



# METALS FINANCE LIMITED

SPECIALISTS IN METAL RECOVERY

Dear Shareholder,

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

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

Venue: Marriott Hotel, 515 Eagle Street Brisbane QLD 4000  
Time: 11.00 am (Brisbane time)  
Date: Monday 17<sup>th</sup> January 2011

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  
Registries Limited,  
GPO Box 3993  
Sydney NSW 2001  
Australia
- **BY FAX**  
+ 61 2 9290 9655
- **IN PERSON**  
Share Registry  
Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000 Australia

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Ian Morgan  
Company Secretary

15<sup>th</sup> December 2010

**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 7 3807 4166.**

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS GIVEN that an Annual General Meeting of Metals Finance Limited ABN 83 127 131 604 will be held on Monday 17<sup>th</sup> January 2011 at 11.00 am (Brisbane time) at Marriott Hotel, 515 Eagle Street Brisbane QLD 4000, 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 Shareholders read this Notice of Meeting of Shareholders, before determining whether to support the Resolutions or otherwise.

**ORDINARY BUSINESS**

**Receive and Consider Financial Statements**

*To receive and consider the financial report and the Directors' and auditor's reports for the year ended 31<sup>st</sup> August 2010.*

**RESOLUTION 1: Remuneration Report**

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

*"That the Remuneration Report for the year ended 31<sup>st</sup> August 2010 be adopted."*

Note – the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**RESOLUTION 2: Re-election of Director – Geoffrey Hill**

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

*"That Mr. Geoffrey Guild Hill (Geoffrey Hill) 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."*

**RESOLUTION 3: Election of Director – Simon Bird**

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

*"That Mr. Simon Godric Bertie Bird (Simon Bird) being a Director who was appointed during the year as an additional Director of the Company pursuant to rule 13.1 of the Company's Constitution, whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company, and being eligible offers himself for election, is elected as a Director of the Company."*

**NOTICE OF ANNUAL GENERAL MEETING**

**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.

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

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

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

**Proxies may be lodged using the reply paid envelope, or**

- **BY MAIL**  
Share Registry  
Registries Limited,  
GPO Box 3993  
Sydney NSW 2001  
Australia
- **BY FAX**  
+ 61 2 9290 9655
- **IN PERSON**  
Share Registry  
Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000 Australia

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 Directors have set 11.00 am (Brisbane time) on Saturday, 15<sup>th</sup> January 2011 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.

Dated this 15<sup>th</sup> December 2010  
By order of the Board

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Ian Morgan  
Company Secretary

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT TO SHAREHOLDERS  
METALS FINANCE LIMITED ABN 83 127 131 604**

This Explanatory Statement has been prepared to assist shareholders of the Company to understand the business to be put to the Company's shareholders, 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.

**1. ANNUAL FINANCIAL REPORTS**

The Corporations Act requires the Company's financial statements and reports of the Directors' and of the auditor's for the year ended 31<sup>st</sup> August 2010 to be laid before the Annual General Meeting. The financial statements and the reports of the Directors' and of the auditor's are contained in the Company's 2010 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 Company's shareholders 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 also be present at the meeting and the Company's shareholders 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.

**2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

The Board has submitted its Remuneration Report to the Company's shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is required to be considered for adoption in accordance with section 250R of the Corporations Act 2001 (Clth). The Remuneration Report details the Company's policy on the remuneration of non-executive directors, executive directors and senior executives and is included in the Directors' Report contained in the Company's 2010 Annual Report, a copy of which is available on the Company's website at [www.metalsfinance.com](http://www.metalsfinance.com).

The Remuneration Report summarises:

- The remuneration paid to Directors and key employees;
- The Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- The relationship between the Board's remuneration policy and the Company's performance;
- Remuneration details for each Director and the three most highly remunerated senior executives of the Company; and
- Any performance conditions applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be given for discussion about the Remuneration Report at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the Company or the Directors.

**NOTICE OF ANNUAL GENERAL MEETING**

**3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – GEOFFREY HILL**

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. Geoffrey Hill retires from office, and being eligible, offers himself for re-election as a non executive Director of the Company.

Geoffrey Hill is a merchant banker based in Hong Kong and is currently Chairman of International Pacific Securities Inc. and Principal of Debt Management Corporation. He has over 30 years experience in the resources industry, as Director, Investor and Advisor. During this period he has acted for many of Australia's larger mining groups, including Rio Tinto, Woodside, New Hope, Woodside Petroleum, Santos, North Broken Hill, Homestake, Gold Mines of Kalgoorlie and Bell Resources. His career highlights include the formation of Bancorp Holdings, appointment to the board of Morgan Grenfell and Co Plc and the merger of his merchant banking business to form Pitt Capital Partners, with W H Soul Pattinson Partners in 2002.

Geoff's professional directorships include Hills Industries Limited, Metals Finance Limited, Centrex Limited, International Pacific Securities Limited, So Co. Limited and Heritage Gold. He has served as a Director of Metals Finance Limited (previously Metals Finance Corp) Metals since 9<sup>th</sup> March 2007 and Chairman since 18<sup>th</sup> December 2008.

**4. RESOLUTION 3: ELECTION OF DIRECTOR – SIMON BIRD**

Under Clause 13.1 of the Company's Constitution, the Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

Any Director so appointed holds office only until the next following annual general meeting and shall then be eligible for re-election.

Since the last annual general meeting and on 13<sup>th</sup> July 2010, Mr Simon Bird was appointed to the Board of Metals Finance Limited as an addition to the existing Directors.

Simon Bird is Chief Executive Officer of ASX listed mining company King Island Scheelite Limited and member of the Board of Directors at CPA Australia Limited.

Simon's 29 year professional career in Australia, Africa and Europe includes six years with PricewaterhouseCoopers and time in the resources, financial services, property, infrastructure and agricultural sectors. His time in Australia includes terms as Chief Financial Officer with Stockland Limited, GrainCorp Limited and the Wizard Mortgage Corporation.

Simon is a Fellow of the Australian Institute of Company Directors (FAICD) and Fellow of CPA Australia (FCPA).