
PARADIGM METALS LIMITED
ACN 102 747 133
NOTICE OF GENERAL MEETING

TIME: 3:00pm
DATE: 14 July 2015
PLACE: Level 1, 330 Churchill Avenue
Subiaco, WA 6008

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) 9200 4482.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 3:00pm on 14 July 2015 at:

Level 1, 330 Churchill Avenue, Subiaco, WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 3:00pm on 12 July 2015.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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 is 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 (i.e. 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 (i.e. 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 (i.e. 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;
 - 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 68,333,330 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO CPS CAPITAL GROUP PTY LTD (AND/OR ITS NOMINEE(S))

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 220,000,000 Options to CPS Capital Group Pty Ltd (and/or its nominee/s) 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.

DATED: 9 JUNE 2015

BY ORDER OF THE BOARD

ANTHONY REILLY

CHIEF EXECUTIVE OFFICER

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 3:00pm (WST) on 14 July 2015.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

1.1 General

On 3 November 2014, the Company issued 100,000,000 Shares to Americas Investments & Participation Limited - Wickham's Cay (**Placement**).

The Company issued 63,782,251 Shares without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1 and issued the remaining 36,217,749 Shares without prior Shareholder approval out of its 10% annual placement capacity under ASX Listing Rule 7.1A.

The subscriber pursuant to the Placement was not a related party of the Company.

Resolution 1 seeks Shareholder approval under ASX Listing Rule 7.4, to ratify the issue of 100,000,000 Shares, (being the total of the Shares issued under the Placement) (**Ratification**).

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

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue equity securities up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 14 October 2014.

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

By ratifying the issue the subject of Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

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

- (a) a total of 100,000,000 Shares were issued;
- (b) the deemed issue price of the Shares was \$0.002 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Americas Investments & Participation Limited - Wickham's Cay who is not a related party or associate of the Company; and
- (e) no funds were raised by the issue of the Shares as the Shares were issued as part consideration for the acquisition of the Caninde Graphite Project (for more information please refer to ASX announcement dated 4 November 2014).

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

2.1 General

On 17 April 2015, the Company issued 68,333,330 Shares to sophisticated clients of Lodge Corporate (**Placement**).

The Company issued 39,400,800 Shares without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1 and issued the remaining 28,932,530 Shares without prior Shareholder approval out of its 10% annual placement capacity under ASX Listing Rule 7.1A.

The subscribers pursuant to the Placement were not related parties of the Company.

Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.4, to ratify the issue of 68,333,330 Shares, (being the total of the Shares issued under the Placement) at an issue price of \$0.003 per Share that raised in total approximately \$205,000 (before costs) (**Ratification**).

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

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

By ratifying the issue the subject of Resolution 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and the additional 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

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

- (a) a total of 68,333,330 Shares were issued;
- (b) issue price of the Shares was \$0.003 each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated clients of Lodge Corporate who are not related parties or associates of the Company; and
- (e) the funds raised will be used to will be allocated towards the next phase of exploration at the Caninde Graphite project (for more information please refer to ASX announcement dated 17 April 2015).

3. RESOLUTION 3 - ISSUE OF OPTIONS – CPS CAPITAL GROUP PTY LTD (AND/OR NOMINEES)

3.1 General

Resolution 3 seeks Shareholder approval for the issue of 220,000,000 Options (PDMO) to CPS Capital Group Pty Ltd (and/or its nominee/s) (**CPS Capital**).

ASX Listing Rule 7.1 is summarised above in Section 1.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Options to CPS Capital 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.

3.2 Technical information required by ASX Listing Rule 7.1

Under and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Options to CPS Capital:

- (a) the Options will be issued to CPS Capital (and/or its nominee/s);
- (b) the maximum number of Options to be issued to CPS Capital is 220,000,000;
- (c) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be issued on or around the same day as the Meeting;
- (d) the Options were issued in consideration of CPS Capital acting as lead manager to the offer set out in the prospectus announced to the ASX on 12 November 2014;
- (e) the Options will be issued on the terms set out in Schedule 1; and
- (f) no funds will be raised for the issue of these Options as the Options were issued pursuant to the underwriting agreement as detailed in the prospectus announced to the ASX on 12 November 2014.

4. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9200 4482 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Paradigm Metals Limited (ACN 102 747 133).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

CPS Capital means CPS Capital Group Pty Ltd (ACN 088 055 636).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The Options to be issued pursuant to this Notice entitle the holder to subscribe for Shares on the following terms and conditions:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.002 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days of the Exercise Date, but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

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.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Quotation**

The Company will apply for quotation of the Options on ASX.

(n) **Transferability**

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

PROXY FORM

**APPOINTMENT OF PROXY
PARADIGM METALS LIMITED
ACN 102 747 133**

GENERAL MEETING

I/We

of

being a member of Paradigm Metals Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, 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 General Meeting to be held at 3:00pm (WST), on 14 July 2015 at Level 1, 330 Churchill Avenue, Subiaco, Western Australia, 6008 and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue – Shares	☐	☐	☐
Resolution 2 – Ratification of Prior Issue – Shares	☐	☐	☐
Resolution 3 – Issue of Options to CPS Capital Group Pty Ltd (and/or its nominees)	☐	☐	☐

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 Member(s): _____

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member 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 member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member'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 member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. 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 member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members 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 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.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Paradigm Metals Limited, PO Box 2015, Subiaco WA 6904; or
 - (b) facsimile to the Company on facsimile number +61 8 9200 4469; or
 - (c) email to the Company at info@paradigmmetals.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.