



Metals Finance Limited  
SPECIALISTS IN METAL RECOVERY

Dear Shareholder,

NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS OF METALS FINANCE LIMITED ABN 83 127 131 604 (COMPANY)

Notice is hereby given that an Annual General Meeting (**AGM**) of the Company's members is to be held as follows:

Venue: Level 14, 52 Phillip Street Sydney NSW 2000

Time: 11.00 am (Sydney time)

Date: Tuesday 27 January 2015

You are encouraged to attend the Meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form without delay as follows:

Proxies may be lodged using the reply paid envelope, or

BY MAIL

Share Registry  
Boardroom Pty Ltd  
GPO Box 3993  
Sydney NSW 2001

BY FAX

+ 61 2 9290 9655

IN PERSON

Share Registry  
Boardroom Pty Ltd  
Level 7  
207 Kent Street  
Sydney NSW 2000 Australia

By order of the Board

---

Ian Morgan  
Company Secretary  
22 December 2014

**This is an important document that should be read in its entirety.  
If you do not understand it, you should consult with your professional advisers without delay.  
If you wish to discuss any aspects of this document with the Company, please contact:  
Mr Ian Morgan, Company Secretary of Metals Finance Limited on +61 2 9252 5300.**

	Page
ITEMS OF GENERAL BUSINESS.....	3
Receive and consider Financial Statements.....	3
RESOLUTION 1 Remuneration Report.....	3
RESOLUTION 2 Re-election of Director – Richard Anthon.....	4
ITEMS OF SPECIAL BUSINESS.....	4
RESOLUTION 3 Approval of 10% Placement Facility.....	4
VOTING RIGHTS AND PROXIES.....	4
HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES.....	4
VOTING EXCLUSIONS.....	4
Resolution 1.....	4
Resolution 3.....	5
PROXY VOTING.....	5
DATE FOR DETERMINING HOLDERS OF SHARES.....	5
INTERPRETATION.....	5
GLOSSARY.....	6
EXPLANATORY STATEMENT TO MEMBERS.....	8
Financial Statements.....	8
RESOLUTION 1 Remuneration Report.....	8
RESOLUTION 2: Re-election of Director – Richard Anthon.....	9
Richard Anthon Independent Non-Executive Director-Resume.....	9
RESOLUTION 3 Approval of 10% Placement Facility.....	9
Description of Listing Rule 7.1A.....	9
Number of Shares on Issue.....	10
Minimum Issue Price.....	10
10% Placement Period.....	11
Specific Information required by Listing Rule 7.3A.....	11
APPOINTMENT OF CORPORATE REPRESENTATIVE.....	15



**NOTICE IS GIVEN** that an Annual General Meeting of Metals Finance Limited ABN 83 127 131 604 will be held commencing 11.00 am (Sydney time) on Tuesday 27 January 2015 at Level 14, 52 Phillip Street Sydney NSW 2000 to consider, and if thought fit, pass the resolutions below.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes, appearing under each item of business below, have been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the Annual General Meeting (AGM).

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

The directors recommend that Members read this Notice of Meeting of Members, before determining whether to support the Resolutions or otherwise.

## ITEMS OF GENERAL BUSINESS

### Receive and consider Financial Statements

To receive and consider the financial statements and reports of the Company for the year ended 31 August 2014.

Note: There is no requirement for Members to approve these reports.

The 2014 Annual Report is available at <http://www.metalsfinance.com> for Members to access and download.

If you would like to receive a hard copy of the 2014 Annual Report free of charge you can contact Metals Finance Limited by telephoning 61 2 9252 5300.

Further information regarding the 2014 Annual Report, including the Financial Statements, appears in the attached Explanatory Memorandum.

### RESOLUTION 1 Remuneration Report

To consider and if thought fit to pass, with or without amendment, the following resolution as a non-binding resolution:

That the Company adopt the Remuneration Report for the financial year ended 31 August 2014.

Notes:

- This Resolution is advisory only and does not bind the Company or the directors.
- The directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.
- The Chairman of the Meeting intends to vote all available proxies in favour of adopting the Remuneration Report.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.



## RESOLUTION 2 Re-election of Director – Richard Anthon

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

“That Mr Richard Anthon being a director of the Company who retires by rotation pursuant to rule 13.4 of the Company’s Constitution, and being eligible, is re-elected as a director of the Company.”

Notes:

- Mr Anthon has consented to be re-elected a director of the Company.
- The non-candidate directors unanimously support the re-election of Mr Anthon.
- The Chairman of the Meeting intends to vote undirected proxies in favour of Mr Anthon’s re-election.

Information about Mr Anthon appears in the attached Explanatory Memorandum.

## ITEMS OF SPECIAL BUSINESS

### RESOLUTION 3 Approval of 10% Placement Facility

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

“That for the purpose of Listing Rule 7.1A and for all other purposes, Members approve the issue of Equity Securities 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 in the Explanatory Notes.”

The Chairman of the Meeting intends to vote all available proxies in favour of approving the 10% placement facility.

## VOTING RIGHTS AND PROXIES

Members are encouraged to attend the Meeting, but if you are unable to attend the Meeting, we encourage you to complete and return the enclosed proxy form.

- A member entitled to attend and vote at the Meeting has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a member of the Company.
- A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member’s votes that each proxy may exercise, each proxy may exercise half of the votes.

## HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

The Chairman of the Meeting will vote all available proxies in favour of all proposed resolutions.

## VOTING EXCLUSIONS

### Resolution 1

The Company will disregard any votes cast on Resolution 1 (remuneration report):

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of such a member; or
- (b) an Associate of those persons; or



(c) as a proxy by a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on Resolution 1:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation on the proxy form to vote as the proxy decides.

### Resolution 3

The Company will disregard any votes cast on Resolution 3 (approval of 10% placement facility) by:

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

However, the Company need not disregard a vote if:

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

### PROXY VOTING

To vote by proxy, please complete, sign and return the enclosed Proxy Form without delay as follows:

BY MAIL	BY FAX	IN PERSON
Share Registry	+ 61 2 9290 9655	Share Registry
Boardroom Pty Ltd		Boardroom Pty Ltd
GPO Box 3993		Level 7
Sydney NSW 2001		207 Kent Street
		Sydney NSW 2000

Proxy Forms must be received not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

### DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Board has set 11.00 am (Sydney time) Sunday 25 January 2015 as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the Annual General Meeting. Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### INTERPRETATION

For the purposes of interpreting the Explanatory Notes and the Notice:

- (a) the singular includes the plural and vice versa;



- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Notes and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

## GLOSSARY

- **AGM, Annual General Meeting or Meeting** means the annual general meeting to commence 11.00 am (Sydney time) on Tuesday 27 January 2015 and notified to the Company's Members by this Notice.
- **Associate** has the meaning given to that term in Part 1.2 Division 2 of the Corporations Act.
- **ASX** means ASX Limited ABN 98 008 624 691.
- **ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time.
- **Board or Board of Directors** means the board of directors of the Company.
- **Closely Related Party** of a member of the Key Management Personnel means:
  - a spouse or child of the member;
  - a child of the member's spouse;
  - a dependent of the member or the member's spouse;
  - 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;
  - a company the member controls; or
  - a person prescribed by the Corporations Regulations 2001 (Cth).
- **Company** means Metals Finance Limited (ABN 83 127 131 604).
- **Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.
- **Constitution** means the constitution of the Company, as amended from time to time.
- **Corporations Act** means the *Corporations Act 2001 (Commonwealth)*.
- **Director** means a director of a member of the Group.
- **End of Day** means on any trading day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.
- **Equity Securities** has the same meaning as in the ASX Listing Rules.
- **Explanatory Notes** means the notes included in the Notice which convened this Meeting.
- **Group** means the Company and its Related Bodies Corporate.
- **Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly,



including any director (whether executive or otherwise) of the Company.

- **Notice** means this notice of Annual General Meeting.
- **Offer** means the Company's offer, approved on 28 October 2014 by Members, of up to 25,000,000 Shares at 20 cents per Share to raise up to \$5,000,000 with a free attaching Option for every Share applied for, dated 1 October 2014, amended by the First Supplementary Prospectus dated 11 November 2014 and Second Supplementary Prospectus dated 28 November 2014.
- **Option** means an option, each to acquire one Share, exercisable at 25 cents each on or before 31 December 2017.
- **Related Body Corporate** has the meaning given to that term in section 9 of the Corporations Act.
- **Remuneration Report** means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 31 August 2014 and which is set out in the 2014 Annual Report.
- **Share** means a fully paid ordinary share in the issued capital of the Company and **Shares** has a corresponding meaning.
- **Member** means shareholder of the Company.
- **Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.



## EXPLANATORY STATEMENT TO MEMBERS

This Explanatory Statement has been prepared to assist members of the Company to understand the business to be put to the Company's members, for their consideration at the forthcoming Annual General Meeting of the Company.

The directors recommend that you read this Explanatory Statement and attend the forthcoming Annual General Meeting.

### Financial Statements

The Corporations Act requires the Company's financial statements for the year ended 31 August 2014 and reports of the directors and auditor to be laid before the Annual General Meeting. The Company's financial statements for the year ended 31 August 2014 and reports of the directors and auditor are contained in the Company's 2014 Annual Report, a copy of which is available on the Company's website at [www.metalsfinance.com](http://www.metalsfinance.com).

While no resolution is required in relation to this item, the Members should consider the documents and raise any matters of interest with the Company's directors when this item is being considered.

The Company's auditor will be present at the Meeting and the Members will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies and the independence of the auditor.

### RESOLUTION 1 Remuneration Report

The Remuneration Report of the Company for the financial year ended 31 August 2014 is set out in the Company's 2014 Annual Report which is available on the Company's website [www.metalsfinance.com](http://www.metalsfinance.com).

The Remuneration Report sets out the Company's remuneration arrangements for directors. The Chairman of the Meeting will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report at the Meeting. In addition, Members will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by Members on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies. Under the *Corporations Act 2001*, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

The Company encourages all Members to cast their votes on Resolution 1 (Remuneration Report). Members not attending the Meeting may use the enclosed Proxy Form to lodge their vote by appointing a Proxy. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a Shareholder who is entitled to vote on Resolution 1.

Key management personnel of the Consolidated Entity are the directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 31 August 2014. Their Closely Related Parties are defined in the *Corporations Act 2001*, and include certain of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Voting Form for that item of business.





## RESOLUTION 2: Re-election of Director – Richard Anthon

It is a requirement under the Company's Constitution, Clause 13.4 that one third of all directors (other than the Managing Director and directors appointed since the last annual general meeting to fill a casual vacancy) retire at each annual general meeting. Accordingly, Mr Rick Anthon retires from office, and being eligible, offers himself for re-election as a non-executive director of the Company.

### *Richard Anthon Independent Non-Executive Director-Resume*

Rick Anthon BA (ANU) LLB (ANU) MAICD is a lawyer. He has practiced extensively in corporate, mining and resources law for over 28 years. He has advised on numerous acquisitions, joint ventures, and debt and capital raisings both in Australia and overseas. Additionally, Rick has acted as non-executive director and chairman for a number of public resource companies over the last 20 years and has chaired audit and remuneration committees for those companies.

Other Listed Company Directorships include:

- Baru Resources Limited (ASX: BAC) (listed September 2011, resigned July 2013)
- Bass Metals Limited (ASX: BSM) (appointed October 2013)
- International Coal Limited (ASX: ICX) (listed August 2011, resigned November 2011)
- Lamboo Resources (ASX: LMB) (appointed June 2013, resigned January 2014)
- Laneway Resources Limited (ASX: LNY) (appointed June 1996)
- Stratum Metals Limited (ASX: SXT) (appointed May 2011)

## RESOLUTION 3 Approval of 10% Placement Facility

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

Further information is set out below.

The effect of Resolution 3 will be to allow the Board to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Members present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### *Description of Listing Rule 7.1A*

#### (a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.



(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing **quoted** class of Equity Securities of the Company. At the date of the Notice, the Company only has quoted shares on issue and no quoted options or convertible securities.

(c) Formula for calculating 10% Placement Facility

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

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

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

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

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the 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 Members under Listing Rule 7.1 or 7.4.

*Number of Shares on Issue*

At the date of the Notice, the Company has a total of 81,985,602 Shares on issue.

Based on 81,985,602 total Shares on issue and subject to receiving Members' approval at the Meeting, during 12 months commencing Tuesday 27 January 2015 the Company has the following maximum capacity to issue Equity Securities without Shareholder approval:

	%	Maximum number of Equity Securities
In accordance with Listing Rule 7.1 and 7.4	15	12,297,840
In accordance with Listing Rule 7.1A and subject to Members' approval at the Meeting.	10	8,198,560
Total		20,496,400

*Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:



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

#### *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which approval is obtained; or
- (b) the date of the approval by Members of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding) (**10% Placement Period**).

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

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

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Members and the Company issues Equity Securities under the 10% Placement Facility, the existing Members' voting power in the Company will be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

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

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

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Members' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.



Variable 'A' in Listing Rule 7.1A.2			Variable			
		Number of Shares examples		50% decrease in Issue Price	Issue Price (post 1 for 10 consolidation)	100% Increase in Issue Price
	Issue price examples			3.5 cents	7 cents	14 cents
Current Variable A		81,985,602	10% Voting Dilution	8,198,560	8,198,560	8,198,560
			Funds raised	\$286,950	\$573,899	\$1,147,798
50% increase in Current Variable A		122,978,403	10% Voting Dilution	12,297,840	12,297,840	12,297,840
			Funds raised	\$430,424	\$860,849	\$1,721,698
100% increase in Current Variable A		163,971,204	10% Voting Dilution	16,397,120	16,397,120	16,397,120
			Funds raised	\$573,899	\$1,147,798	\$2,295,597

- (d) The table has been prepared on the following assumptions:
- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No options (including any options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities;
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Members.
  - (vii) The issue price is 7 cents (post 1 for 10 consolidation), being the closing price of the Shares on the ASX on 22 December 2014.
- (e) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Members approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or



METALS FINANCE LIMITED NOTICE OF ANNUAL GENERAL MEETING 27 JANUARY 2015

- (ii) cash consideration. In such circumstances, the Company intends to allocate the funds towards additional working capital.
- (g) The Company will comply with the disclosure obligations under the ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

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

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

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

- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's Annual General Meeting held on 9 January 2014:

During the preceding 12 months, the following Equity Securities were issued by the Company:

	<i>Date</i>	<i>Shares</i>	<i>Options</i>	<i>Total</i>	<i>Total</i>
		Number	Number	Number	%
Outstanding	9 January 2014	73,109,576	1,000,000	74,109,576	100.0
Expired	10 March 2014	-	(1,000,000)	(1,000,000)	(1.3)
		73,109,576	-	73,109,576	98.7
1 for 10 share consolidation approved on 28 October 2014 by Members	11 November 2014	7,310,980	-	7,310,980	98.7
Acquisition of Texas and Oklahoma Coal Co Limited	5 December 2014	56,048,622	26,564,609	82,613,231	1,114.7
Capital raising	12 December 2014	-	500,000	500,000	6.8
Capital raising	19 December 2014	18,626,000	25,936,980	44,562,980	601.3
		74,674,622	53,001,589	127,676,211	1,722.8
<b>Outstanding</b>	<b>22 December 2014</b>	<b>81,985,602</b>	<b>53,001,589</b>	<b>134,987,191</b>	<b>1,821.5</b>



## Values of Equity Securities Issued

<i>Date</i>	<i>Non-Cash</i>			
	Shares		Options	
	Number	\$	Number	\$
5 December 2014	56,048,622	3,923,403 <sup>1</sup>	26,564,609	690,680 <sup>2</sup>
12 December 2014	-	-	500,000	13,000 <sup>2</sup>
<b>Total</b>	<b>56,048,622</b>	<b>3,923,403</b>	<b>27,064,609</b>	<b>703,680</b>

<i>Date</i>	<i>Cash</i>			
	Shares		Options	
	Number	\$	Number	\$
19 December 2014	18,626,000	3,725,200 <sup>3</sup>	25,936,980	-
<b>Total</b>	<b>18,626,000</b>	<b>3,725,200</b>	<b>25,936,980</b>	<b>-</b>

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

<sup>1</sup> \$0.07 per Share as reported in the Hall Chadwick Corporate (NSW) Limited Independent Expert's Report dated 1 September 2014.

<sup>2</sup> \$0.026 per Option as reported in the Hall Chadwick Corporate (NSW) Limited Independent Expert's Report dated 1 September 2014.

<sup>3</sup> \$0.20 per Share with a free attaching Option for every Share applied for.



**APPOINTMENT OF CORPORATE REPRESENTATIVE**

Pursuant to Section 250D of the *Corporations Act*

\_\_\_\_\_ (ABN/ACN/ARBN)

\_\_\_\_\_  
(Insert name of Shareholder/Body Corporate & ACN/ARBN)

Hereby Authorises

\_\_\_\_\_  
(Insert name of appointee)

- (\*). 1. To act as the Company's representative at all General Meetings of Metals Finance Limited ABN 83 127 131 604.
- (\*). 2. To act as the Company's Representative at the Annual General Meeting to be held commencing 11.00 am (Sydney time) on Tuesday 27 January 2015 and any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_

**Executed** by the corporation in accordance with its Constitution/Section 127 of the

*Corporations Act* in the presence of:

\_\_\_\_\_  
(\*). Director                      (\*). Sole Director & Sole Secretary

\_\_\_\_\_  
(\*). Director/Secretary

Affix Common Seal here (optional)

(\*). Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of Annual General Meeting which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.



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All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (Sydney Time) on Sunday 25 January 2015.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the security holder.

**Joint Holding:** where the holding is in more than one name, all the security holders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (Sydney Time) on Sunday 25 January 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Metals Finance Limited** and entitled to attend and vote hereby appoint

Appoint the **Chairman of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Level 14, 52 Phillip Street SYDNEY NSW 2000 at 11:00am (Sydney Time) on Tuesday 27 January 2015** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

**The Chairman is authorised to exercise proxies on the Remuneration Report (Resolution 1):** If I/we have appointed the Chairman as my/our proxy or the Chairman becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman to exercise my/our proxy in respect of Resolution 1 (except where I/we have indicated a different voting intention below), even though Resolution 1 is connected directly or indirectly with the remuneration of members of Key Management Personnel of the Consolidated Entity.

If you have appointed the Chairman as your proxy (or the Chairman becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box/es opposite those items in step 2 below (directing the Chairman to vote for, against or to abstain from voting). 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 vote will not be counted in computing the required majority on a poll.

**STEP 2 VOTING DIRECTIONS**  
 \* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report for 31 August 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Richard Anthon as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To approve 10% Placement Facility (special resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

#

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / /