

Notice of Annual General Meeting and Explanatory Memorandum

Metallica Minerals Limited ACN 076 696 092

Date of Meeting: 29 November 2016

Time of Meeting: 10.30 am (Brisbane time)

Place of Meeting: HopgoodGanim Lawyers
Level 7
Waterfront Place
1 Eagle Street
Brisbane, Queensland

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of **Metallica Minerals Limited ACN 076 696 092 (Metallica or Company)** will be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on Tuesday 29 November 2015, commencing at 10.30 am (Brisbane time).

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

Agenda

1. Ordinary business

Audited Financial Statements

For the purposes of section 317 of the Corporations Act and for all other purposes, to receive, consider and discuss the Company's 2016 Annual Report comprising the:

- (a) financial report;
- (b) Directors' report; and
- (c) auditors' report,

for the financial year ended 30 June 2016, (**Audited Financial Statements**) which were released to the ASX on 20 September 2016.

No voting is required for this item.

2. Resolution 1: Remuneration Report

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

*"That the Company's remuneration report for the year ended 30 June 2016 (**Remuneration Report**) be adopted".*

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

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

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

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

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related

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Party of such a member; and

(c) either:

the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or

the voter is the chair of the meeting and the appointment of the chair as proxy:

does not specify the way the proxy is to vote on the resolution; and

expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Voting Intention of Chair

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

3. Resolution 2: Re-election of Barry Casson as a director

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

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

4. Resolution 3: Ratification of previous issue of Securities

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

*“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of securities in the Company to the person(s) listed and on such terms set out in Section 5 of the Explanatory Memorandum accompanying this Notice of Meeting (**Placee(s)**).”*

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Voting exclusion statement

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

- (a) the Placee(s); and
- (b) any Associate of the Placee(s).

However, the Company need not disregard a vote if:

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

Voting exclusion pursuant to section 250BD of the Corporations Act

As Resolution 4 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

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

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

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

5. Resolution 4: Grant of Share Rights under Company's Incentive Plan

To consider and, if thought fit, pass the following resolution, with or without amendment, as an Ordinary Resolution of the Company:

*"That for the purposes of Listing Rule 7.2 (exception 9(b)) and for all other purposes, the Shareholders approve the issue of securities under the Company's Incentive Plan approved by the Board on 24 October 2016 (**Plan**) as an exception to Listing Rule 7.1".*

Note: in accordance with Listing Rule 7.2(exception 9(b)), a summary of the Plan is set out in the Explanatory Memorandum.

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Voting exclusion pursuant to Listing Rule 14.11

For the purposes of Listing Rule 14.11 and all other purposes, the Company will disregard any votes cast on this Resolution by:

- a Director; and
- an Associate of a Director.

However, the Company need not disregard a vote if:

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

Voting exclusion pursuant to section 250BD of the Corporations Act

As Resolution 4 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by:

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

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

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

Special Business

6. Resolution 5: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

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

"That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of this Annual General Meeting, at a price

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not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (10% Securities)."

Voting exclusion statement

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

- (a) a person who may participate in the proposed issue of the 10% Securities and a person who might obtain a benefit, except a benefit solely in their capacity as a holder of Shares, if the resolution is passed; and
- (b) an Associate of those persons.

However, the Company need not disregard a vote if:

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

Important Note:

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

7. General business

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

By order of the board



John Haley
Company Secretary

24 October 2016

1. Introduction

The following information is provided to Shareholders of Metallica Minerals Limited ACN 45 076 696 092 (**Metallica** or the **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on 29 November 2016, commencing at 10.30 am (Brisbane time).

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

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

2. Consider the Company's Audited Financial Statements

The Company's Audited Financial Statements comprising the:

- (a) financial report;
- (b) Directors' Report; and
- (c) auditors' Report,

for the financial year ended 30 June 2016 were released to the ASX Limited on 20 September 2016.

The Audited Financial Statements are being circulated to Shareholders who have elected to receive a paper copy of the Company's Annual Report.

Shareholders who have given the Company an election to receive an electronic copy of the Audited Financial Statements will be provided with an electronic copy of the Audited Financial Statements. Shareholders from whom the Company has not received an election as to how they wish to receive the Company's Audited Financial Statements can directly access the Audited Financial Statements on the Company's website at www.metallicaminerals.com.au/news and by selecting the link, under Annual Reports for 2016, titled "Annual Financial Report".

The Audited Financial Statements are placed before the shareholders for discussion.

No voting is required for this item.

3. Resolution 1: Adoption of Remuneration Report

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

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

The Remuneration Report, amongst other things:

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

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

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

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

4. Resolution 2: Re-Election of Mr Barry Casson as a Director

Under Article 15.4, the Company's Constitution requires an election of Directors to take place each year and that, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office, provided that no Director may hold office beyond the third annual general meeting following that Director's appointment or 3 years, whichever is longer. A retiring Director is eligible for re-election at the AGM. Listing Rules 14.4 and 14.5 contain effectively equivalent provisions.

Mr Barry Casson retires in accordance with the Listing Rules and the Company's Constitution and, being eligible, offers himself for re-election as a Director.

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

5. Resolution 3: Ratification of previous issue of Equity Securities

5.1 Equity Securities issued by the Company in the previous 12 months

In the previous 12 months the Company has issued Equity Securities without Shareholder approval as set out below (**Prescribed Securities**). The Prescribed Securities were issued within the capacity of the Company to issue up to 15% of its capital in any 12 month period without Shareholder approval under Listing Rule 7.1.

Pursuant to Resolution 3, the Company is seeking the ratification by the Shareholders of the issue of the Prescribed Securities as noted below.

5.2 Listing Rule 7.4 – Ratification of issue of Securities

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

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

In accordance with Listing Rule 7.4, Shareholder approval is sought under Resolution 3 to ratify the issue of the Prescribed Securities set out below.

If Resolution 3 is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further Shareholder approval.

5.3 Listing Rule Information

For the purposes of Listing Rule 7.5 the following information is provided in respect of the Prescribed Securities:

(a) **Number of Equity Securities issued**

2,000,000 unquoted options.

(b) **Price at which Equity Securities issued**

Nil.

(c) **Terms of the Equity Securities**

The Prescribed Securities issued are 2,000,000 unquoted options for ordinary fully paid Shares in the Company with an exercise price of 12.5 cents per option and an expiry date of 13 July 2017. Shares issued upon exercise of the options will rank parri passu with all other fully paid ordinary shares on issue in the Company.

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

The Prescribed Securities were issued to the Company's recently appointed Chief Executive Officer, Mr Simon Slesarewich.

(e) **Use or intended use of the funds raised**

No funds were raised from the issue of the Prescribed Securities. Any funds raised upon exercise of the options will be used for general working capital of the Company.

(f) **Voting Exclusion Statement**

A voting exclusion statement for the purposes of Resolution 3 is included in the notice of meeting.

If Resolution 3 is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months without the need to obtain further Shareholder approval.

The Directors recommend that you vote in favour of Resolution 3.

6. Resolution 4: Grant of Share Rights under Company's Incentive Plan

6.1 Metallica Minerals Limited Incentive Plan

The Board approved a long term incentive plan, providing for the issue of share rights to key employees, on 24 October 2016 (**Incentive Plan or Plan**).

The purpose of the Company's Incentive Plan is to:

- (a) assist in the reward, retention and motivation of Participants;
- (b) align the interests of Participants with the interests of the Company's Shareholders;
- (c) promote the long-term success of the Company and provide greater incentive for Participants to focus on the Company's longer term goals;

- (d) link the reward of Participants to the performance of the Company and the creation of Shareholder value; and
- (e) provide Participants with the opportunity to share in any future growth in value of the Company.

6.2 Incentive Rights Plan

The Company will award Share Rights under the Plan as part of the Company's long term incentive remuneration strategy. The Plan is designed to align the interests of key employees who are Eligible Participants with Shareholders and to assist the Company to attract, motivate and retain key employees. In particular, the Plan provides Participants with an incentive for future performance, thereby encouraging those Participants to remain with the Company and contribute to the future performance of the Company.

Under the Plan, Eligible Participants may be granted Share Rights for nil consideration (unless otherwise provided by the relevant offer), which vest if certain vesting conditions are met. Upon vesting, subject to any exercise conditions, each Share Right entitles the Participant to one Share (subject to any reconstructions of capital as contemplated by the Plan).

6.3 Shareholder Approval Sought

Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of Equity Securities, including Securities convertible into Equity Securities, representing more than 15% of the ordinary Securities on issue of that company in any rolling 12 month period.

An exception to Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9(b)), which provides that an issues of Equity Securities under an Employee Incentive Scheme are exempt for a period of 3 years from the date on which the holders of ordinary shares in the company approve the issue of securities under the employee incentive scheme as an exception to ASX Listing Rule 7.1.

Accordingly, Resolution 4 seeks Shareholder approval for the issue of Securities under the Plan as an exception to ASX Listing Rule 7.1, in accordance with Exception 9(b) of Listing Rule 7.2, and for all other purposes.

If Resolution 4 is passed, the Company will be able to issue Share Rights (as equity incentives) under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary Securities without Shareholder approval in any 12 month period.

If approval is obtained, it will be effective for a period of three years from the date the resolution is passed.

If required, the Company will seek further Shareholder approval in accordance with the Corporations Act and the Listing Rules prior to issuing any Share Rights to Directors or their Associates.

For the purposes of Listing Rule 7.2 (Exception 9(b)), the following information is provided:

- (a) a summary of the key terms of the Plan are set out in **Annexure A**. A copy of the full terms and conditions of the Plan will be sent to Shareholders of the Company free of charge on request;
- (b) the Plan was approved by the Board on 24 October 2016 and no securities have been issued under the Plan. The Company has previously adopted a long term incentive scheme providing for the issue of Share Rights (**Previous Plan**). The Previous Plan was last approved by Shareholders at the AGM in 2011 (**Last Approval Date**). No Securities have been issued under the Previous Plan since the Last Approval Date; and
- (c) a voting exclusion statement for Resolution 4 is included in the Notice of Meeting that accompanies this Explanatory Memorandum.

6.4 ASIC Class Order Relief

Offers of Share Rights and issues of Securities under the Plan will be made in reliance on ASIC Class Order 14/1000 (**CO 14/1000 or Class Order**), which currently governs employee incentive schemes of listed companies. The Class Order provides relief from certain provisions (disclosure, licensing, hawking and other incidental matters) of the Corporations Act provided that the conditions specified in the Class Order are satisfied.

Relevantly, for the Class Order to apply, the Company must have reasonable grounds to believe, when making an offer under the Plan, that the number of Shares to be received on exercise of Share Rights offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

6.5 Voting Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

Special Business

7. Resolution 5: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period

7.1 Introduction

Pursuant to Resolution 5, the Company is seeking Shareholder approval to issue an additional 10% of issued capital over a 12 month period in accordance with Listing Rule 7.1A. If passed, this resolution will allow the Company to issue and allot up to 22,731,163 Shares (**10% Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's quoted class of Securities (calculated over the last 15 days on which trades in the quoted Securities are recorded, and immediately before the date on which the price at which the Shares are to be issued is agreed, or if not issued within 5 trading days of that date, the date on which the Shares are issued) (**Issue Price**). The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

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

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

- to fund the Company's Bauxite and other Projects; and
- for working capital.

7.2 Listing Rule 7.1A

(a) General

(1) Eligibility

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

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

For illustrative purposes only, as at 14 October 2016 the Company's market capitalisation is \$9,092,465 based on the Closing Trading Price of 4.0 cents on that date.

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

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

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

(2) Shareholder approval

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

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

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

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

or such longer period if allowed by ASX.

If approval is given for the Additional 10% Issue at the Annual General Meeting on 29 November 2016 then the approval will expire, unless there is a significant change to the Company's Business, on 29 November 2017.

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

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

(A x D) – E

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

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

D is 10 percent.

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

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

(1) **Shares**

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

As at the date of this notice of meeting, the Company has 227,311,635 quoted Shares on issue (and 29,935,691 Options which are quoted (**Listed Options**) and 8,000,000 Options which are not quoted (**Unlisted Options**)). The Company is only seeking approval to issue ordinary Shares (and no other class of Equity Securities) under the Additional 10% Issue.

(2) **Minimum Issue Price**

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

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

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

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

If Resolution 5 is passed and the Company issues any 10% Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the 10% Securities and the number of 10% Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, will be released to the market on the date of issue:

- (A) details of the dilution to the existing holders of Shares caused by the issue;
- (B) where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
- (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
- (D) any other fees or costs incurred in connection with the issue.

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

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

At the date of this Notice, the Company has on issue 227,311,635 Shares, and, subject to Resolutions 3 and 5 being passed, will have the capacity to issue:

- (1) 34,096,745 Shares under Listing Rule 7.1; and
- (2) 22,731,163 Shares under Listing Rule 7.1A.

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

7.3 Specific Information required by Listing Rule 7.3A

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

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

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

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

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

As provided by Listing Rule 7.3A.2, if the Additional 10% Issue is passed by Shareholders and the Company issues the 10% Securities, there is a risk of economic and voting dilution to the existing ordinary Security Holders of the Company. The Company currently has on issue 227,311,635 Shares. Upon the Additional 10% Issue, and subject to the approval of Resolution 4, the Company will have approval to issue an additional 22,731,163 Shares. (The exact number of additional Shares to be issued under the Additional 10% Issue will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 and set out above). Any issue of 10% Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the Issue than it is on the date of the AGM; and

- (2) the 10% Securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

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

As required by Listing Rule 7.3A.2, Table 1 below shows the economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued capital has increased (by both 50% and 100%) and the Market Price of the Shares has:

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

Table 1

Issued Capital	50% decrease in Market Price 2.0 cents		Current Market Price 4.0 cents		100% increase in Market Price 8.0 cents	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Capital = 227,311,635 Shares	22,731,163	\$545,623	22,731,163	\$909,246	22,731,163	\$1,818,492
50% Increase in Capital = 340,967,452 Shares	34,096,745	\$681,935	34,096,745	\$1,363,870	34,096,745	\$2,727,740
100% Increase in Capital = 454,623,270 Shares	45,462,327	\$909,246	45,462,327	\$1,818,493	45,462,327	\$3,636,986

Assumptions and explanations

- The Market Price is 4.0 cents based on the closing price of the Shares on ASX on 14 October 2016.
- The above table only shows the dilutionary effect based on the Additional 10% Issue and not the 15% under Listing Rule 7.1
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of 10% Securities available to it under the Additional 10% Issue.
- The Issued Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 14 October 2016.
- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

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

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Annual General Meeting, 29 November 2016. The approval under Resolution 5 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

(d) **Purpose – Listing Rule 7.3A.4**

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

- to fund the Company's Bauxite and other Projects; and
- for working capital.

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

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

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

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

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

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

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

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

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 22 November 2015 but has not issued any Equity Securities under this authority.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of equity securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 22 November 2015):

Number of equity securities on issue at commencement of 12 month period	175,440,316
Equity securities issued in prior 12 month period	59,871,346 ordinary shares 29,935,691 listed options 2,000,000 unlisted options Total: 91,807,037 equity securities
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	52.33%

Specific details that are required to be provided for each issue of equity securities in the prior 12 month period are as follows:

Type of Equity Securities	Terms	Details of Issue	Issue Date	Number Issued	Name of recipient or basis on which recipient determined	Issue price of Equity Securities and Discount to market price on the trading day prior to issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-cash consideration – a description of the consideration and the current value of the consideration
Shares	Fully paid ordinary shares	Rights issue	31 March and 27 April 2016	59,871,346	Various persons who participated in the rights issue or shortfall offer following the rights issue	Issue price: \$0.03 Discount: 42%	\$1,796,140 Funds used to advance the Urquhart bauxite project, the Esmerelda Graphite project, the SCONI project, as well as for new project generation and working capital, including to cover the issue costs.
Listed options	Listed options over fully paid ordinary shares	As above	As above	29,935,691	Various persons who participated in the rights issue	Exercise price of options: \$0.045 Exercise price constituted a premium to the market price of the shares at the time of issue.	As above.
Unlisted options	Unlisted options over fully paid ordinary shares	Issue to employee	13 July 2016	2,000,000	Simon Slesarewich, CEO	Exercise price of options: \$0.125 Exercise price constituted a premium to the market price of the shares at the time of issue.	Nil issue price. No funds raised.

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(h) **Voting Exclusion Statement**

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

8. Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7:00pm (Sydney time) on Sunday 27 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

9. Proxy, representative and voting entitlement instructions

9.1 Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **lodged by** any of the following methods:

ONLINE

www.linkmarketservices.com.au

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

BY MAIL

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

BY FAX

+61 2 9287 0309

Explanatory Memorandum

BY HAND

Deliver it to Link Market Services Limited during business hours (Monday to Friday, 9:00am-5:00pm):
Level 12
680 George Street
Sydney NSW 2000

Your completed proxy form (and any necessary supporting documentation) must be lodged online or received by Link Market Services no later than 10:30 am (Brisbane time) Sunday 27 November 2016 being 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

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. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this notice.

9.2 **Signing instructions**

You must sign the proxy 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, any one of the security holders may sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document 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.

10. **Interpretation**

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

AGM means annual general meeting;

Annual Report means the Company's annual report for the financial year ending 30 June 2016, including the Audited Financial Statements;

ASIC means the Australian Securities & Investments Commission;

Associate has the meaning given in the Corporations Act;

ASX means the ASX Limited;

Explanatory Memorandum

Audited Financial Statements has the meaning given in item 1 of the Notice of Meeting;

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

Chair means the chairperson of the Meeting;

Class Order means ASIC Class Order 14/1000 as amended or replaced from time to time;

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

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

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

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

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

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

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

Eligible Participant means any of the following persons:

- (a) a Director (whether executive or non-executive) of the Company;
- (b) a full or part time employee of the Company;
- (c) a casual employee or contractor of the Company to the extent permitted by the Class Order; or
- (d) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above;

Equity Securities has the meaning given in the Listing Rules;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Incentive Plan or Plan means the Company's incentive plan approved by the Board on [XX] 2016;

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

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

Explanatory Memorandum

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

Meeting means the Annual General Meeting to be held on 29 November 2016 as convened by the accompanying Notice of Meeting;

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

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

Participants means Eligible Participants who are granted Share Rights under the Plan;

Related Party has the meaning given in the Listing Rules;

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

Security has the meaning given in the Listing Rules;

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

Shareholder means a shareholder of the Company;

Share Right means a right granted in accordance with the Incentive Plan.

Special Resolution means a resolution:

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

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

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

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

Explanatory Memorandum

Annexure A – Incentive Plan Terms

The key terms of the Plan are as follows:

- (a) The Board may from time to time in its absolute discretion make a written offer by way of an “offer document” in accordance with the Class Order, to apply for up to a specified number of Performance Rights (on the terms of the Plan), to any of the following persons:
- i. a Director (whether executive or non-executive) of any Group Company;
 - ii. a full or part time employee of any Group Company;
 - iii. a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
 - iv. a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above,
- (Eligible Participants).**
- (b) Subject to paragraph (c) below, an offer is personal and is not assignable.
- (c) Upon receipt of an offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the offer. The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.
- (d) Under the Plan, the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and Performance Hurdles as the Board determines.
- (e) In accordance with the Class Order, the Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
- i. the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - ii. the maximum number of Shares that the Participant is entitled to be issued on exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - iii. any applicable Performance Hurdles;
 - iv. when Unvested Performance Rights will expire (**Expiry Date**);
 - v. the date by which an offer must be accepted (**Closing Date**); and
 - vi. any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- (f) Unless otherwise provided by the relevant offer, Performance Rights granted under the Plan will be issued for nil consideration.
- (g) Subject to paragraph (j) below, a Performance Right granted under the Plan will not vest and be exercisable unless the Performance Hurdles (if any) have been satisfied and the Board has notified the Participant of that fact.
- (h) A Performance Right lapses, to the extent it has not been exercised, on the earlier to occur of:
- i. where the Performance Hurdles (if any) applicable to that Performance Right have not been satisfied on the Test Date, the date the Board makes a determination that the Performance Right will lapse;
 - ii. an unauthorised dealing in, or hedging of, the Performance Right occurring;
 - iii. in respect of Unvested Performance Rights only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - A. exercises its discretion to vest the Performance Right in accordance with paragraph (j) below; or
 - B. in its absolute discretion, resolves to allow the Unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - iv. in respect of Vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised

Explanatory Memorandum

- within three months (or such later date as the Board determines and as may be extended pursuant to the Plan) of the date the Relevant Person ceases to be an Eligible Participant;
- v. the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Relevant Person;
 - vi. the Company undergoes a Change of Control Event or a winding up resolution or order is made (**Relevant Event**), and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan within three months of the Relevant Event; and
 - vii. the Expiry Date of the Performance Right.
- (i) Subject to the Corporations Act, the ASX Listing Rules, the Plan and any applicable offer, the Company will issue to the Participant the number of Shares the Participant is entitled to be issued in respect of each vested Performance Right that is exercised. In the event that the issue of Shares on exercise of a Performance Right would otherwise fall within a closed period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration of the closed period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares (as the case may be).
- (j) The Board may in its absolute discretion, by written notice to a Participant, resolve to:
- i. waive any Performance Hurdles (if any) attaching to a Performance Right (in which case, the Performance Right will become a Vested Performance Right); or
 - ii. determine that all, or a portion, of a Participant's Performance Rights will vest, due to:
 - iii. a Change of Control Event occurring; or
 - iv. the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (k) The Plan contains an overriding restriction on the offer, grant or exercise of Performance Rights and the issue of Shares if to do so:
- i. would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
 - ii. would contravene the local laws or customs of the country of residence an Eligible Participant or Relevant Person (as the case may be) or in the opinion of the Board would require actions to comply with those local laws or customs which are impracticable.
- (l) The Plan is to be administered by the Board who:
- i. have the power to:
 - A. delegate the exercise of its power or discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board) for such period and on such conditions as the Board may determine;
 - B. appoint or engage specialist service providers for the operation and administration of the Plan;
 - ii. except as otherwise expressly provided in the Plan, have absolute and unfettered discretion:
 - A. in the exercise of any of its powers or discretions pursuant to the Plan or any Performance Rights under the Plan; and
 - B. to act, or refrain from acting, under or in connection with the Plan or any Performance Rights under the Plan; and
 - iii. in the event of a dispute or disagreement as to the interpretation of the Plan, the Performance Rights, the Performance Hurdles or any other matter relating to the Plan in any way whatsoever, to make the final binding decision in respect of such matter which will be final and binding upon all persons.
- (m) In the event of certain variations of the share capital of the Company, including a capitalisation, rights issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate under the Plan, in a manner consistent with the Corporations Act and the ASX Listing Rules. In the event that such an adjustment is made, the Board will give notice in writing of the adjustment to any Participant affected by it and, to the extent required, to the ASX.
- (n) The Company must have reasonable grounds to believe, when making an offer under the Plan, that the number of Shares to be received on exercise of Performance Rights offered, when aggregated with the

Explanatory Memorandum

number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.



METALLICA MINERALS LTD
ACN 076 696 092

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Metallica Mineral 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
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X999999999999

PROXY FORM

I/We being a member(s) of Metallica Mineral 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 **10:30am (Brisbane time) on Tuesday, 29 November 2016 at the offices of HoppgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), if the Chairman of the Meeting is a member of the Key Management Personnel (KMP) details of whose remuneration are included in the Remuneration Report or a Closely Related Party (CRP) of such a member, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on **Resolution 1** (except where I/we have indicated a different voting intention below) even though **Resolution 1** is connected directly or indirectly when the remuneration of a member of the Company's KMP.

Important for Resolutions 3 and 4: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), if the Chairman of the Meeting is a member of the Company's KMP or a CRP of such a member, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on **Resolutions 3 and 4** (except where I/we have indicated a different voting intention below) even though **Resolutions 3 and 4** are connected directly or indirectly with the remuneration of a member of the Company's 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

1 Remuneration Report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5 Approval for the Company to issue an additional 10% of the issued capital

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Re-election of Barry Casson as a director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Ratification of previous issue of Securities

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Grant of Share Rights under Company's Incentive Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

MLM PRX1601C



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 Resolutions are 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 **10:30am (Brisbane time) on Sunday, 27 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

Metallica Mineral 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*
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.**