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VITAL METALS LIMITED

ACN 112 032 596

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: 17 November 2017

PLACE: CWA House, Level 2, 1176 Hay Street, West Perth Western Australia 6005

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 7742.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on 17 November 2017 at:

CWA House, Level 2, 1176 Hay Street, West Perth Western Australia 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General 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 Annual General Meeting are those who are registered Shareholders at 5.00pm (WST) on 15 November 2017.

VOTING IN PERSON

To vote in person, attend the Annual General 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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. 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 purpose 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 2017."

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 any 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:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) 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 if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER CORDIN

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 7.3 (a) of the Constitution and for all other purposes, Mr Peter Cordin, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – FRANCIS HARPER

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 7.3 (g) of the Constitution and for all other purposes, Mr Francis Harper, who was appointed by the Directors on 15 May 2017, retires and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

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, approval is given for the issue of Equity Securities totalling up to 10% of the Shares (on issue at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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.

5. RESOLUTION 5: RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULE 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issue under Listing Rule 7.1 by the Company of 158,362,684 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the 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 Chairman 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. RESOLUTION 6: RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULE 7.1A

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issue under Listing Rule 7.1A by the Company of 105,575,123 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the 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 Chairman 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 7: ISSUE OF OPTIONS TO RELATED PARTY

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Options to the value of \$100,000 to Mark Strizek (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Strizek (or his nominee) and any of their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8: GRANT OF 12,500,000 BROKER OPTIONS

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 grant of 12,500,000 Options to Argonaut Securities Limited (or nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Argonaut Securities Limited and Blackwood Capital Limited (or their nominees) and their associates. 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 9: ISSUE OF 12,500,000 BROKER OPTIONS TO RELATED PARTY

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 12,500,000 Options to Blackwood Capital Limited (or nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Blackwood Capital Limited (or their nominees) and their associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 9 OCTOBER 2017

BY ORDER OF THE BOARD



**IAN HOBSON
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 which are the subject of the business of the Meeting.

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 2017 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.vitalmetals.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 Directors or 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 the financial year ending 30 June 2017.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

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.

2.3 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chair how to vote, **you must tick the acknowledgement on the proxy form to acknowledge that the Chair may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel**.

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote, and you **do not** need to tick any further acknowledgement on the proxy form.

2.4 Definitions

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

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)*.

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 2017.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER CORDIN

Listing Rule 14.4 and Clause 7.3(a) of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 7.3 of the Constitution is eligible for re-election. The Company currently has 4 Directors (including 1 Managing Director) and accordingly 1 must retire.

Mr Peter Cordin, the Director longest in office since his last election, retires by rotation and seeks re-election.

The Board (Peter Cordin abstaining) recommends that Members vote in favour of resolution 2, and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – FRANCIS HARPER

Clause 7.3 (g) of the Constitution provides that if a person is appointed as a Director by the Board, the Company must confirm the appointment at the next annual general meeting. If the appointment is not confirmed, the person ceases to be a Director at the conclusion of the annual general meeting. In accordance with this rule, Francis Harper was appointed by the Board on 15 May 2017 and is required to be confirmed by Shareholders at the 2017 Annual General Meeting, and, being eligible, stands for re-election in accordance with the Company's constitution.

The Board (Francis Harper abstaining) recommends that Members vote in favour of resolution 3, and the Chairman of the Meeting intends to vote undirected proxies in favour of this resolution.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital at the time of the issue over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue at the time of the issue under the 10% Placement Capacity during the period up to 12 months

after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing.

If and when the Company does utilise the 10% Placement Facility within the 12 months following the AGM, assuming Resolution 4 is passed, the Company will be required to give ASX details of who the allottees are and how many Equity Securities they each received. In addition, the Company will be required to release by way of ASX announcement the information set out in Listing Rule 3.10.5A, namely:

- (a) details about the dilution to the existing Shareholders caused by the issue of Equity Securities under the Special Placement Facility;
- (b) if cash is raised, an explanation why a pro rata issue or other type of issue allowing existing shareholders to participate was not adopted instead of or as well as using the 10% Placement Facility;
- (c) details about any underwriting and underwriting fees paid, and
- (d) details about any other fees or costs incurred in connection with the issue of Equity Securities under the 10% Placement Facility.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 4 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 4 for it to be passed.

5.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

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.

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 \$11 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: VML).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
 - (D) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

5.3 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 4:

(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 Section 3.4(a)(i), 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:

- (ii) 12 months after the date of this Meeting; and
- (iii) 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).

or such longer period if allowed by ASX (**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 4 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 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 current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

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.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.004 50% decrease in Issue Price	\$0.008 Current Issue Price	\$0.012 50% increase in Issue Price
1,319,690,033 (Current)	Shares issued	131,969,003 Shares	131,969,003 Shares	131,969,003 Shares
	Funds raised	\$527,876.01	\$1,055,752.03	\$1,583,628.04
1,979,535,050 (50% increase)	Shares issued	197,953,505 Shares	197,953,505 Shares	197,953,505 Shares
	Funds raised	\$791,814.02	\$1,583,628.04	\$2,375,442.06
2,639,380,066 (100% increase)	Shares issued	263,938,007 Shares	263,938,007 Shares	263,938,007 Shares
	Funds raised	\$1,055,752.03	\$2,111,504.05	\$3,167,256.08

*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. The current shares on issue are the Shares on issue as at 4 October 2017.
2. The issue price set out above is the closing price of the Shares on the ASX on 4 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 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.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

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 exploration of the Watershed tungsten project and Burkina Faso gold projects; or
- (ii) as 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.

(e) Allocation policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees 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).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained Shareholder approval under ASX listing Rule 7.1A at its annual general meeting held on 25 November 2016.

In accordance with Listing Rule 7.3 A.6 the total number of Equity Securities issued in the 12 months preceding the date of this meeting is 12,317,630 representing 4% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this meeting:

Issue #1	
Date of issue:	27 th March 2017
Number issued:	140,000,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully paid ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Sophisticated investors who were clients of Argonaut
Price:	1.25 cents per share
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	\$1,750,000
Amount of cash consideration spent:	\$1,750,000
Use of cash consideration:	Exploration Costs
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #2	
Date of issue:	9 th May 2017
Number issued:	260,000,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully paid ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Sophisticated investors who were clients of Argonaut
Price:	1.25 cents per share
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	\$3,250,000
Amount of cash consideration spent:	\$3,250,000
Use of cash consideration:	Exploration Costs
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #3	
Date of issue:	12 th May 2017
Number issued:	12,000,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully paid ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Peter Cordin - 4,000,000 David Macoboy – 8,000,000
Price:	1.25 cents per share

Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	\$150,000
Amount of cash consideration spent:	\$150,000
Use of cash consideration:	Exploration Costs
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

Issue #4	
Date of issue:	12 th May 2017
Number issued:	48,000,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully paid ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Macquarie Bank Limited
Price:	1.25 cents per share
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	\$600,000
Purpose of the issue:	Shares issued in lieu of debt repayments
Current value of that non-cash consideration:	\$400,000

Issue #5	
Date of issue:	12 th May 2017
Number issued:	14,096,763
Class/Type of equity security:	Unlisted Options
Summary of terms:	Unlisted options exercisable at \$0.027 expiring 25 November 2018
Name of persons who received securities or basis on which those persons was determined:	Director
Price:	Nil
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	\$130,000
Purpose of the issue:	Employee incentives
Current value of that non-cash consideration:	\$130,000

Issue #6	
Date of issue:	12 th May 2017
Number issued:	86,153,846
Class/Type of equity security:	Unlisted Options
Summary of terms:	Unlisted options exercisable at \$0.01625 expiring 31 December 2018
Name of persons who received securities or basis on which those persons was determined:	Macquarie Bank Limited
Price:	Nil
Discount to market price (if any):	N/A
For cash issue	

Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Nil
Purpose of the issue:	Partial repayment of convertible loan facility agreement
Current value of that non-cash consideration:	\$Nil

Issue #7	
Date of issue:	12 th May 2017
Number issued:	50,000,000
Class/Type of equity security:	Unlisted Options
Summary of terms:	Unlisted options exercisable at \$0.02 expiring 30 April 2021
Name of persons who received securities or basis on which those persons was determined:	Argonaut Securities Limited and Blackwood Capital Pty Ltd (or nominees)
Price:	Nil
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	\$401,094
Purpose of the issue:	In lieu of brokerage fees
Current value of that non-cash consideration:	\$401,094

Issue #8	
Date of issue:	12 th May 2017
Number issued:	27,000,000
Class/Type of equity security:	Unlisted Options
Summary of terms:	Unlisted options exercisable at \$0.023 expiring 30 April 2021
Name of persons who received securities or basis on which those persons was determined:	David Macoboy – 6,000,000 Mark Strizek – 15,000,000 Andrew Simpson – 3,000,000 Peter Cordin – 3,000,000
Price:	Nil
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	N/A
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	\$256,186
Purpose of the issue:	In lieu of fees
Current value of that non-cash consideration:	\$256,186

Issue #9	
Date of issue:	25 th September 2017
Number issued:	263,937,807
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully paid ordinary shares

Name of persons who received securities or basis on which those persons was determined:	Sophisticated investors who were clients of Argonaut
Price:	0.75 cents per share
Discount to market price (if any):	6%
For cash issue	
Total cash consideration received:	\$1,979,534
Amount of cash consideration spent:	\$1,979,534
Use of cash consideration:	Optimising Watershed development study
Intended use for remaining amount of cash (if any):	Optimising Watershed development study
For non-cash issue	
Non-cash consideration paid:	N/A
Purpose of the issue:	N/A
Current value of that non-cash consideration:	N/A

5.4 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 4.

6. RESOLUTION 5 & 6 – RATIFICATION OF PRIOR ISSUE OF SHARES - LISTING RULES 7.1 AND 7.1A

On 15 September 2017, the Company announced to ASX that it had arranged a placement to raise \$1.98m by the issue of 263,937,807 Shares to sophisticated and professional investors based in Australia at an issue price of 0.0075 cents each. On 25 September 2017, the Company issued 158,362,684 ordinary shares under the Company's Listing Rule 7.1 capacity, and 105,575,123 ordinary shares under the Company's Listing Rule 7.1A capacity.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue more equity securities in any 12 month period other than the amount which is equal to 15% of its fully paid ordinary securities on issue at the start of that 12 month period ("15% share issue capacity").

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 25 November 2016. The shareholder approval is valid until the earlier of 12 months from the date of the AGM (that is, until 25 November 2017) or, if the Company undertakes a significant transaction requiring shareholder approval under Listing Rule 11.1.2 or 11.2, the date the shareholders approve that transaction.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 or 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently ratify it and the issue did not breach Listing Rule 7.1.

The Company is seeking shareholder approval to ratify the 25 September 2017 issue of:

- 158,362,684 ordinary shares issued under the Company's Listing Rule 7.1 capacity, and
- 105,575,123 ordinary shares issued under the Company's Listing Rule 7.1A capacity.

The shares were issued at \$0.0075 per share to sophisticated and professional investors.

The shares will rank equally with all shares currently on issue.

The new funds raised will be used as follows:

- Optimise the development study for its 100%-owned Watershed Tungsten Project in Northern Queensland; and
- Working capital.

For Watershed, this raise provides the necessary funding to support the ongoing development and optimisation of the project, with work planned including, but not limited to:

- An update to the resource estimate;
- Ongoing metallurgical test work to optimise the process flow sheet;
- Update the capital operating costs post the 2014 DFS; and
- Optimise the mining schedule.

Without shareholder approval pursuant to Listing Rule 7.4, the issues will be counted towards the Company's 15% share issue capacity and 10% share issue capacity respectively and will therefore reduce the Company's capacity to issue securities in the future without obtaining shareholder approval.

Accordingly, these resolutions seek shareholder approval to allow the Company to refresh its 15% share issue capacity (Resolution 5) and 10% share issue capacity (Resolution 6).

The directors of the Company unanimously recommend that shareholders vote in favour of Resolutions 5 and 6.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY

7.1 General

The Company has agreed in the employment contract entered into by Mark Strizek with the Company dated 15 May 2011, subject to obtaining Shareholder approval, to issue Options to the value of \$100,000 (**Related Party Options**) to Mark Strizek (or his nominee) provided the exercise price is at a premium to market and on the terms and conditions set out below. Mr Strizek and the Company have further agreed that the deemed share price at the time of issue will be 0.8 cents per share and the exercise price 1.2 cents per share resulting in 28,931,825 Related Party Options.

Resolution 7 seeks Shareholder approval for the grant of the Related Party Options to Mark Strizek (or his nominee).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- For personal use only
- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
 - (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and Mark Strizek is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to Mark Strizek (or his nominee).

7.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related party is Mark Strizek and he is a related party by virtue of being a director of the Company;
- (b) the maximum number of Related Party Options to be issued is 28,931,825;
- (c) the Related Party Options will be granted to the Related Party no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the exercise price is set at 1.2 cents per share;
- (f) The Options will vest as follows:
 - i. 50% on the issue date;
 - ii. 50% when the share price is 2c or better for 10 consecutive business days prior to 31 December provided Mr Strizek remains an employee of the Company until at least 31 December 2018
- (g) the other terms and conditions of the Related Party Options are set out in Schedule 1;
- (h) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;

- (i) the relevant interest of Mark Strizek in Shares and his current option holdings are set out below:

Related Party	Shares	Options
Mark Strizek	3,173,964 ¹	7,175,654 unlisted options exercisable at 4 cents expiring 24 November 2017; 6,506,198 unlisted options exercisable at 2.7 cents expiring 25 November 2018; 15,000,000 unlisted options exercisable at 2.3 cents expiring 30 April 2021.

¹ Mark Strizek has an indirect interest in these shares, which are held by Mrs S Strizek.

- (j) the remuneration and emoluments from the Company to Mark Strizek for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below, (disregarding the proposed grant of the Related Party Options):

Related Party	Current Financial Year	Previous Financial Year
Mark Strizek	\$218,000	\$186,000

- (k) the dilution effect if the Related Party Options granted to the Related Parties are exercised is set out below;

- (l) the market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company. The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.023	17 October 2016
Lowest	\$0.006	4 October 2017
Last	\$0.007	6 October 2017

- (m) the primary purpose of the grant of the Related Party Options to Mark Strizek is to provide a performance linked incentive component in the remuneration package for Mark Strizek to motivate and reward the performance of Mark Strizek in his role as Director;

- (n) Mark Strizek declines to make a recommendation to Shareholders in relation to Resolution 7 due to having a material personal interest in the outcome of the Resolution on the basis that Mark Strizek is to be granted Related Party Options in the Company should Resolution 4 be passed;

- (o) with the exception of Mark Strizek, no other Director has a personal interest in the outcome of Resolution 7;

- (p) David Macoboy, Andrew Simpson, Peter Cordin and Francis Harper recommend that Shareholders vote in favour of Resolution 7 for the following reasons:
- (i) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if cash were given to Mark Strizek; and
 - (ii) it is not thought that there are any significant opportunity costs to the Company or opportunities foregone by the Company in granting the Related Party Options upon the terms proposed;
- (q) in forming their recommendations, each Director considered Mark Strizek's experience, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7.4 Dilution

Set out below is a worked example of the number of Shares that may be issued upon exercise of the Options issued under Resolution 7.

Deemed issue price	Call Option Value ¹	Maximum number of Shares which would be issued following exercise of the Related Party Options pursuant to Resolution 7	Current Shares on issue as at the date of this Notice	Number of Shares on issue following exercise of the Related Party Options pursuant to Resolution 7	Dilution effect on existing Shareholders
\$0.012	\$0.0035	23,931,825	1,319,690,033	1,348,621,858	1.8%

Notes:

1. Values based on a Black-Scholes option valuation.

Assuming no Options are exercised, no other Shares issued and the maximum number of Shares as set out in the worked example above are issued upon exercise of the Related Party Options, the number of Shares on issue would increase from 1,319,690,033 (being the number of Shares on issue as at the date of this Notice) to 1,348,621,858 and the shareholding of existing Shareholders would be diluted by 1.8%.

8. RESOLUTION 8 – GRANT OF BROKER OPTIONS

8.1 General

The Company has agreed, subject to shareholder approval, to issue 12,500,000 Options to Argonaut Securities Limited at a price of \$0.0001 per option as part of fees for the capital raising undertaken on 15 September 2017. The Options are exercisable at \$0.01 each on or before 17 November 2021 and otherwise on the terms in Schedule 2.

By approving this grant of 12,500,000 Options under Resolution 8, 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 (as the case may be) without the requirement to obtain prior Shareholder approval.

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 to Shareholders:

- the maximum number of Options to be issued under this Resolution is 12,500,000;
- the Options 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) and it is intended that issue will occur on the one date;
- the issue price per Option is \$0.0001; upon exercise of any Options, the exercise price is \$0.01 per Share on or before 17 November 2021. Funds raised will be used for working capital purposes.
- the Options will be granted to Argonaut Securities Limited (or nominees), not a Related Party of the Company; and
- the Options will be granted on the terms in Schedule 2; upon any exercise of the Options, the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, and ranking equally (from the date of their issue) with, the Company's existing Shares the terms of which are in the public domain.

The directors of the Company unanimously recommend that shareholders vote in favour of Resolution 8.

9. RESOLUTION 9 – ISSUE OF BROKER OPTIONS TO RELATED PARTY

9.1 General

The Company has agreed, subject to shareholder approval, to issue 12,500,000 Broker Options to Blackwood Capital Ltd (or nominees) at a price of \$0.0001 per option as part of fees for the capital raising undertaken on 15 September 2017. The Options are exercisable at \$0.01 each on or before 17 November 2021 and otherwise on the terms in Schedule 2.

Mr Francis Harper is a director and shareholder of Blackwood Capital Limited and is a director of Vital Metals Limited. Blackwood Capital Limited is therefore a related party within the definition of the Corporations Act and Listing Rules.

Resolution 9 seeks Shareholder approval for the grant of the Broker Options to related party - Blackwood Capital Limited (or nominees).

9.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of Broker Options constitutes giving a financial benefit.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Broker Options to Blackwood Capital Limited (or nominee).

9.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related party is Blackwood Capital Limited who is a related party by virtue of Mr Francis Harper being a director of Blackwood Capital Limited and the Company;
- (b) the maximum number of Broker Options to be issued is 12,500,000;
- (c) the Broker Options will be granted to the Related Party no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Broker Options will be granted for \$0.0001 cash consideration, accordingly \$1,250 will be raised. The intended use of funds raised is for working capital purposes;
- (e) the exercise price is set at 1 cent per share;
- (f) The Options will vest on issue;
- (g) the other terms and conditions of the Broker Options are set out in Schedule 3;
- (h) the value of the Broker Options and the pricing methodology is set out in Schedule 2;
- (i) the relevant interest of Blackwood Capital Limited in Shares and current option holdings are Nil;

- (j) the primary purpose of the grant of the Broker Options to Blackwood Capital Limited is to provide a cost effective capital raising fee as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if cash were given to Blackwood capital Limited;
- (k) Francis Harper declines to make a recommendation to Shareholders in relation to Resolution 9 due to having a material personal interest in the outcome of the Resolution;
- (l) with the exception of Francis Harper, no other Director has a personal interest in the outcome of Resolution 9;
- (m) David Macoboy, Andrew Simpson, Peter Cordin and Mark Strizek recommend that Shareholders vote in favour of Resolution 9 for the following reasons:
 - (i) the grant of the Broker Options is a reasonable and appropriate method to provide cost effective capital raising fee as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if cash were given to Blackwood Capital Limited; and
 - (ii) it is not thought that there are any significant opportunity costs to the Company or opportunities foregone by the Company in granting the Broker Options upon the terms proposed;
- (n) in forming their recommendations, each Director considered Blackwood Capital's experience, the current market price of Shares, the current market practices when determining the number of Broker Options to be granted as well as the exercise price and expiry date of those Broker Options; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Broker Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

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.

Company means Vital Metals Limited (ACN 112 032 596).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

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

SCHEDULE 1 – TERMS OF RELATED PARTY OPTIONS

TERMS AND CONDITIONS

OPTIONS EXPIRING 24 November 2019

The Options to be issued pursuant to the Resolutions will be issued on the following terms:

2. Each Option shall be issued for no consideration.
3. The exercise price of each Option will be 1.2 cents per share ("**Exercise Price**").
4. Each Option entitles the holder to subscribe for one Share in Vital Metals Limited ACN 112 032 596 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
5. The Options will vest as follows:
 - a. 50% on the issue date;
 - b. 50% when the share price is 2c or better for 10 consecutive business days prior to 31 December 2018 provided Mr Strizek remains an employee of the Company until at least 31 December 2018
6. The Options will lapse at 5.00 pm, Western Standard Time on 24 November 2019 ("**Expiry Date**").
7. The Options may be transferred at any time in accordance with the Corporations Act and/or the Listing Rules;
8. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
9. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
10. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in the ASX Listing Rules;
11. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
12. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription

monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.

13. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
14. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
15. Quotation of the Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

For personal use only

SCHEDULE 2 – DETAILS OF RELATED PARTY OPTIONS

Table 1 - Option Valuation details – Mark Strizek

Details	Input
Share price	\$0.008
Exercise Price	\$0.012
Risk Free Rate (RBA Cash Rate)	1.95%
Volatility (Annualised)	100%
Start Date	24 November 2017
Expiry Date	24 November 2019
Value per Option	\$0.0035

Table 2 - Option Valuation details – Blackwood Capital Limited

Details	Input
Share price	\$0.008
Exercise Price	\$0.01
Risk Free Rate (RBA Cash Rate)	1.95%
Volatility (Annualised)	100%
Start Date	17 November 2017
Expiry Date	17 November 2019
Value per Option	\$0.0053

SCHEDULE 3 – TERMS OF BROKER OPTIONS

The Options to be issued pursuant to these resolutions will be issued on the following terms:

1. Each Option shall be issued for \$0.0001.
2. The exercise price of each Option will be 1 cent per share ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Vital Metals Limited ACN 112 032 596 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will vest on the issue date.
5. The Options will lapse at 5.00 pm, Western Standard Time on 17 November 2021 ("**Expiry Date**").
6. The Options may be transferred at any time in accordance with the Corporations Act and/or the Listing Rules;
7. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
8. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in the ASX Listing Rules;
10. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
11. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
12. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
13. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
14. Quotation of the Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[BARCODE]

Holder Number:
[HolderNumber]

[Name/Address 1]
[Name/Address 2]
[Name/Address 3]
[Name/Address 4]
[Name/Address 5]
[Name/Address 6]

Vote by Proxy: VML

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 15 November 2017**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.



- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal:
<https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE 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 these 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 Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided. **By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

STEP 1: Please appoint a Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at **10.00am (WST) on Friday, 17 November 2017 at CWA House, Level 2, 1176 Hay Street, West Perth, Western Australia 6005** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of Prior Issue of Shares - Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Peter Cordin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Issue of Options to Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Director – Francis Harper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Grant of 12,500,000 Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of 10% Placement Capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Grant of 12,500,000 Broker Options to Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Prior Issue of Shares - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

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

Email Address _____

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

STEP 4: Return

Return your completed form:



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



IN PERSON

Automic Registry Services
Level 3, 50 Holt Street,
Surrly Hills NSW 2010

Contact us – All enquiries to Automic:



WEBCHAT

<https://automic.com.au/>



EMAIL

hello@automic.com.au



PHONE

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)