



E2 Metals

E2 METALS LIMITED
ACN 116 865 546

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 30 November 2017

Time of Meeting:
10.00AM (AEDT)

Place of Meeting:
**Chartered Accountants Australia and New Zealand
Level 18 Bourke Place
600 Bourke Street
Melbourne Victoria 3000**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

E2 METALS LIMITED

ACN 116 865 546

Registered office: Level 4, 100 Albert Road, South Melbourne, Vic, 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of E2 Metals Limited ("E2 Metals" or the "Company") will be held at the offices of Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne Victoria 3000 at 10.00am (AEDT) on Thursday, 30 November 2017 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and auditors for the year ended 30 June 2017.

There is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2017 be adopted."

Resolution 2: Election of Mr Justin Klintberg as a Director of the Company

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

"That Mr Justin Klintberg, having been appointed to the Board during the year as a casual vacancy, retires as a Director in accordance with the Constitution and, having consented and being eligible for election, be elected as a Director."

Resolution 3: Re-election of Ms Melanie Leydin as a Director of the Company

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

"That Ms Melanie Leydin, who retires by rotation as a Director in accordance with the Constitution of the Company and being eligible for re-election, be re-elected as a Director of the Company."

Resolution 4: Adoption of Non-Executive Director Remuneration Pool

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

"That for the purposes of Rule 8.3 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate sum payable to non-executive Directors, for the years from and including the year commencing 1 July 2017, be set at \$300,000 per annum, it being noted an aggregate maximum payable to non-executive Directors has not previously been set."

Resolution 5: Appointment of Auditor

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

"That, subject to the consent of the Australian Securities and Investments Commission to the current auditor resigning, William Buck Audit (Vic) Pty Ltd, having consented in writing and been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001, be appointed as auditor of the Company."

SPECIAL BUSINESS

Resolution 6: Renewal of Proportional Takeover Bid Provision in the Constitution

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

"That, for the purposes of Section 648G(4) of the Corporations Act 2001(Cth) and for all other purposes the members of the company approve the renewal of Rule 6 of the Company's Constitution."

Resolution 7: Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement"

By order of the Board



Melanie Leydin
Company Secretary
17 October 2017

Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) on Tuesday, 28 November 2017. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2

There are no voting exclusions on this Resolution.

Resolution 3

There are no voting exclusions on this Resolution.

Resolution 4

The Company will disregard any votes cast on Resolution 4 by a Director and any associate of their associates and a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote on Resolution 4 if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolutions 5 and 6

There are no voting exclusions on either Resolution.

Resolution 7

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2017 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution costs associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the annual report at the Company's website: www.e2metals.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(3) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolution 1. The Chairman will vote undirected proxies in favour of Resolution 1.

Voting Exclusions

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote.

Resolution 2: Election of Mr Justin Klintberg as a Director of the Company

Background

Mr Justin Klintberg was appointed as a director on 23 May 2017 as a casual vacancy and is eligible for election. The Company's Constitution provides that a person appointed as a director, by the Board, to fill a casual vacancy shall hold office only until the Company's next Annual General Meeting at which that person may be elected as a director of the Company by ordinary resolution of shareholders.

Mr Klintberg has over 20 years' experience in public and private market investing. Mr Klintberg has extensive experience working in the investment and capital markets industry. He is currently Chief Executive Officer of Corporate Advisory firm Merchant Corporate Advisory Limited based in Hong Kong. He was the founder and Chief Information Officer of Kima Capital Management Pty Ltd, a Pan Asian Hedge Fund from 2009 to 2016 and prior to that a Senior Portfolio Manager with Marble Bar Asset Management from 2001 to 2008.

Mr Klintberg holds a Bachelor of Business from Deakin University majoring in accounting and finance as well as a Graduate Diploma of Applied Finance and Investment.

Board Recommendation

The Board (with Mr Klintberg abstaining) recommends that shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Klintberg's election.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 3: Re-election of Ms Melanie Leydin as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Ms Leydin being eligible, offers himself for re-election.

Ms Leydin is a Chartered Accountant and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. In the course of her practice she audits listed and unlisted public companies involved in the resources industry. Her practice also involves outsourced Company secretarial and accounting services to public companies in the resources sector. This involves preparation of statutory financial statements, annual reports, half year reports, stock exchange announcements and quarterly ASX reporting and other statutory requirements. Ms Leydin has 25 years' experience in the accounting profession and is a Director and Company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange.

Board Recommendation

The Board (with Ms Leydin abstaining) recommends that shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Ms Leydin's re-election.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 4: Adoption of Non-Executive Director Remuneration Pool

Shareholder approval is sought to adopt the maximum aggregate fees payable to non-executive Directors of the Board to be set at \$300,000 per annum, it being noted a maximum aggregate sum payable to non-executive Directors has not previously been set. Shareholder approval is sought under Rule 8.3 of the Constitution and Listing Rule 10.17.

The Board considers it appropriate to adopt a Maximum Fees Cap, to take account of:

- the Board recently appointing additional non-executive Directors to provide additional skills and expertise;
- the need to enable incremental increases in non-executive Director remuneration as required over time; and
- the need for appropriate succession planning.

It is imperative that the Company remains able in the future to attract and retain non-executive Directors with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction. A Maximum Fees Cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed Maximum Fees Cap is approved, it will not necessarily represent the full sum paid to non-executive Directors each financial year. The Company will in future continue to set the actual level of remuneration of its non-executive Directors within the Maximum Fees Cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

The remuneration of each non-executive Director for the financial year ended 30 June 2017 is detailed in the Annual Report.

As required by Listing Rule 10.17, there were no securities issued to the Company's non-executive Directors under Listing Rule 10.11 or 10.14 within the preceding three years.

Board Recommendation

Given their interest in the outcome of this resolution, the Board does not make any recommendation on how Shareholders vote in respect of Resolution 4.

Voting Exclusions

The Company will disregard any votes cast on Resolution 4 by any Director and any of their associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or by the Chairman of the meeting as proxy for a person who is entitled to vote and does not specify the way the proxy is to vote.

Further, a member of the Key Management Personnel and their closely related parties who are appointed proxy will not vote on this resolution unless the appointment specifies the way the proxy is to vote on the resolution or the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 5: Appointment of Auditor

Background

Jeffrey Campbell Luckins is the current auditor of the Company. The Board is satisfied with the services provided by the current auditor, and thanks the auditor for their services rendered to the Company. Nevertheless, the company's size, scope and nature of operations has changed since the current auditor's initial appointment, and on that basis the current auditor has tendered a notice of resignation to the Australian Securities and Investments Commission (ASIC) under section 329(5) of the Corporations Act.

If ASIC consents to this resignation before the date of this meeting, the change of auditor will take effect with the passing of this resolution at this shareholders' meeting.

The Company has received a notice from TMENA Pty Ltd, being a shareholder, nominating William Buck Audit (Vic) Pty Ltd as the new auditor of the Company. In accordance with section 328B of the Corporations Act 2001, a copy of this notice of nomination of William Buck Audit (Vic) Pty Ltd is attached to this Notice of Meeting.

William Buck Audit (Vic) Pty Ltd (William Buck), has provided their consent in writing to act as auditor of the Company. William Buck confirms that it does not provide any services to the Company and the Company confirms that it is unaware of any matter or circumstances that would give rise to a conflict of interest situation, as defined in section 324CD of the Corporations Act, in relation to the Company.

The Board has also noted that William Buck is registered as an auditor under section 1280 of the Corporations Act and is a well-established firm with the necessary expertise and skill necessary to meet the Company's requirements. Consequently, subject to the Company receiving all necessary approvals from ASIC and shareholder approval at this shareholders' meeting, William Buck has been nominated and selected to become the new auditor of the Company.

Board Recommendation

Subject to ASIC's consent of the current auditor's resignation, the Board unanimously recommends that shareholders vote in favour of this resolution to appoint William Buck as the Company's new auditor. If ASIC does not consent to the current auditor's resignation, the current auditor will continue to be the Company's auditor and this resolution will not be put to this shareholders' meeting. The Chairman will vote undirected proxies in favour of Resolution 5.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 6: Renewal of Proportional Takeover Bid Provision in the Constitution

Rule 6 of the Company's Constitution contains provisions dealing with shareholder approval requirements if there was to be any proportional takeover bids for the Company's securities (Proportional Bid Provisions).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities held by each shareholder in a class for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only part of the securities each holds.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Bid Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the Company's shareholders. The Board believes it is appropriate that the Proportional Bid Provisions of the Company's Constitution (Rule 6) be renewed.

In seeking approval for the renewal of the Proportional Bid Provisions, the Corporations Act requires the below information to be provided to its shareholders.

Effect of provisions proposed to be renewed

Rule 6 of the Constitution provides that the Company is prohibited from registering any transfer of securities giving effect to a contract of sale pursuant to a proportional takeover bid unless and until after the proposed transfer has been approved by the Company's shareholders at a general meeting (Approving Resolution). The person making the offer for the securities (Offeror) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of members who are entitled to vote at that meeting.

Rule 6 also provides that:

- (a) A prescribed resolution is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one half, and otherwise is to be taken to have been rejected.
- (b) If a prescribed resolution to approve a proportional takeover scheme has not been voted on in accordance with this rule 6.3 before the relevant day, a prescribed resolution to approve the proportional takeover scheme will be taken to have been passed in accordance with this rule 6.3 on the relevant day.

Reason for the resolution

Clause 6 of the Constitution is required to be renewed as more than 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act provides that Proportional Bid Provisions such as provided in Clause 6 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables the Company's shareholders to approve a renewal of Proportional Bid Provisions.

The Directors believe that the members should continue to have the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To

preserve this choice, Clause 6 needs to be renewed. If Clause 6 is renewed and any proportional takeover bid (if any) is subsequently approved by shareholders, each shareholder will still have the right to make a separate decision whether that member wishes to accept the (proportional takeover) bid for their own securities.

Awareness of current acquisition proposals

As at the date of these Explanatory Notes, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company from its current level.

Advantages and disadvantages of the Proportional Bid Provisions since last renewed

As there have been no takeover bids made for any of the securities in the Company since the last renewal of the Proportional Bid Provisions, there has been no application of Rule 6. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Rule 6.

Potential advantages and disadvantages of the proposed resolution for both directors and shareholders

An advantage to the directors of renewing the Proportional Bid Provisions is that the Board will be able to assess the member's acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Rule 6 provides the members with the choice of considering whether to accept a bid for what might become control of the Company without the members having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Rule 6 is not renewed, members will not have this opportunity.

On the other hand, it may be argued that the renewal of Rule 6 may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids being made and reduce the freedom for members to sell some of their securities.

Board Recommendation

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Bid Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, Shareholder approval is sought pursuant to this Resolution. The Chairman in his capacity as proxy holder intends to vote undirected proxies in favour of approving Resolution 6.

Voting Exclusions

There are no voting exclusions on this Resolution.

Resolution 7: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("10% Placement Facility"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to increase work on its current exploration assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new resource assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

Voting Exclusions

The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Fully Paid Ordinary Shares, Unlisted Options and Unlisted Performance Rights.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

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

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days 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 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

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

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

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days 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 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example,

a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.07 50% decrease in Issue Price	\$0.14 Issue Price	\$0.28 100% increase in Issue Price
Current Variable A 60,707,938 Shares	10% Voting Dilution	6,070,794 Shares	6,070,794 Shares	6,070,794 Shares
	Funds raised	\$424,956	\$849,911	\$1,699,822
50% increase in current Variable A 91,061,907 Shares	10% Voting Dilution	9,106,191 Shares	9,106,191 Shares	9,106,191 Shares
	Funds raised	\$637,433	\$1,247,867	\$2,549,733
100% increase in current Variable A 121,415,876 Shares	10% Voting Dilution	12,141,588 Shares	12,141,588 Shares	12,141,588 Shares
	Funds raised	\$849,911	\$1,699,822	\$3,399,645

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - 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 Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The issue price is **\$0.14** (14 cents), being the closing price of the Shares on ASX on **16 October 2017**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and continued exploration expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

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

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

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

- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Additional Disclosure under Listing Rule 7.3A

Information under Listing Rule 7.3.A.6(a)

The table below shows the total number of equity securities issued in the past 12 months preceding the date of the AGM and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities on issue 12 months preceding the date of the meeting	32,108,438
Equity securities issued in the prior 12 month period	42,461,737
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	132.24%

*For full details of the issues of equity securities made by the Company since the date of the last Annual General Meeting, see Appendix 1. Included in this Appendix is a summary of the amount of funds raised as a result of the capital raisings during the previous 12 month period.

Appendix 1

CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
16-Dec-2016	500,000	FPO	FPO	Placement Shares	Professional and Sophisticated investors	\$0.10	N/A	\$50,000	To provide funds to carry out exploration activities, facilitate an application for admission to the Official List of the ASX and provide ongoing working capital.
4-Apr-2017	30,337,000	FPO	FPO	Initial Public Offering Shares	New and existing shareholders	\$0.20	N/A	\$6,067,400	To provide funds to carry out exploration activities, facilitate an application for admission to the Official List of the ASX and provide working capital.
Total								\$6,117,400	

NON-CASH ISSUES

Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
16-Dec-2016	12,500	FPO	FPO	Issue of shares	RAM Platinum Pty Ltd	Nil	Nil	N/A	Issue of shares in lieu of provision of corporate advisory services.
4-Apr-2017	10,112,237	UO	*Note 1	Unlisted Options	Eligible shareholders under Initial Public Offering	Nil	Nil	N/A	Issue of free attaching options to applicants through Initial Public Offering
4-Apr-2017	1,500,000	UO	*Note 1	Unlisted Options	Merchant Capital Markets Pty Ltd and other professionals	Nil	Nil	N/A	Issue of unlisted options to sponsoring broker and other professional advisors in lieu of fees payable for management of Initial Public Offering

Glossary

FPO Fully Paid Ordinary Shares

UO Unlisted Options

Notes

Note 1 Exercisable at \$0.20 (20 cents) expiring on 4 April 2019

Note 2 Exercisable at \$0.25 (25 cents) per option expiring on 19 April 2020

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 7;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 7;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2017;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHES approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHES**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means E2 Metals Limited ACN 116 865 546;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

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

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of E2 Metals Limited for the financial year ended 30 June 2017 and which is set out in the 2017 Annual Report;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

17 October 2017

Board of Directors
E2 Metals Limited
Level 4, 100 Albert Road
South Melbourne VIC 3205

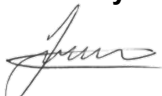
Dear Sirs/Madam

**NOTICE OF NOMINATION OF NEW AUDITOR IN ACCORDANCE WITH SECTION 328B OF
THE CORPORATIONS ACT 2001 | E2 METALS LIMITED**

We, the undersigned, being a shareholder of E2 Metals Limited, understand that the current auditor of the Company has tendered a notice of resignation to ASIC in accordance with section 329 of the Corporations Act 2001, with the resignation to take place at the next shareholders' meeting, subject to the approval of ASIC.

Consequently, we hereby give written notice pursuant to section 328B of the Corporations Act 2001, of the nomination of William Buck Audit (Vic) Pty Ltd for appointment as auditor of the Company at the forthcoming shareholders' meeting.

Yours faithfully
TMENA Pty Ltd



Justin Mouchacca
Director



Melanie Leydin
Director

E2 Metals Limited

ACN 116 865 546

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

E2 Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

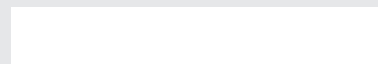
I/We being a member(s) of E2 Metals Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10.00am (AEDT) on Thursday, 30 November 2017 at Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne Victoria 3000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	☐	☐	☐	5 Appointment of Auditor	☐	☐	☐
2 Election of Mr Justin Klintberg as a Director of the Company	☐	☐	☐	6 Renewal of Proportional Takeover Bid Provision in the Constitution	☐	☐	☐
3 Re-election of Ms Melanie Leydin as a Director of the Company	☐	☐	☐	7 Approval of 10% Placement Facility	☐	☐	☐
4 Adoption of Non-Executive Director Remuneration Pool	☐	☐	☐				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)



Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)



Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (AEDT) on Tuesday, 28 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

E2 Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**