

Notice of Annual General Meeting and Explanatory Memorandum

Metallica Minerals Limited ACN 076 696 092

Date of Meeting: 26 November 2013

Time of Meeting: 4.00 pm (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 26 November 2013, commencing at 4.00 pm (Brisbane time).

Agenda

Ordinary business

Audited Financial Statements

Consideration and discussion of Audited Financial Statements for the year ended 30 June 2013 (**Audited Financial Statements**), which are being circulated to Shareholders who have elected to receive a paper copy of the Company's reports in the attached Annual Report. Shareholders who have given the Company an election to receive an electronic copy of the Company's reports and Shareholders from whom the Company has not received an election as to how they wish to receive the Company's reports can directly access the Audited Financial Statements on the Company's website at www.metallicaminerals.com.au/z_news-frameset.htm and by selecting the link, under Annual Reports for 2013, titled "Period Ending 30 June 2013", which was released to the ASX on 25 September 2013.

Resolution 1 – Remuneration Report

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

"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2013".

Terms used in this Notice of Meeting are defined in Section 9 of the accompanying Explanatory Memorandum.

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 Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (2) the voter is the chair of the meeting and the appointment of the chair

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as proxy:

- (A) does not specify the way the proxy is to vote on the resolution; and
- (B) 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.

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, to be appointed as a Director of the Company”.

Resolution 3 - Re-election of John Haley 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 John Haley retires and being eligible, offers himself for re-election, to be appointed as a Director of the Company”.

Resolution 4 – 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 those persons listed and on such terms set out in the table at Section 6.3 of the Explanatory Memorandum accompanying this Notice of Meeting (**Placees**).”*

Terms used in this Notice of Meeting are defined in Section 9 of the accompanying Explanatory Memorandum.

Voting exclusion statement

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

- the Placees; and
- any associate of the Placees.

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

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- 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.

Special Business

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 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).”

Terms used in this Notice of Meeting are defined in Section 9 of the accompanying Explanatory Memorandum.

Voting exclusion statement

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

- a person who may participate in the proposed issue 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
- an associate of those persons.

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.

Important Note:

The proposed allottees of any Placement 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 Placement 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.

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General business

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

By order of the board

A handwritten signature in black ink, appearing to read "John Haley", is written on a white background. A vertical line is drawn to the right of the signature, extending from the top of the signature down to the bottom of the signature.

John Haley
Company Secretary

25 October 2013

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of Metallica Minerals Limited ACN 45 076 696 092 (**Metallica** or **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 Tuesday 26 November 2013, commencing at 4.00 pm (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 9.

2. Consider the company's annual report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2013 were despatched to Shareholders and released to the ASX Limited on 27 September 2013. The Company's Annual Report is 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 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 that, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office, provided that a Director must not hold office beyond the third annual general meeting following that Director's appointment or

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3 years, whichever is longer. Mr Barry Casson retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Barry Casson was appointed as a director of the Company on 1 December 2010.

Mr Casson has more than 40 years' experience in accounting, finance and general management with several listed and unlisted companies, primarily in the resources industry. He has had extensive international experience in project financing and corporate transactions. He is a Member of the Institute of Chartered Accountants and the Australian Institute of Company Directors. Mr Casson is currently a non-executive Director of Unitywater and Mr Casson also acts as Independent Chairman of the Company's Audit and Risk Committee and the Company's Remuneration Committee.

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

5. Resolution 3 - Re-Election of Mr John Haley as a Director

Under Article 15.4, the Company's Constitution requires that at each Annual General Meeting, one-third of the Directors in office at the date of the last Annual General Meeting stand for re-election. Mr John Haley retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

John Haley was appointed as a director of the Company on 22 December 2003.

Mr Haley is an Alternate Director of MetroCoal Limited, an ASX listed company in which Metallica Minerals Limited holds a substantial interest.

Mr Haley brings over thirty years of senior corporate experience from positions in Canada and Australia to the board of Metallica Minerals. He has a diverse career in a range of industries including mineral exploration and has participated as a seed capitalist in a number of mineral exploration companies. He is a Director of the Queensland Resources Council.

With extensive experience in the preparation of prospectuses, he has had significant involvement in the listing of companies in Australia and Canada. He has previously worked with Coopers & Lybrand and Arthur Andersen & Co and in Australia in general management, financial reporting and company secretarial positions.

Mr Haley holds a B. Com and MBA University of Queensland, GradCert (Marketing) Queensland University of Technology, Grad. Dip. CSP, FCA and FTIA

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

6. Resolution 4 – Ratification of previous issue of Securities

6.1 Securities issued by the Company in the previous 12 months

In the previous 12 months the Company has issued securities without Shareholder approval as set out in Section 6.3. These securities were issued within the capacity of the Company to issue not more than 15% of its capital in any 12 months period without Shareholder approval under Listing Rule 7.1.

Pursuant to Resolution 4, the Company is seeking the ratification by the Shareholders of the issue of the securities noted in the tables below (in section 6.3) and on the terms and conditions listed in those tables.

6.2 Listing Rule 7.4 – Ratification of issue of Securities

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its

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shareholders. 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 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 4 to ratify the issue of the securities set out in the table in Section 7.3

If Resolution 4 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.

6.3 Listing Rule Information

For the purposes of Listing Rule 7.5:

(a) Number of Securities issued

- (1) 512,500 unquoted options;
- (2) 124,837 fully paid ordinary Shares.

(b) Price at which Securities issued

- (1) Options - Nil;
- (2) Shares - Nil.

(c) Terms of the Securities

- (1) The options issued are unquoted options for ordinary fully paid shares in the Company having an exercise price of 19.51 cents and an expiry date of 31 March 2015. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company
- (2) The Shares issued 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

- (3) The options were issued to Cutfield Freeman and Co pursuant to a contract for consulting services;
- (4) The shares were issued to a nominee of Mr. Gavin Becker in lieu of salary pursuant to their contract of employment.

(e) Use or intended use of the funds raised

No funds were raised from the issue of these options or these shares.

By approving Resolution 4 and ratifying of the previous issue of Options to those persons noted in the tables above will permit the Company to rely on Listing Rule 7.1 to raise further capital if required.

The Directors recommend that you vote in favour of Resolution 4.

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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 16,064,183 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 within 5 trading days of that date, the date on which the Shares are issued) (**Issue Price**).

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 annual general meeting (**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 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:

- fund the Company's SCONI and Mineral Sands Project; and
- 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 16 October 2013 the Company's market capitalisation is \$12,530,063 based on the Closing Trading Price of 7.8 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.

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(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 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 26 November 2013 then the approval will expire, unless there is a significant change to the Company's Business, on 26 November 2014.

(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

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

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The Company presently has 160,641,830 of Shares as at the date of this notice. However, the Company is only seeking approval to issue ordinary Shares under the Additional 10% Issue in addition to its 15% capacity permitted under Listing Rule 7.1.

(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 160,641,830 Shares, and, subject to Resolution 4 being passed, will have the capacity to issue:

- (1) 24,096,274 Shares under Listing Rule 7.1; and
- (2) 16,064,183 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)

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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 160,641,830 Shares. Upon the Additional 10% Issue, and subject to the approval of Resolution 4, the Company will have approval to issue an additional 16,064,183 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 2 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 2 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 2

Issued Capital	50% decrease in Market Price		Market Price		100% increase in Market Price	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
		3.9 cents		7.8 cents		15.6 cents
Present Issued Capital = 160,641,830 Shares	16,064,183	\$626,503.14	16,064,183	\$1,253,006.27	16,064,183	\$2,506,012.55

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50% Increase in Capital = 240,962,745 Shares	24,096,275	\$939,754.71	24,096,275	\$1,879,509.41	24,096,275	\$3,759,018.82
100% Increase in Capital = 321,283,660 Shares	32,128,366	\$1,253,006.27	32,128,366	\$2,506,012.55	32,128,366	\$5,012,025.10

Assumptions and explanations

- The Market Price is 7.8 cents based on the closing price of the Shares on ASX on 16 October 2013 prior to the lodgement of this Notice of Meeting with ASIC.
- 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 16 October 2013.
- 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 which the Company anticipates will be 26 November 2013. 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:

- fund the Company's SCONI and Mineral Sands Projects; and
- 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.

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(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**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous annual general meeting held on 22 November 2012 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 26 November 2012):

Number of equity securities on issue at commencement of 12 month period	161,185,327
Equity securities issued in prior 12 month period	32,435,669
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	20.12%

Note: The total number of Equity Securities issued includes both the issue of 2,900,000 Performance Rights as well the issue of 565,000 shares as a result of the vesting of those Performance Rights (at which time the remaining 2,335,000 Performance Rights lapsed). See Annexure A for more details.

Specific details that are required to be provided for each issue of equity securities in the prior 12 month period are set out in the table in Annexure A.

(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

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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 7pm (Sydney time) on Sunday 24 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

9. Interpretation

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

AGM means annual general meeting;

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

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

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;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

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 26 November 2013 as convened by the accompanying Notice of Meeting;

Metals and Mining Index means the S&P/ASX 300 Metals and Mining Index;

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;

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

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

Shareholder means a shareholder of the Company;

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 – TABLE FOR THE PURPOSES OF SECTION 7.3(g) - DETAILS OF EQUITY SECURITIES ISSUED SINCE THE PREVIOUS ANNUAL GENERAL MEETING FOR THE PURPOSES OF LISTING RULE 7.3A.6

Date of issue:	27 December 2012	3 April 2013	12 June 2013	20 August 2013
Number issued:	2,900,000	512,500	14,166,666 fully paid ordinary shares and 14,166,666 attaching options	689,837 (Note: 565,000 of these equity securities are issued pursuant to the vesting of the Performance Rights issued on 27 December 2012. At the same time, the balance 2,335,000 Performance Rights issued on 27 December 2012 lapsed.)
Class/Type of equity security:	Performance Rights (granted not vested)	Unquoted options	Fully paid ordinary Shares and (unquoted) attaching options, issued pursuant to an offer to shareholders	Fully paid ordinary shares
Summary of terms:	Granted under the terms of the Company's Employee Share Option Plan. Rights are granted by do not vest unless key performance indicators are met by 30 June 2013.	Options issued with an exercise price of 19.51 cents and an expiration date of 31 March 2015. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company	Shares issued will rank parri passu with all other fully paid ordinary shares on issue in the Company. The attaching options have an exercise price of 25 cents and expiry date of 30 September 2014. Shares issued upon exercise of the option will rank parri passu with all other fully paid ordinary shares on issue in the Company	Shares issued will rank parri passu with all other fully paid ordinary shares on issue in the Company.
Names of persons who received securities or basis on which those persons was determined:	Granted to the managing director and other employees under the terms of the Company's Employee Share Option Plan	Cutfield Freeman & Co, London	Persons entitled to receive the shares under the terms of the renounceable rights issue	565,000 issued to the managing director and other employees upon vesting of Performance Rights granted under the terms of the Company's Employee Share Option Plan on 27 December 2012. 124,837 issued to the chief executive officer of the Company,

Explanatory Memorandum

				Gavin Becker in lieu of salary under their terms of contract.
Price:	Nil	Nil	Shares issued at 15 cents. Attaching options issued for nil consideration.	Nil (Note: Issued under the terms of the Company's Employee Share Option Plan pursuant to vesting of Performance Rights issued on 27 December 2012)
Discount to market price (if any):	Not Applicable	Not Applicable	3.3%	Not Applicable
Total cash consideration received:	Nil	Nil	\$2,125,000	Nil
Amount of cash consideration spent:	Not Applicable	Not Applicable	It is estimated that \$750,000 of the funds raised have been expended, with \$525,000 spent on SCONI and Mineral Sands Projects and \$225,000 on general working capital.	Not Applicable
Use of cash consideration:	Not Applicable	Not Applicable	To fund the Company's SCONI and Mineral Sands Projects and for working capital	Not Applicable
Intended use for remaining amount of cash (if any):	Not Applicable	Not Applicable	To fund the Company's SCONI and Mineral Sands Projects and for working capital	Not Applicable
Non-cash consideration paid:	Not Applicable	Not Applicable	Nil	Nil
Current value of that non-cash consideration:	Not Applicable	Not Applicable	Not Applicable	Not Applicable



METALLICA MINERALS LTD
ABN 45 076 696 092

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



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



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

SHAREHOLDER PROXY FORM

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

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 4:00pm on Tuesday, 26 November 2013, at HopgoodGanim Lawyers, Level 7, Waterfront Place 1 Eagle Street Brisbane, Queensland and at any adjournment or postponement of the meeting. If 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 and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolution 1 even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company or consolidated entity.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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

STEP 2

VOTING DIRECTIONS

Resolution 1

Remuneration Report

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

Resolution 4

Ratification of previous issue of Securities

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

Resolution 2

Re-election of Barry Casson as a director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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SPECIAL BUSINESS

Resolution 3

Re-election of John Haley as a director

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

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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i * 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.

STEP 3

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).

MLM PRX301R



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

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. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- 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
- 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.

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 **4:00pm on Sunday, 24 November 2013**, 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 Minerals 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.

**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.**