
HYLEA METALS LIMITED**ACN 119 992 175****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 11.00 am (WST)
DATE: 2 May 2019
PLACE: Unit 22/589 Stirling Hwy
Cottesloe WA 6011

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm on 30 April 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

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

"That, subject to all other Resolutions in this Notice being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every 28 Shares be consolidated into 1 Share;*
- (b) the existing 215,000,000 Options are consolidated on a corresponding ratio; and*
- (c) the existing 62,500,000 Performance Shares are consolidated on a corresponding ratio; and*

and, where this Consolidation results in a fraction of a Share, an Option, or a Performance Share being held, the Company be authorised to round that fraction up to the nearest whole Share (as the case may be)."

Dated: 4 April 2019

By order of the Board

**Amanda Burgess
Company Secretary**

Voting in person

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

Voting by proxy

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

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

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

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9278 2441.

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.

2. RESOLUTION 1 – CONSOLIDATION OF CAPITAL

2.1 Background

If Resolution 1 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 2,803,873,559 to 100,138,341 subject to rounding; and
- (b) Options on issue will be reduced from 215,000,000 to 7,678,571 subject to rounding;
- (c) Performance Shares on issue will be reduced from 62,500,000 to 2,232,142 subject to rounding.

As at the date of this Notice, the Company has 31,250,000 Class A Performance Shares¹ and 31,250,000 Class B Performance Shares² on issue (**Performance Shares**). The Performance Shares are due to expire on 8 December 2021 and the Company does not, having regard to the terms of the Performance Shares as disclosed to the market on 28 October 2016, expect that any of the Performance Shares will convert into Shares in the Company.

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 28. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

2.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

¹ 31,250,000 Class A Performance Shares which convert into shares on the achievement of an Inferred Mineral Resource in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (JORC Code) (including cumulative production of not less than 50,000 tonnes contained Cobalt at a minimum grade of 0.3% Cobalt within the Tenements.

² 31,250,000 Class B Performance Shares which convert on the achievement of an Inferred Mineral Resource in accordance with the JORC Code (including cumulative production) of not less than 100,000 tonnes contained Cobalt at a minimum grade of 0.3% Cobalt within the Tenements.

2.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Performance Shares ¹	Listed Options	Unlisted Options ²
Pre-Consolidation Securities ³	2,803,873,559	62,500,000	-	215,000,000
Options exercised	-	-	-	-
<i>Sub-total</i>	2,803,873,559	62,500,000	-	215,000,000
Post Consolidation of Securities on a 28:1 basis (Resolution 1)	100,138,342	2,232,142	-	7,678,571
Completion of all Resolutions	100,138,342	2,232,142	-	7,678,571

1. The terms of these Performance Shares are set out in the notice of meeting dated 30 November 2016 as announced on 28 October 2016 and issued on 8 December 2016.
2. The terms of 15,000,000 Options are set out in Notice of annual general meeting dated 30 November 2016 and as announced on 28 October 2016 and 200,000,000 Options are set out in the Acquisition of NSW Cobalt Nickel Project as announced 6 December 2017.
3. Assuming no Options or other securities which are currently on issue are exercised into Shares prior to the Consolidation.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.03 on or before 31 December 2019	15,000,000
Options exercisable at \$0.01 on or before 2 February 2020	200,000,000
Total	215,000,000

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.84 on or before 31 December 2019	535,714
Options exercisable at \$0.28 on or before 31 December 2019	7,142,857
Total	7,678,571

2.7 Indicative timetable*

If Resolution 1 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	4 April 2019
Company tells ASX that Shareholders have approved the Consolidation.	2 May 2019
Last day for pre-Consolidation trading.	3 May 2019
Post-Consolidation trading starts on a deferred settlement basis.	6 May 2019
Last day for Company to register transfers on a pre-Consolidation basis.	7 May 2019
First day for Company to send notice to each holder of the change in their details of holdings.	8 May 2019
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	14 May 2019
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Hylea Metals Limited (ACN 119 992 175).

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 the Notice.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Share has the meaning given to that term at section 2.1 of this Notice.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

Hylea Metals Limited

ABN 38 119 992 175

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182551

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am (WST) Tuesday, 30 April 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Hylea Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Hylea Metals Limited to be held at Unit 22/589 Stirling Hwy, Cottesloe, Western Australia on Thursday, 2 May 2019 at 11:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date / /

