

ASX RELEASE: 10 July 2020

Notice of Meeting

Dear Shareholder,

Metalicity Limited (ASX: MCT) (“**MCT**” or “**Company**”) is convening its Extraordinary General Meeting of shareholders to be held on Thursday, 13 August 2020 at 10am WST (**Meeting**) via an online forum.

In accordance with subsection 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Notice of Meeting (NOM) to shareholders. Instead a copy of the NOM can be viewed online at the following link:

<https://www.metalicity.com.au/announcements>

With regards to the COVID-19 pandemic, the Company is concerned for the safety and health of shareholders, staff and advisers, so we have therefore put in place the online facilities to mitigate these risks.

A copy of our Proxy Form is enclosed for convenience. Proxy votes may be lodged by any of the following methods:

- (i) By Post:
Metalicity Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South, NSW 1235, Australia
- (ii) By facsimile: +61 2 9287 0309
- (iii) By Hand:
Link Market Services Limited
1A Homebush Bay Drive
Rhodes, NSW 2138, Australia
- (iv) Online:
Lodge online at www.linkmarketservices.com.au, instructions as follows

Select ‘Investor Login’ and in the ‘Single Holding’ section enter ‘Metalicity Limited’ or the ASX code ‘MCT’ in the Issuer name field, your Holder Identification Number (HIN) or the Security Reference Number (SRN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click ‘Login’. Select the ‘Voting’ tab and then follow the prompts.

You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

All meeting resolutions will be voted upon by poll. Shareholders who intend to participate and vote on a poll at the meeting must attend the online meeting.

Shareholders who do not wish to vote during the Meeting are encouraged to appoint the Chair as proxy head of the meeting. Shareholders can complete the proxy form provided and give specific instructions on how their vote is to be exercised on each item of business and the Chair must follow these instructions. Instructions on how to complete the proxy form are set out in the Notice.

If you have any queries concerning the Notice of Meeting, or the action you are required to take, please contact the Share Registry “Link Market Services” on 1300 554 474.

ENQUIRIES

Jason Livingstone
Managing Director & CEO
+61 (0)8 6500 0202
jlivingstone@metalicity.com.au

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

- (a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and
- (c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

METALICITY LIMITED**ACN 086 839 992****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00 am WST

DATE: Thursday, 13 August 2020

PLACE: The Meeting will be held online via live audio webcast for attendance by all other Shareholders.

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Tuesday 11 August 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE NEW OPTIONS TO CANACCORD

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, Canaccord) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – APPROVAL TO ISSUE NEW OPTIONS TO SUB-UNDERWRITERS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 62,500,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, sub-underwriters to the Rights Issue) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL TO ISSUE LM TRANCHE 1 OPTIONS TO CANACCORD

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, Canaccord) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – APPROVAL TO ISSUE NEW OPTIONS PURSUANT TO CAPITAL RAISING

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 90,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the participants in the Capital Raising) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES PURSUANT TO CAPITAL RAISING

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 180,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely, the participants in the Capital Raising) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – APPROVAL TO ISSUE SHARES TO MR MATTHEW LONGWORTH IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,587,963 Shares to Mr Matthew Longworth (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Matthew Longworth (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES TO MR ANDREW DALEY IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,113,981 Shares to Mr Andrew Daley (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Andrew Daley (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO MR JASON LIVINGSTONE IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 9,724,348 Shares to Mr Jason Livingstone (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Jason Livingstone (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – APPROVAL TO ISSUE SHARES TO MR JUSTIN BARTON IN LIEU OF FEES

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 8,455,948 Shares to Mr Justin Barton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Justin Barton (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 9 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how

the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 9 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 10 July 2020

By order of the Board

**Neil Hackett
Company Secretary
Metalicity Limited**

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form or by one of the following methods:

By post:

Metalicity Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235
AUSTRALIA

By hand:

Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

By fax:

(02) 9287 0309 (within Australia)
+61 2 9287 0309 (from outside Australia)

Online:

Shareholders who wish to submit their Proxy Form online should follow the instructions set out below:

1. Go to the following website: www.linkmarketservices.com.au.
2. Select Investor Login and Single Holding Login'.
3. Enter 'Metalicity Limited' or the ASX code 'MCT' in the 'Issuer Name' field, your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) (which is shown on your Proxy Form or holding statement), postcode and security code which is shown on the screen and click 'Login'.
4. Select the 'Voting' tab and then follow the prompts.

Shareholders who lodge a Proxy Form online following the instructions above will be deemed to have signed their Proxy Form.

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

The Company will be holding its General Meeting online via a Virtual meeting with live audio webcast only.

Attending the General Meeting online enables Shareholders to listen to the General Meeting live, view slides in time with the Chairman, lodge your votes on all Resolutions, and submit questions.

To attend online, enter <https://agmlive.link/MCT20> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed on the Proxy Form or your holding statement; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time of the Meeting. An online guide will be available on the platform and on the Company's website.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6500 0202.

EXPLANATORY STATEMENT

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

1. BACKGROUND

1.1 Rights Issue

As announced on 28 April 2020, the Company proceeded with a non-renounceable rights issue of two (2) Shares for every three (3) Shares held by eligible Shareholders at an issue price of \$0.002 per Share to raise up to \$966,984, together with one (1) free attaching listed Option (**New Option**) for every two (2) Shares subscribed for and issued, exercisable at \$0.004 per New Option on or before the date which is two (2) years from the date of issue (to be set at 22 May 2022) (**Rights Issue**).

The Company lodged a prospectus for the Rights Issue on 28 April 2020 (**Prospectus**).

The Rights Issue was partially underwritten by Canaccord Genuity (Australia) Limited (**Canaccord**) (the **Underwriter**) to the Underwritten Amount. Canaccord also acted as lead manager to the Rights Issue.

In addition, the Underwriter entered into sub-underwriting arrangements with a number of sub-underwriters who committed to sub-underwrite the full Underwritten Amount.

The Company is seeking Shareholder approval to issue:

- (a) **Resolution 1:** 25,000,000 New Options to Canaccord;
- (b) **Resolution 2:** 62,500,000 New Options to sub-underwriters; and
- (c) **Resolution 3:** 25,000,000 LM Tranche 1 Options to Canaccord,

as consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue as agreed under the Lead Manager Mandate and Underwriting Agreement.

Please refer to the Prospectus for further details in relation to the Rights Issue and the partial underwriting by Canaccord.

1.2 Capital Raising

As announced on 20 May 2020, the Company secured funding of \$360,000 by a placement of 180,000,000 Shares to professional and sophisticated investors (**Capital Raising**). The Capital Raising was undertaken on the same terms as the Rights Issue. Accordingly, the Company has agreed to issue one (1) free attaching New Option for every two (2) Shares subscribed for and issued under the Capital Raising.

The funds raised will be used to continue the exploration and development of the Kookynie Gold Project.

The Company completed the issue of the 180,000,000 Shares under the Capital Raising (**Placement Shares**) on 22 May 2020 pursuant to its existing placement

capacity under Listing Rule 7.1. The Company will issue the New Options to investors under the Capital Raising subject to obtaining Shareholder approval at the General Meeting.

The Company is seeking:

- (a) **Resolution 4:** Shareholder approval to issue 90,000,000 New Options to subscribers under the Capital Raising; and
- (b) **Resolution 5:** Shareholder ratification for the issue of Placement Shares under the Capital Raising.

1.3 Board remuneration

As announced on 24 March 2020, in order to preserve the Company's cash position until general market conditions improve members of the Board agreed to convert certain accrued fees and salaries into Shares, subject to obtaining Shareholder approval at a general meeting.

The Company is seeking Shareholder approval to issue Shares to each member of the Board in lieu of accrued Directors' fees and salaries pursuant to Resolutions 6 to 9.

Please also refer to section 5.6 of the Prospectus for further details in relation to the conversion of accrued Directors' fees and salaries into equity.

2. RESOLUTIONS 1 TO 3 – APPROVAL TO ISSUE NEW OPTIONS AND LM TRANCHE 1 OPTIONS TO CANACCORD AND SUB-UNDERWRITERS

2.1 General

As set out in Section 1.1, the Company has agreed to issue:

- (a) 25,000,000 New Options to Canaccord;
- (b) 62,500,000 New Options to sub-underwriters; and
- (c) 25,000,000 LM Tranche 1 Options to Canaccord,

as consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue.

2.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the 87,500,000 New Options and the 25,000,000 LM Tranche 1 Options does not fall within any of these exceptions and exceeds the Company's 15% limit in Listing Rule 7.1. Accordingly, the issue of these securities therefore requires the approval of Shareholders under Listing Rule 7.1.

2.3 Technical information required by Listing Rule 14.1A

If Resolutions 1 to 3 are passed, the Company will be able to proceed with the proposed issue of the New Options and the LM Tranche 1 Options respectively to

Canaccord and sub-underwriters. In addition, the issue of the New Options and the LM Tranche 1 Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 1 to 3 are not passed, the Company will not be able to proceed with the proposed issue of the New Options and the LM Tranche 1 Options respectively to Canaccord and sub-underwriters at this time. This may result in the Company needing to re-negotiate with Canaccord and sub-underwriters an alternative form of consideration instead of the issue of the New Options and the LM Tranche 1 Options.

For the purposes of Listing Rule 7.1, the Company is seeking Shareholder approval to issue:

- (a) 25,000,000 New Options to Canaccord pursuant to Resolution 1;
- (b) 62,500,000 New Options to sub-underwriters pursuant to Resolution 2; and
- (c) 25,000,000 LM Tranche 1 Options to Canaccord pursuant to Resolution 3.

2.4 New Options - Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 1 and 2:

- (a) the New Options will be issued to Canaccord and sub-underwriters to the Rights Issue, who are not related parties of the Company. Canaccord was engaged by the Company to provide lead manager and underwriter services in relation to the Rights Issue. The sub-underwriters were determined by Canaccord to sub-underwrite;
- (b) the maximum number of New Options to be issued is 87,500,000 on the following basis:
 - (i) 25,000,000 New Options to Canaccord; and
 - (ii) 62,500,000 New Options to the sub-underwriters;
- (c) the terms and conditions of the New Options are set out in Schedule 1;
- (d) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the New Options will occur on the same date;
- (e) the New Options will be issued at a nil issue price, in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue. However, Canaccord will be required to pay a \$50 option fee in aggregate for the issue of both the New Options and the LM Tranche 1 Options. The Company will not receive any other consideration for the issue of the New Options;
- (f) the purpose of the issue of the New Options is to satisfy the agreed fees to Canaccord and sub-underwriters in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue;

- (g) the New Options are being issued to Canaccord and the sub-underwriters in accordance with the Lead Manager Mandate and the Underwriting Agreement;
- (h) the New Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in each of Resolutions 1 and 2 of the Notice.

2.5 LM Tranche 1 Options - Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the LM Tranche 1 Options will be issued to Canaccord, which is not a related party of the Company. Canaccord was engaged by the Company to provide lead manager and underwriter services in relation to the Rights Issue;
- (b) the maximum number of LM Tranche 1 Options to be issued is 25,000,000;
- (c) The terms and conditions of the LM Tranche 1 Options are set out in Schedule 2;
- (d) the LM Tranche 1 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the LM Tranche 1 Options will occur on the same date;
- (e) the LM Tranche 1 Options will be issued at a nil issue price, in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue. However, Canaccord will be required to pay a \$50 option fee in aggregate for the issue of both the New Options and the LM Tranche 1 Options. The Company will not receive any other consideration for the issue of the LM Tranche 1 Options;
- (f) the purpose of the issue of the LM Tranche 1 Options is to satisfy the agreed fees to Canaccord in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue;
- (g) the LM Tranche 1 Options are being issued to Canaccord in accordance with the Lead Manager Mandate and the Underwriting Agreement;
- (h) the LM Tranche 1 Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 3 of the Notice.

3. RESOLUTION 4 – APPROVAL TO ISSUE NEW OPTIONS PURSUANT TO CAPITAL RAISING

3.1 General

As set out in Section 1.2, the Company has agreed to issue one (1) free attaching New Option for every two (2) Placement Share subscribed for and issued under the Capital Raising, subject to obtaining Shareholder approval.

Accordingly, the maximum number of New Options to be issued by the Company pursuant to the Capital Raising is 90,000,000.

3.2 Listing Rule 7.1

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the New Options pursuant to the Capital Raising does not fall within any of these exceptions and exceeds the Company's 15% limit in Listing Rule 7.1. The issue therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the New Options pursuant to the Capital Raising. In addition, the issue of the 90,000,000 New Options under the Capital Raising will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the New Options pursuant to the Capital Raising. Accordingly, the Company will not be able to complete the Capital Raising as agreed with subscribers.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the New Options pursuant to the Capital Raising.

3.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the New Options will be issued to subscribers under the Capital Raising (being, the recipients of the Placement Shares), who are not related parties of the Company;
- (b) the maximum number of New Options to be issued under the Capital Raising is 90,000,000;
- (c) the terms and conditions of the New Options are set out in Schedule 1;
- (d) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the New Options will occur on the same date;

- (e) the New Options will be issued free attaching at a nil issue price on the basis of one (1) free attaching New Option for every two (2) Placement Share subscribed for and issued under the Capital Raising;
- (f) the purpose of the issue of the New Options under the Capital Raising is to satisfy the terms of the Capital Raising as agreed with subscribers;
- (g) the New Options are not being issued under an agreement;
- (h) the New Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included in Resolution 4 of the Notice.

4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES PURSUANT TO CAPITAL RAISING

4.1 General

As set out in Section 1.2, on 22 May 2020 the Company completed the issue of 180,000,000 Placement Shares under the Capital Raising pursuant to its existing placement capacity under Listing Rule 7.1.

The Company raised \$360,000 pursuant to the Capital Raising.

Canaccord acted as lead manager to the Capital Raising and was paid a fee of 6% plus GST on the total funds raised (\$23,760 including GST) in consideration for lead manager services provided.

4.2 Listing Rules 7.1 and 7.1A

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the Company's annual general meeting held on 25 November 2019.

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

4.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 5 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

4.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the 180,000,000 Placement Shares were issued to professional and sophisticated investors. These recipients were identified by the Directors, in consultation with Canaccord, as a result of undertaking presentations to various investor groups and who support the Company's strategy. None of the recipients are related parties of the Company;
- (b) the 180,000,000 Placement Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Placement Shares were issued on 22 May 2020;
- (e) the issue price was \$0.002 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (f) the purpose of the issue of the Placement Shares was to raise \$360,000, which funds will be used to continue the exploration and development of the Kookynie Gold Project as set out in Section 1.2;
- (g) the Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 5 of the Notice.

5. RESOLUTIONS 6 TO 9 – APPROVAL TO ISSUE SHARES TO DIRECTORS IN LIEU OF FEES

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 23,882,240 Shares to Directors (**Related Party Shares**) in lieu of cash payments that are currently owing for accrued Directors' fees and salaries.

The Company proposes to issue the Related Party Shares to Mr Matthew Longworth, Mr Andrew Daley, Mr Jason Livingstone and Mr Justin Barton (or their respective nominees) (**Related Parties**) on the terms and conditions set out below.

The Related Party Shares will be allocated to the Related Parties on the following basis:

| Director | Amount Incurred | | Total | March-April 2020 VWAP | Total Shares to be issued |
|-------------------|--------------------|--------------------|--------------------|-----------------------|---------------------------|
| | March 2020 | April 2020 | | | |
| Andrew Daley | \$1,902.58 | \$3,805.17 | \$5,707.75 | \$0.0027 | 2,113,981 |
| Justin Barton | \$11,415.53 | \$11,415.53 | \$22,831.06 | | 8,455,948 |
| Matt Longworth | \$3,437.50 | \$6,250.00 | \$9,687.50 | | 3,587,963 |
| Jason Livingstone | \$13,127.87 | \$13,127.87 | \$26,255.74 | | 9,724,348 |
| Total | \$29,883.48 | \$34,598.57 | \$64,482.05 | | 23,882,240 |

The Board has determined to apply the volume weighted average price (**VWAP**) of the Company's Shares calculated over the March 2020 and April 2020 calendar months as the conversion price. The total Directors' fees and salaries proposed to be converted to Shares accrued during this period as set out in the above table. Accordingly, the Board considers the VWAP calculated over March 2020 and April 2020 is an appropriate basis to calculate the conversion price.

Resolutions 6 to 9 seek Shareholder approval for the issue of the Related Party Shares to the Related Parties.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Related Party Shares to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Related Party Shares are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Shares. Accordingly, Shareholder approval for the issue of Related Party Shares to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Shares falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, the issue of the Related Party Shares therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 to 9 seek the required Shareholder approval for the issue of the Related Party Shares under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 to 9 are passed, the Company will be able to proceed with the issue of the Related Party Shares to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Shares will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

The issue of the Related Party Shares allows the Company to preserve its existing cash reserves, which can otherwise be focused on operations, instead of allocating funds to pay out the accrued Directors' fees and salaries for the amounts set out in Section 5.1.

If Resolutions 6 to 9 are not passed, the Company will not be able to proceed with the issue of the Related Party Shares. In this instance, the Company would need to use its existing cash reserves to satisfy payment of the accrued Directors' fees and salaries.

5.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 6 to 9:

- (a) the Related Party Shares will be issued to the Related Parties as set out below:
- (i) **Resolution 6:** Mr Matthew Longworth (or his nominee);
 - (ii) **Resolution 7:** Mr Andrew Daley (or his nominee);
 - (iii) **Resolution 8:** Mr Jason Livingstone (or his nominee); and
 - (iv) **Resolution 9:** Mr Justin Barton (or his nominee),
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Related Party Shares to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 23,882,240, comprising:
- (i) **Resolution 6:** 3,587,963 Related Party Shares to Mr Matthew Longworth (or his nominee) pursuant to Resolution 6;
 - (ii) **Resolution 7:** 2,113,981 Related Party Shares to Mr Andrew Daley (or his nominee) pursuant to Resolution 7;
 - (iii) **Resolution 8:** 9,724,348 Related Party Shares to Mr Jason Livingstone (or his nominee) pursuant to Resolution 8; and
 - (iv) **Resolution 9:** 8,455,948 Related Party Shares to Mr Justin Barton (or his nominee) pursuant to Resolution 9;
- (c) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Shares will occur on the same date;
- (e) the Related Party Shares will be issued for nil cash consideration as they are being issued in lieu of accrued Directors' fees and salaries payable to the Related Parties. Accordingly, no funds will be raised. However, the issue of the Related Party Shares will result in the Company converting debt owing to the Related Parties to equity;

- (f) the primary purpose of the issue of the Related Party Shares is to preserve the cash reserves of the Company and convert debt owing to the Related Parties (being, the accrued Directors' fees and salaries set out in Section 5.1) to equity. This will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if it had to pay out the accrued Directors' fees and salaries owing to the Related Parties;
- (g) the Company has agreed to issue the Related Party Shares to the Related Parties subject to Shareholder approval for the following reasons:
- (i) the issue of Shares to the Related Parties further aligns their interests with the interests of Shareholders;
 - (ii) the issue of the Related Party Shares allows the Company to preserve cash reserves by converting debt to equity, which would otherwise have to be paid in cash;
 - (iii) by clearing debt (particularly, without utilising cash reserves) the Company will improve its balance sheet position; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Shares on the terms proposed;
- (h) the number of Related Party Shares to be issued to each of the Related Parties has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves;
- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Related Party | Current Financial Year (FY2020) ¹ | Previous Financial Year (FY2019) ¹ |
|-------------------|--|---|
| Matthew Longworth | \$60,000 | \$199,742 |
| Andrew Daley | \$40,000 | \$83,750 |
| Jason Livingstone | \$270,971 | \$90,231 |
| Justin Barton | \$221,510 | \$212,458 |

Notes:

1. Includes salary and fees and statutory superannuation. In addition, the figures for FY2020 in relation to Mr Livingstone and Mr Barton include the value of equity based remuneration issued to these Directors (being, the issue of performance rights). The performance rights were valued based on the hurdle

price of the performance rights, discounted (as determined by the Board) by a probability factor of achieving the relevant hurdle.

- (j) the Related Party Shares to be issued to the Related Parties have a total aggregate value of \$358,234. This assumes that each Related Party is issued the maximum number of Related Party Shares the subject of Resolutions 6 to 9 and that the market price of the Shares is \$0.015, being the closing price of the Shares trading on ASX on 9 June 2020;
- (k) the Related Party Shares are not being issued under an agreement;
- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares | Options | Performance Rights |
|--------------------------------|-----------|------------|--------------------|
| Matthew Longworth ¹ | 1,321,183 | 10,495,971 | - |
| Andrew Daley ² | 7,662,610 | 14,466,424 | - |
| Jason Livingstone ³ | 2,833,333 | 5,016,667 | 20,000,000 |
| Justin Barton ⁴ | 1,620,372 | 362,964 | 10,650,000 |

Notes:

1. Mr Longworth's relevant interest in securities comprises an indirect interest (held by Matt Mining Pty Ltd <The Longworth Super Fund A/C>, an entity associated with Mr Longworth) in 1,321,183 Shares and 10,495,971 listed and unlisted Options, comprising of:
 - (a) 31,708 Options exercisable at \$0.015 each on or before 18 October 2020;
 - (b) 2,000,000 Options exercisable at \$0.025 each on or before 23 July 2020;
 - (c) 2,000,000 Options exercisable at \$0.03 each on or before 23 July 2020;
 - (d) 2,000,000 Options exercisable at \$0.04 each on or before 23 July 2020;
 - (e) 1,400,000 Options exercisable at \$0.03 each on or before 10 December 2020;
 - (f) 1,400,000 Options exercisable at \$0.04 each on or before 10 December 2020;
 - (g) 1,400,000 Options exercisable at \$0.05 each on or before 10 December 2020; and
 - (h) 264,263 Listed Options exercisable at \$0.004 each on or before 22 May 2022.
2. Mr Daley's relevant interest in securities comprises an indirect interest (held by Mr Andrew Daley and Mrs Ineke Daley <Motherlode Super Fund Account>, an entity associated with Mr Daley) in 7,662,610 Shares and 14,466,424 listed and unlisted Options, comprising of:
 - (a) 2,500,000 Options exercisable at \$0.025 each on or before 23 July 2020;
 - (b) 2,500,000 Options exercisable at \$0.03 each on or before 23 July 2020;
 - (c) 2,500,000 Options exercisable at \$0.04 each on or before 23 July 2020;
 - (d) 1,750,000 Options exercisable at \$0.03 each on or before 10 December 2020;
 - (e) 1,750,000 Options exercisable at \$0.04 each on or before 10 December 2020;
 - (f) 1,750,000 Options exercisable at \$0.05 each on or before 10 December 2020;

- (g) 183,902 Options exercisable at \$0.015 each on or before 18 October 2020; and
- (h) 1,532,522 Listed Options exercisable at \$0.004 each on or before 22 May 2022.
3. Mr Livingstone's relevant interest in securities comprises a direct interest in 2,833,333 Shares, 266,667 unlisted Options exercisable at \$0.015 each on or before 18 October 2020, 10,000,000 Performance Rights vesting at \$0.025 expiring on 30 January 2023, 10,000,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 2,000,000 unlisted Options exercisable at \$0.025 each on or before 14 January 2022, 2,000,000 unlisted Options exercisable at \$0.035 each on or before 14 January 2022 and 750,000 Options exercisable at \$0.004 each on or before 22 May 2022.
4. Mr Barton's relevant interest in securities comprises an indirect interest (held by Coventina Holdings Pty Ltd ATF <Coventina Family Trust>, an entity associated with Mr Barton) in 1,620,372 Shares, 38,889 unlisted Options exercisable at \$0.015 each on or before 18 October 2020, 5,000,000 Performance Rights vesting at \$0.025 expiring on 30 January 2023 and 5,650,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023 and 324,075 listed options exercisable at \$0.004 each on or before 22 May 2022.
- (i) if Resolutions 6 to 9 are approved and assuming the maximum number of Related Party Shares are issued to the Related Parties, a total of 23,882,240 Shares would be issued. This will increase the number of Shares on issue from 1,388,729,525 (being the total number of Shares on issue as at the date of this Notice) to 1,412,611,765 (assuming that no other Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.69%, comprising 0.25% by Matthew Longworth, 0.15% by Andrew Daley, 0.69% by Jason Livingstone and 0.60% by Justin Barton;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|-----------|---------------|
| Highest | \$0.016 | 9 June 2020 |
| Lowest | \$0.00173 | 20 March 2020 |
| | | 23 March 2020 |
| | | 27 March 2020 |
| Last | \$0.015 | 9 June 2020 |

- (k) each Director has a material personal interest in the outcome of Resolutions 6 to 9 on the basis that all of the Directors (or their nominees) are to be issued Related Party Shares should Resolutions 6 to 9 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 6 to 9 of this Notice;
- (l) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6 to 9; and
- (m) a voting exclusion statement is included in each of Resolutions 6 to 9 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of Directors of the Company.

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

Canaccord or **Underwriter** means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).

Capital Raising has the meaning given to it in Section 1.2.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*.

Company means Metalicity Limited (ACN 086 839 992).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager Mandate means the lead manager mandate entered into between Canaccord, as lead manager, and the Company dated 20 April 2020 as summarised in the Prospectus.

Listing Rules means the Listing Rules of ASX.

LM Tranche 1 Option means an Option issued on the terms and conditions set out in Schedule 2.

New Option means an Option issued on the terms and conditions set out in Schedule 1.

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

Option means an option to acquire a Share, including a New Option and a LM Tranche 1 Option.

Optionholder means a holder of an Option.

Placement Shares has the meaning given to it in Section 1.2, being the Shares to be issued pursuant to the Capital Raising.

Prospectus has the meaning given to it in Section 1.1.

Proxy Form means the proxy form accompanying the Notice.

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

Rights Issue has the meaning given to it in Section 1.1.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Underwriting Agreement means the underwriting agreement entered into between Canaccord, as Underwriter, and the Company dated 27 April 2020 as summarised in the Prospectus.

Underwritten Amount means \$500,000.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.004 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) years from the date of issue (to be set at 22 May 2022) (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 2 – TERMS AND CONDITIONS OF LM TRANCHE 1 OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to a 50% premium on the issue price of \$0.002 per Share under the Rights Issue, being \$0.003 (the **Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

LODGE YOUR VOTE**ONLINE**www.linkmarketservices.com.au**BY MAIL**Metalicity Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia**BY FAX**

+61 2 9287 0309

**BY HAND**Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138**ALL ENQUIRIES TO**

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (WST) on Tuesday, 11 August 2020**, 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, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code**HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM****YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities 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 and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder 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 securities 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 securities 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 security registry or you may copy this form and return them both together.

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 securities 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 securityholder 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.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's Security registry or online at www.linkmarketservices.com.au.

ACCESS YOUR NOTICE OF GENERAL MEETING

You can view and download the **Notice of General Meeting and Explanatory Memorandum** at the Company's website at <https://www.metalicity.com.au/> announcements Per modifications of the Corporations Act 2001 and the Corporations Regulations 2001 under Corporations (Coronavirus Economic Response) Determination (no.1) 2020 ("Determination") no hard copy Notice of Meeting and Explanatory Memorandum has been included in this mailing, the Notice of Meeting for the purposes of this meeting has been given to those entitled to receive by use of one or more technologies.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Metalicity 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 and email of the person or body corporate you are appointing as your proxy

Name

Email

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 General Meeting of the Company to be held at **10:00am (WST) on Thursday, 13 August 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting. You can attend the meeting online at <https://agmlive.link/MCT20> (refer to details in the General Meeting Online Guide).

Important for Resolutions 6 to 9: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 6 to 9, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

| | For | Against | Abstain* | | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| 1 Approval to Issue New Options to Canaccord | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9 Approval to Issue Shares to Mr Justin Barton in Lieu of Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval to Issue New Options to Sub-Underwriters | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 3 Approval to Issue LM Tranche 1 Options to Canaccord | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 4 Approval to Issue New Options Pursuant to Capital Raising | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 5 Ratification of Prior Issue of Placement Shares Pursuant to Capital Raising | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 6 Approval to Issue Shares to Mr Matthew Longworth in Lieu of Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 7 Approval to Issue Shares to Mr Andrew Daley in Lieu of Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |
| 8 Approval to Issue Shares to Mr Jason Livingstone in Lieu of Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |



* 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 SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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).

MCT PRX2001N

