
METALS AUSTRALIA LTD

ACN 008 982 474

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30am (AWST)

DATE: 29 November 2019

PLACE: Level 1, 8 Parliament Place, West Perth WA 6005

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on 27 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – REMUNERATION REPORT

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

“That, for the purposes of the Corporations Act 2001 and for all other purposes, Shareholders approve and adopt the remuneration report as contained in the Company’s annual financial report for the year ended 30 June 2019.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement regarding the consequences of voting on this Resolution.

Voting Exclusion: 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 in 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.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR 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 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert Collins, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GINO D’ANNA

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 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Gino D’Anna, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2019 CONSIDERATION SHARES (LR 7.1)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2019 CONSIDERATION OPTIONS (LR 7.1)

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – 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 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 in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 500,000,000 Shares and up to 500,000,000 free attaching Options, with an exercise price of \$0.0035 and an expiry date of 1 June 2022, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 17 October 2019

By order of the Board

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

Martin Stein
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

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

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

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

EXPLANATORY STATEMENT

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

1. 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 2019 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 www.metalsaustralia.com.au

2. RESOLUTION 1 – REMUNERATION REPORT

2.1 General

The Corporations Act 2001 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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR 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 years, 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.

Mr Robert Collins, who has served as a director since 26 February 2014 and was last re-elected on 30 November 2016, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Robert Collins has served on a number of ASX listed industrial and mining company boards and owned a large accounting practice serving the corporate sector. He was a director of Covata Ltd (formerly Prime Minerals Ltd) until 29 October 2014, Blaze International Ltd until 8 April 2016 and K2Fly Ltd (formerly Power Resources Ltd) until 17 November 2016. Mr Collins is currently non-executive director of Sabre Resources Ltd and Golden Deeps Ltd.

3.3 Independence

If elected, the board considers Mr Robert Collins will be an independent director.

3.4 Board recommendation

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

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GINO D'ANNA

4.1 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 years, 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.

Mr Gino D'Anna, who has served as a director since 22 December 2016 and was last elected on 30 November 2016, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Gino D'Anna has significant primary and secondary capital markets experience. Mr D'Anna also possesses extensive experience in resource exploration, public company operations, administration and financial management.

Mr D'Anna has particular experience in Canadian Government and First Nations relations in the mining sector. Mr D'Anna was a director of K2Fly Ltd until 19 September 2017 and Atrum Coal Ltd until 26 June 2015. Mr D'Anna is currently a director of MetalsTech Ltd and 3G Coal Ltd.

4.3 Independence

If elected, the board considers Mr Gino D'Anna will be an independent director.

4.4 Board recommendation

The Board supports the re-election of Mr Gino D'Anna and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2019 CONSIDERATION SHARES (LR 7.1)

5.1 General

On 26 September 2019, the Company issued 30,000,000 Shares as partial consideration for the acquisition of Quebec focused gold exploration projects. This was further to an announcement made with the ASX on 25 September 2019.

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

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

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

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

5.2 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) 30,000,000 Shares were issued;
- (b) the issue price was nil per Share as the Shares were issued as partial consideration for the acquisition of Quebec focused gold exploration projects;

- (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 Glenn Griesbach, the vendor of the projects, whom is not a related party of the Company; and
- (i) there were no funds raised from this issue.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SEPTEMBER 2019 CONSIDERATION OPTIONS (LR 7.1)

6.1 General

On 26 September 2019, the Company issued 50,000,000 Options as partial consideration for the acquisition of Quebec focused gold exploration projects. This was further to an announcement made with the ASX on 25 September 2019.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

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

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

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

6.2 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) 50,000,000 unlisted Options were issued;
- (b) the issue price was nil per Option as the Options were issued as partial consideration for the acquisition of Quebec focused gold exploration projects;
- (c) the Options issued were issued on the same terms and conditions as set out in Schedule 1;
- (d) the Options were issued to Glenn Griesbach, the vendor of the projects, whom is not a related party of the Company; and
- (i) there were no funds raised from this issue.

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 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 \$5,914,395 (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 October 2019).

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 three classes of quoted Equity Securities on issue, being the Shares (ASX Code: MLS), quoted Options exercisable at \$0.003 each on or before 1 December 2019 (ASX Code: MLSO) and quoted Options exercisable at \$0.01 each on or before 31 May 2020 (ASX Code: MLSOA).

If Shareholders approve Resolution 6, 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 6 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 6 for it to be passed.

7.2 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 6:

(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 5.2(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 6 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 16 October 2019.

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)	\$0.001 50% decrease in Issue Price	\$0.002 Issue Price	\$0.003 50% increase in Issue Price
3,457,197,777 (Current Variable A)	Shares issued			
	- 10% voting dilution	345,719,777 Shares	345,719,777 Shares	345,719,777 Shares
	Funds raised	\$345,719	\$691,439	\$1,037,159
5,185,796,665 (50% increase in Variable A)	Shares issued			
	- 10% voting dilution	518,579,666 Shares	518,579,666 Shares	518,579,666 Shares
	Funds raised	\$518,579	\$1,037,159	\$1,555,738
6,914,395,554 (100% increase in Variable A)	Shares issued			
	- 10% voting dilution	691,439,555 Shares	691,439,555 Shares	691,439,555 Shares
	Funds raised	\$691,439	\$1,382,879	\$2,074,318

*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 Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 3,457,197,777 Shares on issue comprising:
 - 2,957,197,777 existing Shares as at the date of this Notice of Meeting; and
 - 500,000,000 Shares which may be issued if Resolution 7 is passed at this Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 16 October 2019.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 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.
- 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. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- 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.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 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%.
- 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 the acquisition of additional natural resource exploration projects (including expenses associated with such an acquisition) and continued exploration expenditure of the Company's current assets including the Lac Rainy Graphite, Lac La Corne Lithium Project, Eade Gold Project, Pontois Gold Project and Felicie Gold Project, all located in Quebec, Canada, and the Manindi Lithium and Zinc projects in Western Australia, or for exploration expenditure on any future assets acquired by the Company and general working capital; or
- (ii) as non-cash consideration for 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 listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under 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 30 November 2018 (**Previous Approval**).

The Company has issued 234,130,334 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2018, the Company also issued a further 381,269,666 Shares and 945,800,000 Options which represents approximately 38.16% of the total diluted number of Equity Securities on issue in the Company on 29 November 2018, which was 3,477,834,444.

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 Schedule 2.

(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 Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

7.3 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 6.

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

8.1 General

Resolution 7 seeks Shareholder approval for the issue of up to 500,000,000 Shares and up to 500,000,000 Options.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The Company does not currently have a lead manager mandate in place with respect to the proposed placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead manager at the time the funds are to be raised. The Company anticipates that any fees payable to a lead broker will be on standard market rates of approximately 5% to 6% of the total funds raised.

The effect of Resolution 7 will be to allow the Company to issue the Shares and Options pursuant the subject of Resolution 7 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.

8.2 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 7:

- (a) the maximum number of Shares to be issued is 500,000,000 and the maximum number of Options to be issued is 500,000,000;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the issue price of the Shares will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the issue price of the Options will be nil as they will be issued free-attaching with the Shares on a maximum of a one-for-one basis;
- (e) the Directors will determine to whom the Shares and Options will be issued but these persons will not be related parties of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options will be issued on the terms and conditions set out in Schedule 3 and the Company will apply for quotation of the Options; and
- (h) the Company intends to use the funds raised towards continued exploration at the Company's Lac Rainy Graphite, Lac La Corne Lithium Project, Eade Gold Project, Pontois Gold Project and Felicie Gold Project, all located in Quebec, Canada, and the Manindi Lithium and Zinc projects in Western Australia, or for exploration expenditure on any future

assets acquired by the Company and general working capital. Specifically, the Company has recently acquired the Eade Gold Project, Pontois Gold Project and Felicie Gold Project, as announced to the ASX on 25 September 2019. Additional funding is required to support the planned exploration activities on the Company's projects.

8.3 Dilution

Assuming no Options are exercised, or other Shares issued, the maximum number of Shares under this Resolution are issued, the number of Shares on issue would increase from 2,957,197,777 (being the number of Shares on issue as at the date of this Notice) to 3,457,197,777 and the shareholding of existing Shareholders would be diluted by 16.91%.

If subsequently the Options issued under this Resolution are exercised (and provided no other Shares are issued or Options exercised), the number of Shares on issue would increase from 3,457,197,777 to 3,957,197,777, which would dilute the shareholding of existing Shareholders by an additional 14.46%.

8.4 Trading history

The volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 17 October 2019 was \$0.002. The lowest issue price (i.e. maximum discount) of not less than 80% of this volume weighted average price would be \$0.0016 per Share.

If the Company issued the maximum number of Shares under this Resolution at an issue price of \$0.0016 per Share, the Company would raise \$800,000.

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

	Price	Date
Highest	\$0.004	17 October 2018
Lowest	\$0.001	6 April 2019
Last	\$0.002	16 October 2019

The table below sets out the possible funds that the Company could raise under this Resolution, based on a volume weighted average price of \$0.001 and \$0.004, being the highest and lowest trading prices of the Shares over the past 12 months. To calculate the potential funds that could be raised under this Resolution,

discounted figures of \$0.0008 and \$0.0032 have been used, being an issue price, which is not less than 80% of the volume weighted average prices set out below.

VWAP	VWAP Discount (80% of VWAP)	Funds raised
\$0.001	\$0.0008	\$400,000
\$0.004	\$0.0032	\$1,600,000

Assuming a management fee of 6% is payable in respect of the Placement, the Company would pay a management fee of \$24,000 if \$400,000 is raised and \$96,000 if \$1,600,000 is raised.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

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

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.0035 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 1 January 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

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

If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

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

(i) Reconstruction of capital

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

(j) Participation in new issues

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

(k) Change in exercise price

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

(l) Transferability

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

SCHEDULE 2 – ISSUE OF EQUITY SECURITIES SINCE 29 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 27 March 2019 Appendix 3B – 27 March 2019	350,000,000	Shares ²	Professional and sophisticated investors who participated in a placement undertaken by the Company	\$0.0018 per Share, being a 40% discount to market	Amount raised = \$630,000 Use of funds: drilling program at Lac Rainy Graphite Project
Issue – 5 June 2019 Appendix 3B – 5 June 2019	235,400,000	Shares ²	Professional and sophisticated investors who participated in a placement undertaken by the Company	\$0.0018 per Share, being a 80% premium to market	Amount raised = \$423,720 Use of funds: to continue exploration at the Lac Rainy Graphite Project and also ongoing working capital
Issue – 14 August 2019 Appendix 3B – 14 August 2019	895,800,000	Unquoted Options ³	Professional and sophisticated investors who participated in placements undertaken by the Company, the Lead Manager to the placements being Sanlam Private Wealth Pty Ltd, and Corporate Advisor to the placements being McNeill Nominees Pty Ltd	Nil cash consideration (free-attaching to 350,000,000 Shares on a 1:1 basis, to 470,800,000 Shares on a 2:1 basis, 15,000,000 free to the Lead Manager and 60,000,000 free to the Corporate Advisor)	Consideration: Issued free attaching to shares under placements undertaken by the Company and free to the Lead Manager and Corporate Advisor as partial consideration for services provided.
Issue – 26 September 2019 Appendix 3B – 2 October 2019	30,000,000	Shares ²	Glenn Griesbach	No issue price (non-cash consideration)	Consideration: for the acquisition of Quebec focused gold exploration projects. Refer to ASX announcement 25 September 2019.
	50,000,000	Unquoted Options ⁴	Glenn Griesbach	No issue price (non-cash consideration)	Consideration: for the acquisition of Quebec focused gold exploration projects. Refer to ASX announcement 25 September 2019.

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 \$0.0035 each, on or before 1 June 2022. The Company has applied to the ASX for quotation of these Options; however, quotation has not been granted at the date of this meeting due to the total number of holders not meeting the criteria set out in the ASX Listing Rules.
4. Unquoted Options exercisable at \$0.0035 each, on or before 1 January 2023.

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

(m) Entitlement

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

(n) Exercise Price

The amount payable upon exercise of each Option will be \$0.0035 (**Exercise Price**).

(o) Expiry Date

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

(p) Exercise Period

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

(q) 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.

(r) 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**).

(s) Timing of issue of Shares on exercise

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

- (iv) 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;
- (v) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (vi) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of

the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(f) Shares issued on exercise

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

(u) Reconstruction of capital

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

(v) 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.

(w) 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.

(x) Transferability

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

PROXY FORM

METALS AUSTRALIA LTD
ACN 008 982 474

ANNUAL GENERAL MEETING

I/We

of:

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

Name:

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

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.30am (AWST), on 29 November 2019 at Level 1, 8 Parliament Place, West Perth WA 6005, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Remuneration Report	☐	☐	☐
Resolution 2 Re-election of Director – Mr Robert Collins	☐	☐	☐
Resolution 3 Re-election of Director – Mr Gino D'Anna	☐	☐	☐
Resolution 4 Ratification of Prior Issue – September 2019 Consideration Shares (LR7.1)	☐	☐	☐
Resolution 5 Ratification of Prior Issue – September 2019 Consideration Options (LR7.1)	☐	☐	☐
Resolution 6 Approval of 10% Placement Capacity	☐	☐	☐
Resolution 7 Approval for Future Issue of Shares and Options	☐	☐	☐

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

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail
in relation to this Proxy Form: YES ☐ NO ☐

Instructions for completing Proxy Form

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

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

Proxy Forms received later than this time will be invalid.