received	155,000	155,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>594,312</b>	<b>594,312</b>
<b>TOTAL LIABILITIES</b>	<b>639,210</b>	<b>639,210</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>5,390,858</b>	<b>6,208,858</b>
<b>EQUITY</b>		
Issued capital	25,187,316	26,437,316
Share option reserve	612,000	1,276,583
Foreign currency translation reserve	(46,115)	(46,115)
Accumulated losses	(20,362,343)	(21,458,926)
<b>TOTAL EQUITY</b>	<b>5,390,858</b>	<b>6,208,858</b>

#### Notes:

1. Movements in cash and cash equivalent assets as follows:
  - a. Increase in cash in the amount of \$950,000 (gross) resulting from the Capital Raising.
  - b. Reduction in cash in the amount of \$70,000 resulting from the payment of the Reimbursement pursuant to the Acquisition.
  - c. Reduction in cash in the amount of \$62,000 resulting from the costs associated with the transaction with QLL including brokerage costs of 6.0% of the Capital Raising amount.
 Net movement in cash is positive \$818,000.

2. Share capital increase is the result of the issue of the Consideration Shares and Consideration Options, together with the issue of the Shares and Options under the Capital Raising and Broker Options.
3. Accumulated losses increase due to (i) the payment of the Reimbursement; (ii) the issue of the Consideration Shares; and (iii) the payment of the expenses associated with the transaction.



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### **SCHEDULE 3 – TERMS AND CONDITIONS OF CONSIDERATION OPTIONS / CAPITAL RAISING OPTIONS / BROKER OPTIONS**

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- (a) Each Option gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
  - (b) Each Option will expire at 5.00pm (WST) on 1 December 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (c) Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.003 (**Exercise Price**).
  - (d) The Options held by each Optionholder may be exercised in whole or in part.
  - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
    - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
    - (ii) cash, a bank cheque or telegraphic or other electronic means of transfer of cleared funds for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
  - (h) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
  - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
  - (j) The Company may apply for the Options to be listed, subject to satisfying ASX Listing Rule requirements for listing. If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
  - (k) If at any time the issued capital of the Company is reorganised or reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.
  - (l) There are no participating rights or entitlements inherent in the Options. The Optionholder cannot participate in any new issues of the Company without exercising the Option.
  - (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

## PROXY FORM

METALS AUSTRALIA LTD  
ACN 008 982 474

### ANNUAL GENERAL MEETING

I/We

of:

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

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:30 am (WST), on 30 November 2016 at Level 1, 10 Kings Park Road, West Perth, WA 6005, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 (except where I/we have indicated a different voting intention below) even though Resolutions 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

#### Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Robert Collins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Significant Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Election of Director – Gino D'Anna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue of Securities – Tranche 1 of Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue Securities – Tranche 2 of Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

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

YES ☐ NO ☐

## Instructions for completing Proxy Form

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

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

**Proxy Forms received later than this time will be invalid.**