
SPECTRUM METALS LIMITED

ACN 115 770 226

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am WST

DATE: Thursday, 29 November 2018

PLACE: Suite 8, 7 The Esplanade
Mt. Pleasant WA 6153

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm WST on 27 November 2018.

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am (WST) on 29 November 2018 at:
Suite 8, 7 The Esplanade Mt. Pleasant WA 6153

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 27 November 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ALEXANDER HEWLETT

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Alexander Hewlett, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR NADER EL SAYED

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

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Nader El Sayed, a Director, appointed as a Director on 25 October 2017, retires, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR DAVIDE BOSIO

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

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Davide Bosio, a Director, appointed as a Director on 2 December 2017, retires, and being eligible, is re-elected as a Director.”

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 79,237,337 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1A

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 70,762,663 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR ACQUISITION

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,464,300 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – APPROVAL TO ISSUE SHARES FOR ACQUISITION

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 172,727,272 Shares as consideration for an acquisition on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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 any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 26th October 2018

By order of the Board



Mr Mark Pitts
Company Secretary

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.spectrummetals.com.au

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR ALEXANDER HEWLETT

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Hewlett, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Alexander Hewlett is a qualified Geologist graduating from the University of Western Australia. Mr Hewlett worked as a resource-modelling geologist for CSA Global, before accepting management positions in ASX listed explorers including Managing Director of US Nickel Ltd and Chairperson of Groote Resources Ltd (now Northern Manganese Limited). Mr Hewlett was employed as a consultant for a New York resource fund working as an analyst.

Mr Hewlett is highly skilled at project identification and acquisition and has a flair for company and investor communications. He has raised significant funds for both domestic and international projects in the mining and exploration sector. Mr Hewlett has also acquired packaged and vended project portfolio's into ASX listed companies including – White Star Resources, Groote Resources and Spitfire Resources as well as identifying and acquiring projects for US Nickel (later Kalgoorlie Mining Company).

Mr Hewlett is a member of the Australasian Institute of Mining and Metallurgy, and is currently a director of Black Cat Syndicate Limited (4 August 2017 to present).

3.3 Independence

If elected the board does not consider Mr Alexander Hewlett will be an independent director, because he holds a material shareholding in the Company.

3.4 Board recommendation

The Board supports the re-election of Mr Hewlett and recommends that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 3 – ELECTION OF NADER EL SAYED

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr El Sayed, having been appointed by other Directors in accordance with the Constitution, will retire in accordance with the Constitution and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr El Sayed is currently the Chief Executive Officer of Multiplant Holdings, a mining and civil services business in Western Australia. His previous roles include a senior management position with KPMG providing assurance, capital markets and other advisory services to key Australian and international resource companies. Mr El Sayed brings a wealth of risk management, corporate governance, strategic and financial experience to the Board.

Mr El Sayed holds a Bachelor of Commerce (Banking & Finance), Masters (Accounting) and has completed the Australian Institute of Chartered Accountants program. He is a Non-executive director of Hammer Metals Limited.

4.3 Independence

Mr El Sayed has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr El Sayed will be an independent director.

4.4 Board recommendation

The Board supports the re-election of Mr El Sayed and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ELECTION OF DAVIDE BOSIO

5.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Bosio, having been appointed by other Directors in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

5.2 Qualifications and other material directorships

Mr Bosio is the Managing Director and Head of Corporate at DJ Carmichael Pty Limited, which is Australia's oldest stockbroker. Mr Bosio has over 16 years' experience in the stockbroking industry with a focus on corporate services to listed companies specifically in relation to capital raisings and M&A advice.

Mr Bosio is a Fellow member of the Financial Services Institute of Australia (Finsia) and a Graduate Member of the Australian Institute of Company Directors, GAICD. Mr Bosio holds a Bachelor of Commerce (Marketing) degree and a Graduate Diploma in Applied Finance and Investment.

5.3 Independence

Mr Davide Bosio is the Managing Director of DJ Carmichael Pty Ltd, which has been involved in the raising of capital for the Company from time to time.

For this reason, if elected the board does not consider that Mr Bosio will be an independent director.

5.4 Board recommendation

The Board supports the re-election of Mr Bosio and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTIONS 5 AND 6 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR PLACEMENT

6.1 General

On 4 October 2018, the Company announced that it had completed a placement of 150,000,000 Shares under its placement capacities under ASX Listing Rule 7.1 and 7.1A at \$0.004 to raise approximately \$600,000 (**Placement**).

Resolutions 5 and 6 seeks Shareholder ratification of the Placement (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) or Listing Rule 7.1A, those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1 and 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval and further 10% placement capacity, subject to the approval of Resolution 9.

6.2 Technical information required for Resolution 5

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

- (i) 79,237,337 Shares were issued;
- (ii) the issue price was \$0.004 per Share;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Shares were issued to investors qualifying as sophisticated investors under the Corporations Act. None of these subscribers are related parties of the Company; and
- (v) the funds raised from this issue were used for the ongoing exploration of the Company's Western Australian assets and for general working capital.

6.3 Technical information required for Resolution 6

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

- (i) 70,762,663 Shares were issued;
- (ii) the issue price was \$0.004 per Share;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Shares were issued to investors qualifying as sophisticated investors under the Corporations Act. None of these subscribers are related parties of the Company; and
- (v) the funds raised from this issue were used for the ongoing exploration of the Company's Western Australian assets and for general working capital.

7. RESOLUTION 7 – RATIFICATION OF ACQUISITION SHARES

7.1 General

On 4 October 2018, the Company announced that it had entered into an agreement to acquire the historic First Hit Mine near Menzies. On 16 October 2018, as part of the consideration of the acquisition, the Company issued 19,464,300 Shares.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of Listing Rule 7.1 and 7.4 is set out in Section 4 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.4

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

- (i) 19,464,300 Shares were issued;
- (ii) the deemed issue price of the Shares was \$0.005138 per Share;
- (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (iv) the Shares were issued to Mr Mark Wicksteed and/or his nominee, as the vendor of the tenements the subject of the acquisition. Mr Wicksteed is not a related party of the Company; and
- (v) no funds were raised from the issue of the Shares as they were issued as part consideration for the acquisition of the First Hit Mine near Menzies.

8. RESOLUTION 8 – APPROVAL TO ISSUE SHARES FOR ACQUISITION

8.1 General

On 16 October 2018, the Company announced that it had entered into a conditional agreement to acquire two Western Australian mining leases in consideration for the issue of 172,727,272 Shares in the Company (and a \$50,000 non-refundable deposit).

Resolution 8 seeks Shareholder approval for the issue of those Shares in order to complete the acquisition.

A summary of Listing Rule 7.1 is set out in Section 4 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares and complete the acquisition to add to the Company's tenure in Western Australia, subject to the satisfaction of the Company's due diligence in accordance with the Agreement.

8.2 Technical information required by ASX Listing Rule 7.1

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

- (i) the maximum number of Shares to be issued 172,727,272 Shares;
- (ii) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is however, intended that issue of the Shares will occur on or before 30 November 2018 at completion of the acquisition;
- (iii) the Shares will be issued at a deemed price of \$0.0055 per Share;
- (iv) the Shares will be issued to the vendors of the mining leases, being Patina Resources Pty Ltd and Plateaux Resources Pty Ltd which are not related parties;
- (v) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (vi) no funds will be raised from the issue of the Shares, as they will be issued as consideration for the acquisition of the mining leases under this acquisition.

9. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

9.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$4.3 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 23 October 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: SPX).

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 9 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 Resolution 9 for it to be passed.

9.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that 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 ASX trading days of the date in (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table A below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 23 October 2018.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

TABLE A

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.003 50% decrease in Issue Price	\$0.006 Issue Price	\$0.0012 100% increase in Issue Price
1,049,818,198 (Current Variable A)	Shares issued - 10% voting dilution	104,981,320 Shares	104,981,320 Shares	104,981,320 Shares
	Funds raised	\$314,945	\$515,176	\$772,765
1,574,727,297 (50% increase in Variable A)	Shares issued - 10% voting dilution	157,472,730 Shares	157,472,730 Shares	157,472,730 Shares
	Funds raised	\$472,418	\$944,836	\$1,889,673
2,099,636,396 (100% increase in Variable A)	Shares issued - 10% voting dilution	209,963,640 Shares	209,963,640 Shares	209,963,640 Shares
	Funds raised	\$629,891	\$1,259,782	\$2,519,564

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 877,090,926 existing Shares on issue as at the date of this Notice of Meeting. Variable 'A' is determined by adding the additional 172,727,272 Shares the subject to Resolution 8 to this figure.
2. The issue price set out above is the closing price of the Shares on the ASX on 23 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. 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%.
9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments, continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new 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.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2017 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 29 November 2018, the Company has issued 396,686,520 Ordinary Shares, being the existing class of quoted securities; which based on the number of Equity Securities currently on issue comprises 46.3% of the Company's Securities.

Information relating to the Issue of Equity Securities in the preceding 12 months is set out in Table B below.

TABLE B

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
29 Nov 2017	111,111,110	Ordinary Shares	Issued to Sophisticated investors	\$0.008 Market price on the date prior to issue was \$0.012	Total consideration received was \$888,889 (before costs). Funds received for ongoing exploration activities and general working capital. At the date of this notice approximately \$200,000 remains available for use.
29 Nov 2017	5,000,000	Ordinary Shares	Issued to DJ Carmichael Pty Ltd in part satisfaction of brokers fees	\$0.008 Market price on the date prior to issue was \$0.012	Issued in satisfaction of \$40,000 in placement fees. The current value of these securities is \$30,000.
4 May 2018	25,000,000	Unlisted Options exercisable at \$0.01 on or before 4 May 2023	Issued to DJ Carmichael Pty Ltd	Issued for nil consideration Options issued were unlisted	Issued in consideration for strategic advisory services. The current value of these securities is \$210,250
4 May 2018	32,500,000	Unlisted Options exercisable at \$0.015 on or before 4 May 2021	Issued to the Directors of the Company	Issued for nil consideration Options issued were unlisted	Issued as part of remuneration and incentives for Directors. The current value of these securities is \$207,350.
28 Jun 2018	111,111,110	Ordinary Shares	Issued to Sophisticated investors	\$0.008 Market price on the date prior to issue was \$0.008	Total consideration received was \$888,889 (before costs). Funds received for ongoing exploration activities and general working capital. At the date of this notice approximately \$888,889 remains available for use.
6 Jul 2018	10,000,000	Unlisted Options exercisable at \$0.015 on or before 31 May 2023	Issued to the Managing Director of the Company	Issued for nil consideration Options issued were unlisted	Issued as part of remuneration and incentives to the Director. The current value of these securities is \$60,700.

For personal use only

TABLE B (CONTINUED)

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
19 Sep 2018	10,000,000	Unlisted Options exercisable at \$0.015 on or before 30 Jun 2021	Issued to DJ Carmichael Pty Ltd	Issued for nil consideration Options issued were unlisted	Issued in consideration for corporate advisory services. The current value of these securities is \$18,900.
8 Oct 2018	150,000,000	Ordinary Shares	Issued to Sophisticated investors	\$0.004 Market price on the date prior to issue was \$0.005	Total consideration received was \$600,000 (before costs). Funds received for ongoing exploration activities and general working capital. At the date of this notice approximately \$600,000 remains available for use.
16 Oct 2018	19,464,300	Ordinary Shares	Issued to the vendors of the First Hit Gold Mine	\$0.00513 Market price on the date prior to issue was \$0.005	Non-cash consideration of \$100,000 at the price of \$0.00513 equal to the 5-day VWAP prior to the date of the agreement. The current value of these securities is \$116,786.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

9.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

For personal use only

10. GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 10.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **SPX** means Spectrum Metals Limited (ACN 115 770 226).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in Section 9.

VWAP means Volume Weighted Average Price, calculated over the specified number of Business Days.

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

For personal use only

SPECTRUM METALS LIMITED

ACN: 115 770 226

REGISTERED OFFICE:
SUITE 1/827 BEAUFORT STREET
MT LAWLEY WA 6052

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting 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) at the Annual General Meeting of the Company to be held at 10:00am WST on Thursday 29 November 2018 at Suite 8, 7 The Esplanade, Mt. Pleasant WA 6153 and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on 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 a member of key management personnel, which includes the Chairman.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Adoption of Remuneration Report

For Against Abstain*

2. Re-election of Director - Mr Alexander Hewlett

3. Re-election of Director - Mr Nader El Sayed

4. Re-election of Director - Mr Davide Bosio

5. Ratification of prior issue of placement Shares – Listing Rule 7.1

6. Ratification of prior issue of placement Shares – Listing Rule 7.1a

7. Ratification of prior issue of Shares for Acquisition

8. Approval to issue Shares for Acquisition

9. Approval of 10% Placement Capacity

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * 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.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Tuesday 27 November 2018.

+ SPXPX2291118

1

2

SPX

SPXPX2291118

+



My/Our contact details in case of enquiries are:

Name:

Number:

 ()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

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

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

- Online** www.securitytransfer.com.au
- Postal Address** PO BOX 52
Collins Street West VIC 8007
- Street Address** Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
- Telephone** 1300 992 916
- Facsimile** +61 8 9315 2233
- Email** registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



For personal use only