

Notice of Annual General Meeting and Explanatory Memorandum

Metallica Minerals Limited ACN 076 696 092

Date of Meeting: 17 November 2021

Time of Meeting: 10:00 am (Brisbane time)

Place of Meeting: Colin Biggers & Paisley, Level 35, 1 Eagle Street, Brisbane
QLD 4000

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

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 Colin Biggers & Paisley Lawyers, Level 35, 1 Eagle Street, Brisbane Qld 4000 on 17 November 2021, commencing at 10:00 am (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 11 of the accompanying Explanatory Memorandum.

Agenda

Ordinary Business

1. Audited Financial Statements

For the purposes of section 317 of the Corporations Act and for all other purposes, to receive, consider and discuss the Company's 2020 Annual Report comprising the:

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

for the financial year ended 30 June 2021 (**Audited Financial Statements**), which were released to the ASX on 19 August 2021.

No voting is required for this item.

2. Resolution 1: Remuneration Report

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

*"That the Company's remuneration report for the year ended 30 June 2021 (**Remuneration Report**) be adopted".*

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

Voting Restriction pursuant to Sections 250BD and 250R 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; or
- (b) a Closely Related Party of such a member.

However, a person described in (a) or (b) above (the voter) may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in (a) or (ab) above and either

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) 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 of the Company.

Voting Intention of Chair

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

3. Resolution 2: Re-election of Theo Psaros as a Director

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

That, for the purposes of clause 15.4 of the Constitution and for all other purposes, Mr Theo Psaros, a Director, retires, and being eligible, is re-elected as a Director."

4. Resolution 3: New Constitution

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

"That the new Constitution tabled at the meeting and signed by the Chairperson for the purpose of identification, is approved and adopted as the Company's Constitution, in place of the existing Constitution, with effect from the close of the Meeting".

Special Business

5. Resolution 4: 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 Equity 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 and on the terms and conditions as set out in the Explanatory Memorandum."

Voting exclusion statement

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

- (a) 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); and
- (b) an Associate of those persons.

However, this does not apply to a vote cast in favour of a 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 of the meeting 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

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- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important Note:

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

General business

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

By order of the Board



Scott Waddell
Company Secretary

15 October 2021

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of Metallica Minerals Limited ACN 076 696 092 (**Metallica** or the **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at Colin Biggers & Paisley Lawyers, Level 35, 1 Eagle Street, Brisbane QLD 4000 on 17 November 2021, commencing at 10:00 am (Brisbane time).

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

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

2. Consider the Company's Audited Financial Statements

The Company's Audited Financial Statements were released to the ASX Limited on 19 August 2021.

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

Shareholders who have given the Company an election to receive an electronic copy of the Audited Financial Statements will be provided with an electronic copy of the Audited Financial Statements. Shareholders from whom the Company has not received an election as to how they wish to receive the Company's Audited Financial Statements can directly access the Audited Financial Statements on the Company's website at <http://www.metallicaminerals.com.au/half-year-and-annual-reports> and by selecting the link, under Annual Reports for 2021, titled "Full-Year Statutory Accounts".

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

No voting is required for this item.

3. Resolution 1: Adoption of Remuneration Report

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

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

The Remuneration Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- 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 Company 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 believes that the Company's remuneration arrangements, as set out in the Remuneration Report, are fair, reasonable and appropriate, support the strategic direction of the Company and align with the Shareholder's expectations.

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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.

Directors' Recommendation

The Board unanimously recommends voting 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.

4. Resolution 2: Re-Election of Mr Theo Psaros as a Director

Mr Theo Psaros was appointed as a Director on 1 February 2019 at an Extraordinary General Meeting ("EGM") of the Company.

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

Mr Psaros is eligible for re-election and offers himself for re-election as a Director.

Directors' Recommendation

The Directors (with Mr Psaros abstaining) recommend voting in favour of this Ordinary Resolution.

5. Resolution 3: Updated Constitution

A company may modify or repeal its Constitution or a provision of its Constitution by Special Resolution of Shareholders. Resolution 3 is a Special Resolution and seeks Shareholder approval to repeal the Company's existing Constitution and adopt the New Constitution as the Constitution of the Company. The Constitution of the Company has not been updated for over 10 years.

In light of the various changes to applicable regulatory requirements (including the Corporations Act 2001 (Cth) and ASX Listing Rules), as well as developments in general corporate governance practices for ASX listed companies since 2010, the Directors believe it is appropriate to revise and update the Constitution.

The proposed changes affect a range of provisions of the Constitution. Your directors therefore consider it more efficient to adopt a new Constitution (**New Constitution**) rather than approving numerous amendments to the existing Constitution (**Existing Constitution**).

The New Constitution is broadly consistent with the provisions of the Existing Constitution. As a result, there are amendments that are not material or that have not material impact on Shareholders. These include:

- (b) to update immaterial provisions to reflect the current position under the Corporations Act, ASX Listing Rules and other applicable rules;
- (c) of a drafting, procedural or administrative nature;
- (d) to provide for virtual general meetings;

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- (e) to remove outdated and redundant provisions; and
- (f) to update names and definitions to reflect current terminology, although where possible the defined terms in the Corporations Act are relied on.

In addition, where appropriate, the New Constitution removes duplication of existing requirements under the Corporations Act or the ASX Listing Rules, which would otherwise require amendments if there are future legislative or regulatory changes.

A copy of the Company's Existing Constitution and proposed New Constitution can be obtained from the Company's website at www.metallicaminerals.com.au.

It is not practicable to list all of the differences between the Existing and New Constitution in detail in this Explanatory Statement. However, a summary of the material differences is set out below (capitalised terms have the meaning given to them in the New Constitution):

(a) Restricted Securities

The New Constitution complies with the recent changes to Listing Rule 15.12, which took effect from 1 December 2019. As a result of these changes, ASX will generally require certain more significant holders of Restricted Securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will now generally permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C, advising them of the restriction rather than requiring signed restriction agreements.

These matters will be relevant should the Company in future issue securities that are classified as restricted securities by ASX.

(b) Fee for registration of off market transfers

On 24 January 2011, ASX amended Listing Rule 8.14, with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers". Clause 8.4 of the New Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers. Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) Direct Voting

The New Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll *at the meeting*. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) Joint Holders

CHESS is ASX's system that clears and settles trades in Australia's equity markets. It maintains the CHESS sub-register of security holdings. *CHESS Replacement* is an ASX project to modernise and update CHESS which is currently scheduled to go live in April 2023. CHESS

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currently has the functionality to record three joint holders for each security, but after CHES Replacement is implemented, it will have the functionality to record four joint holders for each security. The New Constitution contains a provisions entitling the Company to record the names of the number joint holders of a security in respect of a CHES holding that the CHES system permits, instead of being limited to three joint holders as provided in the Existing Constitution. This amendment will provide consistency between the New Constitution and the new CHES system.

(e) Virtual General Meetings

The Existing Constitution does not provide expressly for holding general meetings exclusively using technology, as virtual meetings. The provisions of the New Constitution provide that any general meeting may be held virtually, using technology only, provided the technology gives members as a whole a reasonable opportunity to attend, participate, be heard and vote and otherwise meets applicable legal requirements.

(f) Dividends

Following amendments to the Corporations Act in 2011, companies are no longer restricted to paying dividends out of profits. Accordingly, the New Constitution removes the requirement for dividends to be paid out of the profits of the Company. The New Constitution provides that Directors may declare or determine that a dividend is payable and fix the amount, time and method of payment and allows Directors at their discretion to resolve a dividend be paid by the transfer or distribution of specific assets.

(g) Proportional Takeovers

The New Constitution (clause 36) provides that Shareholders representing a majority of Shares for which votes are cast at a general meeting must approve a proportional takeover offer for their Shares in order for any such offer to be effective.

Clause 36 only applies to proportional takeovers and has no application where an offer is made for all of a Shareholder's Shares. If a proportional takeover offer is received, the Directors are required to convene a meeting at least 15 days before the offer is closed to consider a resolution to approve the proportional takeover offer. The offeror and persons associated with the offeror are ineligible to vote.

Potential advantages of the new provisions

Clause 36 gives the majority of Shareholders the right to approve or disapprove any takeover offer *for less than 100% of their Shares*. It ensures that all Shareholders will have an opportunity to study any proportional offer and then attend or be duly represented at a general meeting to vote on the proposal. The clause permits Shareholders to prevent a proportional takeover offer proceeding if they believe that control of the Company should not be permitted to pass under the proportional takeover scheme. In addition, clause 36 should ensure that the terms of any future proportional offers are structured to be attractive to a majority of Shareholders.

Potential disadvantages of the new provisions

It may be argued that clause 36 makes it more difficult for a proportional takeover offer to proceed and that such offers could therefore be discouraged. This may in turn reduce the opportunities which Shareholders may have to sell some of their Shares at an attractive price to persons seeking control of the Company and may reduce any "takeover speculation" element in the Company's share price. It may also be said that the provisions constitute an additional restriction on the ability of individual shareholders to deal freely in their Shares. There is no specific advantage or disadvantage to the Directors, as directors, if the provisions become effective by adoption of the New Constitution.

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A counter-argument to the above is that clause 36 has to be approved by Shareholders every three years to remain effective. In this way, Shareholders can mitigate the potential adverse effects of clause 36 by declining to renew its operation in the future.

6. Resolution 4: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period

6.1 Introduction

Under Resolution 4, 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 56,773,278 Shares, based on calculations at the date of this Notice of Meeting, each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's quoted class of Securities (calculated over the last 15 days on which trades in the quoted Securities are recorded, and immediately before the date on which the price at which the Shares are to be issued is agreed, or if not issued within 5 Trading Days of that date, the date on which the Shares are issued) (**Issue Price**).

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

This approval is sought pursuant to Listing Rule 7.1A, which enables small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary Shareholders by Special Resolution at the AGM, to issue an additional 10% of issued capital over a 12 month period from the date of the AGM (**Additional 10% Issue Capacity**). The Additional 10% Issue Capacity 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 (**15% Issue Capacity**).

If this Resolution is approved, the Company may issue the 10% Securities to raise funds for the Company (further details of which are set out below).

Funds raised from the issue of 10% Securities are intended to be used to fund the Company's Silica Sands and other projects and for working capital.

This Resolution is a Special Resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

6.2 Requirements under 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).

As at the time of the issue of this Notice, the Company has a market capitalisation of less than \$300 million and is not included in the S&P/ASX300 Index.

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

(2) Shareholder approval

The ability to issue the 10% Securities under the Additional 10% Issue Capacity is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution (passed by at least 75% of the votes cast by members entitled to vote) at the Annual General Meeting.

Pursuant to Listing Rule 7.1A, no Shares will be issued until and unless this Special Resolution is passed at the Annual General Meeting.

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

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

- (1) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (2) the time and date of the Company's next Annual General Meeting; or
- (3) the time and 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).

If approval is given for the Additional 10% Issue Capacity at the Annual General Meeting on 17 November 2021, the approval will expire, unless there is a significant change to the Company's Business, on 16 November 2022.

(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:

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

A has the same meaning as in Listing Rule 7.1.

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 7.4.

(d) Listing Rule 7.1A.3

(1) Shares

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

As at the date of the Notice of Meeting, the Company has 567,732,777 quoted Shares on issue, and 8,160,000 Options and Performance Rights which are not quoted (**Unlisted Options**), plus 130,678,964 quoted options (**Listed Options**).

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The Company is only seeking approval to issue ordinary Shares (and no other class of Equity Securities) under the Additional 10% Issue Capacity.

(2) **Minimum Issue Price**

The issue price for the 10% Securities issued under Listing Rule 7.1A must be for cash at 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 10 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 4 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) state in its announcement of the issue or in its application for quotation of the 10% Securities that they are being issued under Listing Rule 7.1A.

(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% Issue Capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 567,732,777 Shares, and, subject to Resolution 4 being passed, will have the capacity to issue:

- (1) 85,159,917 Shares under Listing Rule 7.1; and
- (2) 56,773,278 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).

6.3 **Specific Information required by Listing Rule 7.3A**

(a) **Period for which the approval is valid – Listing Rule 7.3A.1**

As required by Listing Rule 7.3A.1, the Company will only issue and allot the 10% Securities during the 12 months after the date of this Annual General Meeting, 17 November 2021. The approval under Resolution 4 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 this Annual General Meeting.

(b) **Minimum Price of Securities issued under Listing Rule 7.1A – Listing Rule 7.3A.2**

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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 10 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

(c) **Risk of economic and voting dilution – Listing Rule 7.3A.4**

If the Additional 10% Issue Capacity is approved 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 567,732,777 Shares. Upon the approval of the Additional 10% Issue, the Company will have authority to issue an additional 56,773,278 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.4, Table 1 below shows the economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued capital has increased (by both 50% and 100%) and the Market Price of the Shares has decreased by 50 and increased by 100%.

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Table 1

Issued Capital (Variable A)	50% decrease in Market Price \$0.01		Current Market Price \$0.02		100% increase in Market Price \$0.04	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Capital 324,047,408 Shares	32,404,741	\$324,047	32,404,741	\$648,094	32,404,741	\$1,296,188
50% Increase in Capital 486,070,962 Shares	48,607,096	\$486,071	48,607,096	\$972,142	48,607,096	\$1,944,284
100% Increase in Capital 648,094,816 shares	64,809,482	\$648,095	64,809,482	\$1,296,190	64,809,482	\$2,592,380

Assumptions and explanations

- The Market Price is 0.03 cents based on the closing price of the Shares on ASX on 30 September 2021.
- The above table only shows the dilutionary effect based on the Additional 10% Issue and does not consider the 15% Issue Capacity 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 30 September 2021.
- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

(d) Purpose – Listing Rule 7.3A.3

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company (further details of which are set out below). Funds raised from the issue of 10% Securities are intended to be used to fund the Company's Silica Sands and other Projects and for working capital.

(e) 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

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Capacity. 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 Capacity will be the vendors of the new assets or investments.

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

The Company obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 18 November 2020. No Shares have been issued since that approval under listing rule 7.1A and the date of this Notice.

(g) **Voting Exclusion Statement**

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

1.2 Outcome of voting for and against the Resolution

If Resolution 4 is approved by Shareholders, the Company will have the benefit of the Additional 10% Issue Capacity and be able to issue it within the 12 month period following the Meeting.

If Resolution 4 is not approved by Shareholders, the Company will not have the benefit of the Additional 10% Issue Capacity and be unable to issue the additional 10% securities during the next 12 months. If necessary, the Company may have to source other methods of fundraising to meet its objectives during this period.

7. Chair voting intentions

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, subject to compliance with the Corporations Act.

Explanatory Memorandum

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 8 pm (Brisbane time) on 16 November 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

9. Proxy, representative and voting entitlement instructions

9.1 Proxies and representatives

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

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

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

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

ONLINE

www.linkmarketservices.com.au

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

BY MAIL

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

BY FAX

+61 2 9287 0309

BY HAND

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

Your completed proxy form (and any necessary supporting documentation) must be lodged online or received by Link Market Services no later than 11.30 am (Brisbane time) 16 November 2020 being 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Explanatory Memorandum

If a representative of the corporation is to attend the meeting the appropriate “Certificate of Appointment of Corporate Representative” should be produced prior to admission. A form of the certificate may be obtained from the Company’s share registry.

A proxy form is attached to this notice.

9.2 **Signing instructions**

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

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

Joint Holding: Where the holding is in more than one name, any one of the security holders may sign.

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

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 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.

Explanatory Memorandum

10. Glossary

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

10% Securities means Equity Securities issued pursuant to Listing Rule 7.1A.

AGM means annual general meeting;

Annual Report means the Company's annual report for the financial year ending 30 June 2020, including the Audited Financial Statements;

ASIC means the Australian Securities & Investments Commission;

Associate has the meaning given in the Corporations Act;

ASX means the ASX Limited;

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

Chair means the chairperson of the Meeting;

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;

Equity Securities has the meaning given 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;

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

Meeting means the Annual General Meeting to be held on 17 November 2021 as convened by the accompanying Notice of Meeting;

Explanatory Memorandum

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;

Ordinary Securities has the meaning given to that term in the Listing Rules;

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

Security has the meaning given in the Listing Rules;

Security Holder means a holder of a Security of the Company;

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.

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

VWAP means the volume weighted average price of securities traded on the ASX market and the Chi-X market over a given period (subject to limitations under the Listing Rules).

Any inquiries in relation to the resolutions or the Explanatory Memorandum should be directed to:
Company Secretary, Scott Waddell Ph: 07 3249 3000



METALLICA MINERALS LIMITED
ACN 076 696 092

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Metallica Mineral Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane Time) on Wednesday, 17 November 2021 at Colin Biggers & Paisley, Level 35, 1 Eagle Street, Brisbane Qld 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

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

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

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*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Theo Psaros as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 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"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

MLM PRX2103C



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane Time) on Monday, 15 November 2021**, 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).



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*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to any public health orders and restrictions

**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.**