



E2 Metals

E2 METALS LIMITED
ACN 116 865 546

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Tuesday, 5 February 2019

Time of Meeting:
10.00am (AEDT)

Place of Meeting:
Chartered Accountants Australia and New Zealand
Level 18 Bourke Place
600 Bourke Street
Melbourne Victoria 3000

This Notice of General Meeting (and the accompanying Explanatory Statement) should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

E2 METALS LIMITED

ACN 116 865 546

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of E2 Metals Limited (E2 Metals or the Company) will be held at the offices of Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne Victoria 3000 at 10.00am (AEDT) on Tuesday, 5 February 2019 (General Meeting or Meeting).

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Resolution 1: Approval to Issue Consideration Shares

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

*"That, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 15,000,000 fully paid ordinary shares (**Shares**) in the Company to the Los Domos Share Vendors as described in the Explanatory Statement which forms part of this Notice.*

By order of the Board



Justin Mouchacca
Company Secretary
4th January 2019

Notes

1. **Entire Notice:** The details of the Resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, shareholders will be taken to be those persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the General Meeting. Only those persons will be entitled to vote at the General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.
3. **Proxies**
 - a. Votes at the General Meeting may be given personally or by proxy or attorney.
 - b. A proxy need not be a shareholder of the Company.
 - c. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint up to two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - d. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - e. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and the Corporations Act.
 - f. To be effective, Proxy Forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the General Meeting, this is no later than 10.00am (AEDT) on Sunday, 3 February 2019. Any proxy received after that time will not be valid for the scheduled Meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the company's constitution and the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement:

Resolution 1

The Company will disregard any votes cast in favour of Resolution 1 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 and 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.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Justin Mouchacca, on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Background

On 20 December 2018, the Company announced that it had executed a Binding Agreement (**Agreement**) to acquire (**Acquisition**) 100% of the share capital of Los Domos Pty Ltd (**Los Domos**) from its current shareholders (**Los Domos Share Vendors**). Los Domos holds an indirect 80% interest in a portfolio of highly prospective epithermal gold and silver properties in Argentina (**Projects**). The other 20% interest is held by RN Gold Pty Ltd (**RNG**).

Under the terms of the Agreement, the Company has agreed to issue 15,000,000 fully paid ordinary shares in the Company (**Consideration Shares**) on completion of the Acquisition (**Completion**), to the Los Domos Share Vendors.

The Company will also commit as part of the transaction to a minimum exploration expenditure of A\$2,100,000 over a period of 2.5 years (**Expenditure**). In the event that the Company does not make the full Expenditure it is a requirement, subject to certain exceptions, that the Company issue Shares to RNG in lieu of that Expenditure. The Shares to be issued will be proportionate to the amount of under spending, with a maximum of 21,000,000 Shares to be issued if no exploration Expenditure occurs.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve-month period any equity securities, or other securities with rights of conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the company on issue at the commencement of that twelve (12) month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The issue of the shares described above will, as a consequence, require the approval of the Company's shareholders. The Acquisition is conditional on that shareholder approval being obtained. The Notice of Meeting and this Explanatory Statement are intended to provide shareholders with information relevant to their decision as to how to vote on the Resolution, together with certain information required to be provided to shareholders under the Listing Rules.

Under the Agreement, and subject to the satisfaction or waiver of any other conditions precedent, Completion will take place and the Consideration Shares will be issued within 3 months of the Resolution set out in the Notice of Meeting being passed by shareholders.

Overview of Los Domos and Santa Cruz and Rio Negro Projects (Projects)

Los Domos is a private company involved in mining exploration with a history of private mineral exploration and project generation. The Projects include the advanced Sierra Morena, Conserrat, Corona and Angostura projects strategically positioned along trend from established epithermal vein districts, including the world-class Cerro Vanguardia and Cerro Negro mines that are operated by AngloGold Ashanti and Goldcorp respectively.

It also includes earlier stage projects in the nearby Rio Negro Province that consist of exposed epithermal gold and silver veins but no prior drilling.

Further detail concerning the geology and exploration of the Projects is contained in the Company's ASX announcement dated 20 December 2018.

Resolution 1 - Approval to Issue Consideration Shares

The Resolution seeks shareholder approval pursuant to Listing Rule 7.1 for the issue of 15,000,000 fully paid ordinary shares to the Los Domos Share Vendors in consideration for the transfer of the shares held by them in Los Domos.

100% of the Los Domos Share Vendors' Consideration Shares issued to them on Completion of the proposed Acquisition will be subject to an escrow period of 12 months from the issue date.

Listing Rule 7.3 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with Listing Rule 7.1 must include the following information:

- (a) The maximum number of securities which may be issued under the Resolution is 15,000,000 fully paid ordinary shares.
- (b) The Consideration Shares will be issued for nil consideration.
- (c) The recipients of the Consideration Shares will be the Vendors (or their nominees) who are unrelated parties to the Company, being Todd Williams, Colin Brodie, Emilio Bastias, Alastair Morrison, Anthony Guistozzi, Dael Investments (SA) Pty Ltd, Guistozzi Superannuation Pty Ltd, CCF No.1 Pty Ltd and Dellta Pty Ltd.
- (d) The Consideration Shares will be issued in a single tranche upon, and subject to completion of, the Acquisition within 3 months of the date of this Meeting.
- (e) The Consideration Shares will rank pari passu with the Company's existing shares, however 100% of the Consideration Shares issued upon Completion (being 15,000,000 Shares) will be subject to escrow for a period of 12 months from the issue date).
- (f) No funds will be raised through the issue of the Consideration Shares, which are to be issued as consideration for the Acquisition; and
- (g) A voting exclusion statement is included in this Notice of which this Explanatory Statement forms part.

The Resolution is an ordinary resolution.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**Acquisition**” has the meaning given on page 4;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Vendors**” means the vendors as outlined on page 4;

“**Company**” means E2 Metals Limited ACN 116 865 546;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Performance Rights**” means a right to acquire a Share;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company; and

“**Shareholder**” means shareholder of the Company;

E2 Metals Limited

ACN 116 865 546

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

E2 Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of E2 Metals Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10.00am (AEDT) on Tuesday, 5 February 2019 at Chartered Accountants Australia and New Zealand, Level 18 Bourke Place, 600 Bourke Street, Melbourne Victoria 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

For Against Abstain*

- 1 Approval to Issue Consideration Shares

STEP 2



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10.00am (AEDT) on Sunday, 3 February 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

E2 Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**