



**Oro Verde Limited**  
**ABN 84 083 646 477**  
**Notice of Annual General Meeting**  
**and Explanatory Memorandum**

**Date of Meeting**

22 November 2017

**Time of Meeting**

**10.00am (WST)**

**Place of Meeting**

The Celtic Club  
48 Ord Street  
West Perth WA 6005

**A Proxy Form is enclosed**

Please read this Notice of Annual General Meeting and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

# Oro Verde Limited

ABN 84 083 646 477

## Notice of Annual General Meeting

**NOTICE IS GIVEN** that an Annual General Meeting of Shareholders of Oro Verde Limited ABN 84 083 646 477 (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 22 November 2017 at 10.00am (WST) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Memorandum.

### Agenda

#### Financial Reports

To receive and consider the financial report of the Company, together with the Directors' Report and the Auditor's Report for the year ended 30 June 2017, as set out in the Annual Report.

#### Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding ordinary resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2017 be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution 1.

**Voting exclusion statement:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

However, a person described above may cast a vote on Resolution 1 if:

- (a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution, or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and 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; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 1, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

#### Resolution 2 – Re-election of Dr Wolf Martinick as a Director

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

*"That, Dr Wolf Martinick, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 3 – Re-election of Mr Anthony Rovira as a Director**

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

*"That, Mr Anthony Rovira, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### **Resolution 4 – Approval to issue shares to Mr Trevor Woolfe under Directors' Share Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to \$125,000 worth of Shares to Mr Trevor Woolfe (or his nominee(s)) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."*

### **Resolution 5 – Approval to issue shares to Dr Wolf Martinick under Directors' Share Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to \$40,000 worth of Shares to Dr Wolf Martinick (or his nominee(s)) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."*

### **Resolution 6 – Approval to issue shares to Dr Bradford Farrell under Directors' Share Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to \$30,000 worth of Shares to Dr Bradford Farrell (or his nominee(s)) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."*

### **Resolution 7 – Approval to issue shares to Mr Anthony Rovira under Directors' Share Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to \$30,000 worth of Shares to Mr Anthony Rovira (or his nominee(s)) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."*

### **Resolution 8 – Approval to issue shares to Mr Brett Dickson under Directors' Share Plan**

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of up to \$30,000 worth of Shares to Mr Brett Dickson (or his nominee(s)) in lieu of Director's fees on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement for Resolutions 4 to 8:** The Company will disregard any votes cast on Resolutions 4, 5, 6, 7 and 8 by any Director of the Company who is eligible to participate in the Directors' Share Plan, and any person who is an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 4, 5, 6, 7 or 8 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4, 5, 6, 7 or 8; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 4, 5, 6, 7 and 8. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 4, 5, 6, 7 and/or 8, in which case an ASX announcement will be made. Shareholders may also choose to

direct the Chair to vote against Resolution 4, 5, 6, 7 and/or 8 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

### **Resolution 9 – Approval to issue Director Options to Mr Trevor Woolfe or his nominee(s)**

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

*"That, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options to Mr Trevor Woolfe or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 9 by Mr Trevor Woolfe or his nominee(s) and an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 9 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 9 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 9; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 9. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 9, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 9 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 9.

### **Resolution 10 – Approval to issue Director Options to Dr Wolf Martinick or his nominee(s)**

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

*"That, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options to Dr Wolf Martinick or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 10 by Dr Wolf Martinick or his nominee(s) and an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 10 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 10 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 10; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 10. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 10, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 10 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 10.

## **Resolution 11 – Approval to issue Director Options to Dr Bradford Farrell or his nominee(s)**

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

*"That, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options to Dr Bradford Farrell or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 11 by Dr Bradford Farrell or his nominee(s) and an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 11 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 11 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 11; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 11. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 11, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 11 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 11.

## **Resolution 12 – Approval to issue Director Options to Mr Anthony Rovira or his nominee(s)**

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

*"That, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options to Mr Anthony Rovira or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 12 by Mr Anthony Rovira or his nominee(s) and an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 12 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 12 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 12; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 12. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 12, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 12 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 12.

### **Resolution 13 – Approval to issue Director Options to Mr Brett Dickson or his nominee(s)**

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

*"That, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options to Mr Brett Dickson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 13 by Mr Brett Dickson or his nominee(s) and an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 13 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 13 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 13; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 13. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 13, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 13 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**Please note:** If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 13.

## Resolution 14 – Approval of Additional 10% Placement Capacity

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

*"That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 14 by a person who may participate in the proposed issue 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 person who is an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

## Resolution 15 – Approval to issue Shares

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

*"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 100,000,000 Shares at an issue price of not less than 80% of the volume weighted average market price of the Company's Shares on the ASX, calculated over the last five days on which sales of the Shares are recorded before the date on which the issue is made (or if there is a prospectus, product disclosure statement or offer information statement relating to the issue, over the last five days on which sales in the Shares are recorded before the date of the prospectus, product disclosure statement or offer information statement is signed) as is more particularly described in the Explanatory Memorandum".*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 15 by a person who may participate in the proposed issue 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 person who is an Associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

## Other business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

## By order of the Board

**Brett Dickson**

Finance Director and Company Secretary

Dated: 5 September 2017

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, in person, by post, by email or by facsimile.

## Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. 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 below.

## Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 4 to 13 if the proxy is the Chair of the Meeting and the appointment 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.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chair of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chair of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.
- Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention, in which case an ASX announcement will be made.
- Proxies must be received by **10.00am (WST) on 20 November 2017**. Proxies received after this time will be invalid. Proxies may be lodged using any of the following methods:
  - **Online:** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)
  - **By mail:**  
Security Transfer Australia Pty Ltd  
PO Box 52  
Collins Street West VIC 8007  
Australia
  - **In person:**  
Security Transfer Australia Pty Ltd  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000, Australia
  - **By email:**  
registrar@securitytransfer.com.au
  - **By facsimile:** +61 8 9315 2233

For all enquiries call 1300 992 916 (inside Australia) or +61 3 9628 2200 (outside Australia)

## Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (WST) on 20 November 2017.

# Oro Verde Limited

ABN 84 083 646 477

## Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

## Financial Reports

The Board is required to lay before the Meeting the consolidated annual financial report of the Company for the financial year ended 30 June 2017, together with the Directors' report (including the Remuneration Report) and the Auditor's Report on the financial report. No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions, and to make comments on the reports and on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to: the conduct of the audit; the preparation and content of the independent audit report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

A copy of the Company's 2017 Annual Report is available on the ASX website or at <http://oroverde.com.au/index.php/annual-reports/>.

## Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2017 Annual Report be adopted. The Remuneration Report is set out in the Company's 2017 Annual Report.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

Shareholders are entitled to vote on the question as to whether the Remuneration Report is to be adopted. However, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than any Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2016 did not receive a vote of more than 25% against its adoption at the Company's 2016 annual general meeting held on 23 November 2016. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

## **Resolution 2 – Re-election of Dr Wolf Martinick as a Director**

Pursuant to Clause 13.2 of the Company's Constitution, Wolf Martinick, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Dr Wolf Martinick was appointed a Director and Chairman of the Company on 13 January 2003. He is an environmental scientist (holding a Bachelor of Science and a Ph.D.) with over 40 years' experience in mineral exploration and mining projects around the world, attending to environmental, water, land access and indigenous people issues. He has conducted due diligence on mining projects around the world on behalf of international financial institutions and resource companies for a variety of transactions including listings on international stock exchanges, mergers and debt financing. He is a Fellow of the Australian Institute of Mining and Metallurgy.

Dr Martinick is a founding director and former chairman of Weatherly International plc, an AIM listed company with copper mines in Namibia. Previously Dr Martinick was a founding director of Basin Minerals Limited, an ASX listed mineral exploration company that discovered a world-class mineral project in Victoria, Australia, that was acquired by Iluka Resources Limited in 2003. He was also chairman of ASX listed Sun Resources Limited until early 2016 and is a director of Azure Minerals Limited.

The Board considers that Dr Martinick, if re-elected, will continue to be classified as a non-independent director, due to his previous position with the Company as its Managing Director.

The members of the Board (other than Dr Martinick) support the re-election of Dr Martinick.

## **Resolution 3 – Re-election of Mr Anthony Rovira as a Director**

Pursuant to Clause 13.2 of the Company's Constitution, Anthony Rovira, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Rovira has over 30 years' technical and management experience in the mining industry, as an exploration and mining geologist, and as a company executive at Board level. Since graduating from Flinders University in South Australia in 1983, Mr Rovira has worked for companies both large and small, including BHP, Barrick Mines, Pegasus Gold and Jubilee Mines.

From 1997-2003 Mr Rovira was the General Manager of Exploration with Jubilee Mines, during which time he led the team that discovered and developed the world class Cosmos and Cosmos Deeps nickel sulphide deposits in Western Australia. In the year 2000, the Association of Mining and Exploration Companies awarded Mr Rovira the "Prospector of the Year Award" for these discoveries.

Mr Rovira has a Bachelor of Science (Honours) and is a Member of the Australian Institute of Mining and Metallurgy.

Mr Rovira is also the Managing Director of Azure Minerals Limited.

The Board considers that Mr Rovira, if re-elected, will continue to be classified as an independent director.

The members of the Board (other than Mr Rovira) support the re-election of Mr Rovira.

## **Resolutions 4 to 8 – Approval to issue Shares to Directors under Directors' Share Plan**

In 2015, the Board established the Directors' Share Plan, to enable to the Company to issue Shares to Directors in lieu of Directors' fees, in order to retain cash reserves. The Directors' Share Plan was approved by Shareholders at the Company's 2015 annual general meeting held on 24 November 2015.

Resolutions 4 to 8 inclusive seek Shareholder approval for the Company to issue an aggregate of up to \$255,000 worth of Shares to Directors (or their nominee(s)), in lieu of Directors' fees for the period 1 July 2017 to 30 June 2018 (**Director Shares**). The Director Shares will be issued within 12-months of the date of the Meeting, for each of the quarters ended 30 September 2017, 31 December 2017, 31 March 2018 and 30 June 2018 subject to the relevant Director agreeing to be paid all or part of his fees by way of the issue of Director Shares, rather than cash consideration.

The Director Shares will be issued for nil cash consideration, but will be issued at a deemed issue price that will be not less than volume weighted average sale price of Shares on ASX during the 90 days prior to the expiration of the relevant quarter in which the fees were incurred.

The actual number of Director Shares issued will depend on the deemed issue price at the time the Director Shares are issued and who the Director Shares are issued to (that is, which Directors agree to all or part of their Director fees being satisfied by the issue of Director Shares, rather than in cash). However, the maximum number of Director Shares that may be issued under Resolutions 4 to 8 is 42,500,000, with the maximum number for each Director set out in the table below.

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Shareholders are required to approve the proposed issue of Director Shares under the Directors' Share Plan to the Directors.

The following information in relation to the Director Shares it is proposed be issued to the Directors the subject of Resolutions 4 to 8 inclusive is provided to Shareholders for the purposes of Listing Rule 10.15:

	<b>Resolution 4</b>	<b>Resolution 5</b>	<b>Resolution 6</b>	<b>Resolution 7</b>	<b>Resolution 8</b>															
<b>Identity of person to be issued Director Shares</b>	Trevor Woolfe, a Director, or his nominee(s).	Wolf Martinick, a Director, or his nominee(s).	Bradford Farrell, a Director, or his nominee(s).	Anthony Rovira, a Director, or his nominee(s).	Brett Dickson, a Director, or his nominee(s).															
<b>Maximum number of securities that may be acquired, including the formula for calculating the number of securities to be issued</b>	<p>The maximum number of Director Shares that may be issued to each Director under each of Resolutions 4 to 8 is set out below.</p> <p>The number of Director Shares issued under each of Resolutions 4 to 8 will be determined by dividing the Director fee that the Company has agreed to pay each Director (as set out below) by the deemed issue price which will be calculated in accordance with the formula set out under the heading "Price" in this table below.</p> <table border="1"> <thead> <tr> <th>Maximum number of Director Shares that may be issued:</th> <th>Maximum number of Director Shares that may be issued:</th> <th>Maximum number of Director Shares that may be issued:</th> <th>Maximum number of Director Shares that may be issued:</th> <th>Maximum number of Director Shares that may be issued:</th> </tr> </thead> <tbody> <tr> <td>20,833,333</td> <td>6,666,667</td> <td>5,000,000</td> <td>5,000,000</td> <td>5,000,000</td> </tr> <tr> <td>Value of Director fees: \$125,000</td> <td>Value of Director fees: \$40,000</td> <td>Value of Director fees: \$30,000</td> <td>Value of Director fees: \$30,000</td> <td>Value of Director fees: \$30,000</td> </tr> </tbody> </table>					Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	20,833,333	6,666,667	5,000,000	5,000,000	5,000,000	Value of Director fees: \$125,000	Value of Director fees: \$40,000	Value of Director fees: \$30,000	Value of Director fees: \$30,000	Value of Director fees: \$30,000
Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:	Maximum number of Director Shares that may be issued:																
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Value of Director fees: \$125,000	Value of Director fees: \$40,000	Value of Director fees: \$30,000	Value of Director fees: \$30,000	Value of Director fees: \$30,000																
<b>Price</b>	<p>The Director Shares will be issued for nil cash consideration, as they will be issued in lieu of fees for the period 1 July 2017 to 30 June 2018.</p> <p>The Director Shares will have a deemed issue price that is not less than the volume weighted average sale price of Shares on ASX during the 90 days' before the expiration of the corresponding calendar quarter in which the Directors' fees were incurred.</p>																			
<b>Names of all persons who received securities under the Director Share Plan since last approval, and acquisition price</b>	<p>The following persons referred to in Listing Rule 10.14 have received securities under the Director Share Plan since it was approved at the Company's last annual general meeting on 24 November 2015:</p> <table border="1"> <thead> <tr> <th><b>Name of person</b></th> <th><b>No. of Director Shares</b></th> <th><b>Acquisition price</b></th> </tr> </thead> <tbody> <tr> <td rowspan="3">Shordean Pty Ltd of which Mr Woolfe is a director and shareholder.</td> <td>8,680,556</td> <td>Nil cash consideration (deemed issue price of \$0.0072 per Director Share)</td> </tr> <tr> <td>8,378,015</td> <td>Nil cash consideration (deemed issue price of \$0.0076 per Director Share).</td> </tr> <tr> <td>925,926</td> <td>Nil cash consideration (deemed issue price of \$0.0162 per Director Share).</td> </tr> </tbody> </table>					<b>Name of person</b>	<b>No. of Director Shares</b>	<b>Acquisition price</b>	Shordean Pty Ltd of which Mr Woolfe is a director and shareholder.	8,680,556	Nil cash consideration (deemed issue price of \$0.0072 per Director Share)	8,378,015	Nil cash consideration (deemed issue price of \$0.0076 per Director Share).	925,926	Nil cash consideration (deemed issue price of \$0.0162 per Director Share).					
<b>Name of person</b>	<b>No. of Director Shares</b>	<b>Acquisition price</b>																		
Shordean Pty Ltd of which Mr Woolfe is a director and shareholder.	8,680,556	Nil cash consideration (deemed issue price of \$0.0072 per Director Share)																		
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	925,926	Nil cash consideration (deemed issue price of \$0.0162 per Director Share).																		

	Mr Brett Douglas Dickson	1,098,901	nil cash consideration (deemed issue price of \$0.0068 per Director Share)
		2,446,429	nil cash consideration (deemed issue price of \$0.0076 per Director Share)
	Mr Wolf Gerhard Martinick	6,871,447	nil cash consideration (deemed issue price of \$0.0076 per Director Share)
		617,284	Nil cash consideration (deemed issue price of \$0.0162 per Director Share).
		467,290	Nil cash consideration (deemed issue price of \$0.0214 per Director Share).
		238,318	Nil cash consideration (deemed issue price of \$0.0214 per Director Share).
	Mr Anthony Paul Rovira	5,153,586	nil cash consideration (deemed issue price of \$0.0076 per Director Share).
		462,963	Nil cash consideration (deemed issue price of \$0.0162 per Director Share).
		350,467	Nil cash consideration (deemed issue price of \$0.0214 per Director Share).
		<b>TOTAL</b>	<b>35,691,182</b>
<b>Names of all persons referred to in Listing Rule 10.14 entitled to participate in the Directors' Share Plan</b>	The persons referred to in Listing Rule 10.14 entitled to participate in the Director Share Plan are each of the Directors of the Company, Trevor Woolfe, Wolf Martinick, Bradford Farrell, Anthony Rovira and Brett Dickson (or when determined by the Board, their nominee(s)).		
<b>Voting exclusion statement.</b>	A voting exclusion statement in relation to Resolutions 4 to 8 is included in the Notice.		
<b>Terms of any loan in relation to the acquisition.</b>	No loan has been provided to any of the Directors in relation to the issue of the Director Shares.		
<b>Date by which the securities will be issued.</b>	<p>The Director Shares the subject of each of Resolutions 4 to 8 will be issued no later than 12-months after the date of the Meeting (or such later date as permitted by any ASX waiver of the Listing Rules).</p> <p>The Director Shares will be issued after each of the quarters ended 30 September 2017, 31 December 2017, 31 March 2018 and 30 June 2018, according to the fees owing to each of the Directors at that time, and subject to the Director agreeing to be paid all or part of their fees by way of the issue of Director Shares, rather than cash consideration. However, in relation to the fees incurred for the quarter ended 30 September 2017, those Director Shares will be issued as soon as practicable after the Meeting to those Directors who agree to be paid all or part of their fees for that quarter by way of the issue of Director Shares, rather than cash consideration.</p>		

If approval is given for the issue of the Director Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Directors is a related party of the Company.

One of the nominated exceptions referred to in paragraph (a) above is where the financial benefit is remuneration to a related party as an officer or employee of the company, and to give the remuneration would be reasonable given the circumstances of the public company, and the related party's circumstances (including the responsibilities involved in the office or employment). As the proposed issue of Director Shares to each of the Directors replaces the payment of fees in cash to each Director for a twelve-month period, the Board considers that the issue of the Director Shares is a benefit that constitutes reasonable remuneration for the purposes of section 211 of the Corporations Act. Accordingly, Shareholder approval is not being sought for the purposes of Chapter 2E of the Corporations Act.

### Resolutions 9 to 13 – Approval to issue Director Options

The Company proposes to grant a total of 50,000,000 Director Options to the Directors, or their nominees as follows:

- Mr Trevor Woolfe, Managing Director – 10,000,000 Director Options;
- Dr Wolf Martinick, non-executive Chairman – 10,000,000 Director Options;
- Dr Bradford Farrell, non-executive Director – 10,000,000 Director Options;
- Mr Anthony Rovira, non-executive Director – 10,000,000 Director Options; and
- Mr Brett Dickson, Finance Director – 10,000,000 Director Options.

Each Director Option will have an exercise price equal to a 50% premium to the volume weighted average price of Shares on ASX on the 30 Trading Days before the date of this Meeting, and will have an expiry date of 30 November 2020.

The Board has determined the exercise price of the Director Options with regard to the market value of the Shares, and considers the price to be a suitable premium to meet the objectives of the proposed grant of Director Options as outlined on page 6 of this Explanatory Memorandum.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Directors (or their nominee(s)) is a related party of the Company.

Resolutions 9 to 13 relate to the proposed grant of Director Options to each of the Directors, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

The following information in relation to the proposed issue of Director Options, the subject of Resolutions 9 to 13 is provided to Shareholders for the purposes of section 219 of the Corporations Act and with reference to ASIC Regulatory Guide 76: *Related party transactions*:

	Resolution 9	Resolution 10	Resolution 11	Resolution 12	Resolution 13
<b>Identity of the related party</b>	Trevor Woolfe, a Director, or his nominee(s).	Wolf Martinick, a Director, or his nominee(s).	Bradford Farrell, a Director, or his nominee(s).	Anthony Rovira, a Director, or his nominee(s).	Brett Dickson, a Director, or his nominee(s).

<b>Nature of the financial benefit</b>	The proposed financial benefit is the issue of 10,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 10,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 10,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 10,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 10,000,000 Director Options for no consideration.
<b>Details of the financial benefit, including reasons for giving the type and quantity of the benefit</b>	<p>The terms of the Director Options are set out in <b>Annexure A</b>.</p> <p>The grant of Director Options encourages Mr Woolfe, as the Company's Managing Director, and Mr Dickson, as the Company's Finance Director, to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in each case in the absence of Messrs Woolfe and Dickson) that the incentive intended for those executive directors represented by the grant of Director Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.</p> <p>Under the Company's current circumstances, the Directors consider that the issue of Director Options to Messrs Martinick, Farrell and Rovira represents a cost-effective way for the Company to remunerate those directors, as opposed to cash remuneration and it is designed to attract and retain suitably qualified non-executive directors, and to align their interests with the interests of other security holders. The Director Options do not have any performance hurdles attached to them.</p> <p>The number and exercise price of Directors Options to be granted to each of the Directors has been determined based upon a consideration of:</p> <ul style="list-style-type: none"> <li>(a) the cash remuneration of the Directors;</li> <li>(b) the extensive experience and reputation of the Directors within the resources industry;</li> <li>(c) the current price of Shares;</li> <li>(d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Directors Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice;</li> <li>(e) attracting and retaining suitably qualified non-executive directors; and</li> <li>(f) establishing incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.</li> </ul> <p>The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.</p>				
<b>Directors current holdings</b>	Set out below are details of each of the Directors' relevant interests in securities (held directly and indirectly) of the Company as at the date of this Notice:				
	<p><b>Trevor Woolfe</b></p> <ul style="list-style-type: none"> <li>• 28,984,497 Shares</li> <li>• 5,000,000 Options exercisable at \$0.01, expiring 30/09/2017</li> <li>• 5,000,000 Options exercisable at \$0.05, expiring 30/09/2019</li> </ul>	<p><b>Wolf Martinick</b></p> <ul style="list-style-type: none"> <li>• 51,194,339 Shares</li> </ul>	<p><b>Bradford Farrell</b></p> <ul style="list-style-type: none"> <li>• 47,101,281 Shares</li> </ul>	<p><b>Anthony Rovira</b></p> <ul style="list-style-type: none"> <li>• 29,727,016 Shares</li> <li>• 22,000,000 Options exercisable at \$0.01, expiring 30/09/2017</li> <li>• 22,000,000 Options exercisable at \$0.05, expiring 30/09/2019</li> </ul>	<p><b>Brett Dickson</b></p> <ul style="list-style-type: none"> <li>• 18,545,330 Shares</li> <li>• 22,000,000 Options exercisable at \$0.01, expiring 30/09/2017</li> <li>• 22,000,000 Options exercisable at \$0.05, expiring 30/09/2019</li> </ul>
<b>Dilution effect of issue of Director</b>	If passed, Resolutions 9 to 13 will give the Directors power to grant a total of 50,000,000 Director Options on the terms and conditions as set out in <b>Annexure A</b> and as otherwise				

<b>Options on existing members' interests</b>	<p>mentioned above.</p> <p>As at the date of this Notice, the Company has 695,196,590 listed Shares and 125,500,000 unlisted Options (details of the unlisted Options are set out in the table below) on issue:</p> <table border="1" data-bbox="416 286 1337 405"> <thead> <tr> <th>Number of Options</th> <th>Exercise price</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>52,500,000</td> <td>1 cent</td> <td>30 September 2017</td> </tr> <tr> <td>73,000,000</td> <td>5 cents</td> <td>30 September 2019</td> </tr> </tbody> </table> <p>If all Director Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect of the exercise of the Director Options would be to dilute the shareholding of existing Shareholders (including new shareholders as a result of the Options being exercised) by 6.1%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not the Directors exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options. The Director Options will not be quoted on ASX.</p>	Number of Options	Exercise price	Expiry date	52,500,000	1 cent	30 September 2017	73,000,000	5 cents	30 September 2019																					
Number of Options	Exercise price	Expiry date																													
52,500,000	1 cent	30 September 2017																													
73,000,000	5 cents	30 September 2019																													
<b>Directors total remuneration package</b>	<p>The Directors' fees per annum and the total financial benefit to be received by them in this current period, as a result of the grant of the Director Options the subjects of Resolutions 9 to 13 are as follows:</p> <table border="1" data-bbox="416 902 1358 1205"> <thead> <tr> <th>Director</th> <th>Base Salary</th> <th>Superannuation</th> <th>Value of Director Options</th> <th>Total financial benefit</th> </tr> </thead> <tbody> <tr> <td>Mr Woolfe</td> <td>\$250,000</td> <td>-</td> <td>\$54,600</td> <td>\$304,600</td> </tr> <tr> <td>Dr Martinick</td> <td>\$40,000</td> <td>\$3,800</td> <td>\$54,600</td> <td>\$98,400</td> </tr> <tr> <td>Dr Farrell</td> <td>\$30,000</td> <td>\$2,850</td> <td>\$54,600</td> <td>\$87,450</td> </tr> <tr> <td>Mr Rovira</td> <td>\$30,000</td> <td>\$2,850</td> <td>\$54,600</td> <td>\$87,450</td> </tr> <tr> <td>Mr Dickson</td> <td>\$90,000</td> <td>\$2,850</td> <td>\$54,600</td> <td>\$147,450</td> </tr> </tbody> </table> <p>The indicative Director Option valuation of 0.0546 cents each is a theoretical valuation of each Director Option using the Binomial Model (see below).</p>	Director	Base Salary	Superannuation	Value of Director Options	Total financial benefit	Mr Woolfe	\$250,000	-	\$54,600	\$304,600	Dr Martinick	\$40,000	\$3,800	\$54,600	\$98,400	Dr Farrell	\$30,000	\$2,850	\$54,600	\$87,450	Mr Rovira	\$30,000	\$2,850	\$54,600	\$87,450	Mr Dickson	\$90,000	\$2,850	\$54,600	\$147,450
Director	Base Salary	Superannuation	Value of Director Options	Total financial benefit																											
Mr Woolfe	\$250,000	-	\$54,600	\$304,600																											
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Mr Dickson	\$90,000	\$2,850	\$54,600	\$147,450																											
<b>Valuation of Director Options</b>	<p>The Company has valued the Director Options proposed to be issued to the Directors using the Binomial Model. The valuation of an option using the Binomial Model is a function of a number of variables.</p> <p>The valuation of the Director Options has been prepared using the following assumptions:</p> <table border="1" data-bbox="416 1507 943 1738"> <thead> <tr> <th>Variable</th> <th>Input</th> </tr> </thead> <tbody> <tr> <td>Share price</td> <td>1.0 cents</td> </tr> <tr> <td>Exercise price</td> <td>1.5 cents</td> </tr> <tr> <td>Risk free interest rate</td> <td>1.98%</td> </tr> <tr> <td>Volatility</td> <td>100 %</td> </tr> <tr> <td>Time to expiry</td> <td>3 years</td> </tr> </tbody> </table> <p>For the purposes of calculating the value of each Director Option, the Company has:</p> <ol style="list-style-type: none"> <li>assumed the Share price is \$0.01, which was the closing price of Shares on ASX on 4 September 2017, being the date of valuation of the Director Options;</li> <li>assumed the exercise price is \$0.015, being the price equal to a 50% premium to the closing price of Shares on ASX on 4 September 2017, being the date of valuation of the Director Options;</li> <li>used a risk-free interest rate of 1.98%, (estimated based on the 3-year Australian treasury bond rate as at the date of valuation of the Director Options);</li> <li>used a volatility of the Share price of 100% as determined as a typical volatility for a</li> </ol>	Variable	Input	Share price	1.0 cents	Exercise price	1.5 cents	Risk free interest rate	1.98%	Volatility	100 %	Time to expiry	3 years																		
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	<p>junior resource stock; and</p> <p>(e) assumed that the Director Options are issued on 30 November 2017.</p> <p>Based on the above, the Company has have calculated an indicative value of one Director Option to be \$0. 00546. Accordingly, an indicative value of all Director Options, proposed to be issued pursuant to Resolutions 9 to 13 is \$273,000.</p> <p>Any change in the variables applied in the Binomial Model calculation between the date of the valuation (4 September 2017) and the date the Director Options are granted would have an impact on their value.</p>						
<p><b>Company's historical Share price</b></p>	<p>The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 4 September 2017:</p> <table border="1" data-bbox="416 602 1337 712"> <thead> <tr> <th>Highest price/date</th> <th>Lowest price/date</th> <th>Latest price/date</th> </tr> </thead> <tbody> <tr> <td>\$0.028 on 4 October 2016</td> <td>\$0.006 on 18 August 2017</td> <td>\$0.01 on 4 September 2017</td> </tr> </tbody> </table>	Highest price/date	Lowest price/date	Latest price/date	\$0.028 on 4 October 2016	\$0.006 on 18 August 2017	\$0.01 on 4 September 2017
Highest price/date	Lowest price/date	Latest price/date					
\$0.028 on 4 October 2016	\$0.006 on 18 August 2017	\$0.01 on 4 September 2017					
<p><b>Other information</b></p>	<p>Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Director Options in its statement of financial performance for the current financial year.</p> <p>Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Director Options pursuant to Resolutions 9 to 13.</p> <p>Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 9 to 13.</p>						
<p><b>Directors' recommendations</b></p>	<p>All the Directors were available to make a recommendation.</p> <p>Mr Trevor Woolfe declines to make a recommendation about Resolution 9 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Each of the other Directors also decline to make a recommendation about Resolution 9. ASIC Regulatory Guide 76: <i>Related Party Transactions</i> notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest. Whilst each of the other Directors do not have a material personal interest in the outcome of Resolution 9, given it is proposed that they also be issued with Director Options under Resolutions 10 to 13, they have declined to make a recommendation about Resolution 9 in line with the ASIC guidance.</p> <p>Dr Wolf Martinick declines to make a recommendation about Resolution 10 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Each of the other Directors also decline to make a recommendation about Resolution 10. Whilst each of the other Directors do not have a material personal interest in the outcome of Resolution 10, given it is proposed that they also be issued with Director Options under Resolutions 9 and 11 to 13, they have declined to make a recommendation about Resolution 10 in line with the ASIC guidance outlined above.</p> <p>Dr Bradford Farrell declines to make a recommendation about Resolution 11 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Each of the other Directors also decline to make a recommendation about Resolution 11. Whilst each of the other Directors do not have a material personal interest in the outcome of Resolution 11, given it is proposed that they also be issued with Director Options under Resolutions 9, 10, 12 and 13, they have declined to make a recommendation about Resolution 11 in line with the ASIC guidance outlined above.</p>						

	<p>Mr Anthony Rovira declines to make a recommendation about Resolution 12 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Each of the other Directors also decline to make a recommendation about Resolution 12. Whilst each of the other Directors do not have a material personal interest in the outcome of Resolution 12, given it is proposed that they also be issued with Director Options under Resolutions 9, 10, 11 and 13, they have declined to make a recommendation about Resolution 12 in line with the ASIC guidance outlined above.</p> <p>Mr Brett Dickson declines to make a recommendation about Resolution 13 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Each of the other Directors also decline to make a recommendation about Resolution 13. Whilst each of the other Directors do not have a material personal interest in the outcome of Resolution 13, given it is proposed that they also be issued with Director Options under Resolutions 9 to 12, they have declined to make a recommendation about Resolution 13 in line with the ASIC guidance outlined above.</p>
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### Listing Rules 10.11 and 10.13

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Director Options to each of the Directors.

The following information in relation to the Director Options it is proposed be issued to the Directors the subject of Resolutions 9 to 13 is provided to Shareholders for the purposes of Listing Rule 10.13:

	Resolution 9	Resolution 10	Resolution 11	Resolution 12	Resolution 13
<b>Name of person</b>	Trevor Woolfe, a Director, or his nominee(s)	Wolf Martinick, a Director, or his nominee(s)	Bradford Farrell, a Director, or his nominee(s)	Anthony Rovira, a Director, or his nominee(s)	Brett Dickson, a Director, or his nominee(s)
<b>Maximum number of securities to be issued</b>	10,000,000 Director Options	10,000,000 Director Options	10,000,000 Director Options	10,000,000 Director Options	10,000,000 Director Options
<b>Date by which the Company will issue the securities</b>	The Director Options will be issued on one date, which will be no later than one month after the date of the Meeting, or such other date as approved by ASX.				
<b>Issue price of securities and statement of terms of issue</b>	The Director Options will be issued for no cash consideration. The terms and conditions of the Director Options are set out in <b>Annexure A</b> . The exercise price of the Director Options will be announced by the Company to ASX on the morning of the Meeting.				
<b>Voting exclusion statement</b>	A voting exclusion statement has been included in the Notice in relation to each of Resolutions 9 to 13.				
<b>Intended use of the fund raised</b>	No funds will be raised by the issue of the Director Options.				

If approval is given for the issue of the Director Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

### Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors do not have a material personal interest in the issue of Director Options to a Director (or their nominee(s)) other than to himself. However, given that it is proposed that all Directors are issued Director Options

pursuant to Resolutions 9 to 13, they may be considered to have a material personal interest in the outcome of Resolutions 9 to 13, in which case the Directors would be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act, and put the matter to Shareholders to resolve.

## **Resolution 14 – Approval of Additional 10% Placement Capacity**

### **Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12-month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of approximately \$6.95 million as at the date of this Notice and is an eligible entity for the purposes of Listing Rule 7.1A.

Resolution 14 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue Shares in the 12-month period following the Meeting. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital.

If passed, Resolution 14 will allow the Company to issue Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

### **Listing Rule 7.1A**

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has quoted Shares on issue.

Based on the number of Shares on issue at the date of this Notice, the Company has 695,196,590 Shares on issue and therefore, subject to Shareholders approving Resolution 14, 69,519,659 Equity Securities may be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

### **(A x D) – E**

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid Shares issued in the 12 months with approval of Shareholders under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the Company's 15% placement capacity without Shareholder approval; and
  - (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

Shareholders will be kept fully informed of any issue of Equity Securities under the Additional 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable listing rules. The table below demonstrates various examples as to the number of Equity

Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		Issue Price at half the current market price \$0.005	Issue Price at current market price \$0.01	Issue Price at double the current market price \$0.02
<b>Current Variable 'A'</b> 695,196,590 Shares	<b>Shares issued</b>	69,519,659	69,519,659	69,519,659
	<b>Funds raised</b>	347,598	695,196	1,390,392
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 1,042,794,885 Shares	<b>Shares issued</b>	104,279,488	104,279,488	104,279,488
	<b>Funds raised</b>	521,397	1,042,794	2,085,588
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 1,390,393,180 Shares	<b>Shares issued</b>	139,039,318	139,039,318	139,039,318
	<b>Funds raised</b>	695,196	1,390,392	2,780,784
	<b>Dilution</b>	10%	10%	10%

**Note:** The table above assumes:

- (a) No Options are exercised before the date of the issue of the Equity Securities.
- (b) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- (c) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 14 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

#### Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

<b>Minimum price</b>	The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before: <ul style="list-style-type: none"> <li>(a) the date on which the price at which the Equity Securities are to be issued is agreed; or</li> <li>(b) if the Equity Securities are not issued within five Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.</li> </ul>
<b>Potential risk of economic and voting dilution</b>	If Resolution 14 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that: <ul style="list-style-type: none"> <li>(a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;</li> <li>(b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or</li> <li>(c) the Equity Securities may be issued for non-cash consideration, which may have an effect on the amount of funds raised by the issue of Equity</li> </ul>

	<p>Securities under the Additional 10% Placement Capacity.</p> <p>The table above on page 11 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.</p> <p>The table shows:</p> <ul style="list-style-type: none"> <li>(a) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;</li> <li>(b) examples of where the issue price of ordinary securities is the current market price as at close of trade on 4 September 2017, being \$0.01, (current market price), where the issue price is halved, and where it is doubled; and</li> <li>(c) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.</li> </ul>
<b>Timing of potential issues</b>	<p>Approval of the Additional 10% Placement Capacity will be valid during the period (<b>Additional Placement Period</b>) from the date of the Meeting and will expire on the earlier of:</p> <ul style="list-style-type: none"> <li>(a) the date that is 12 months after the date of the Meeting; and</li> <li>(b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).</li> </ul>
<b>Purpose of potential issues</b>	<p>The Company may seek to issue the Equity Securities for the following purposes:</p> <ul style="list-style-type: none"> <li>(a) If Equity Securities are issued for cash consideration, the Company intends to use the funds for exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital; and</li> <li>(b) If Equity Securities are issued for non-cash consideration to acquire access to strategic tenements or assets identified by the Company to further existing projects and future growth. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.</li> </ul> <p>The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.</p>
<b>Allocation policy</b>	<p>The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:</p> <ul style="list-style-type: none"> <li>(a) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;</li> <li>(b) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;</li> <li>(c) the financial situation and solvency of the Company; and</li> <li>(d) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).</li> </ul> <p>The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.</p>
<b>Previous approvals under Listing Rule 7.1A</b>	<p>The Company previously obtained Shareholder approval under Listing Rule 7.1A on 23 November 2016. In the 12 months preceding the date of the Meeting, the Company has issued 23,911,653 Equity Securities which represents 3.56% of the total number of Equity Securities on issue at the commencement of that 12-month period. <b>Annexure B</b> sets out information in relation to each issue of Equity Securities</p>

	in the 12 months preceding the date of the Meeting.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in the Notice in relation to Resolution 14. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

## Resolution 15 – Approval to issue Shares

Resolution 15 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of a maximum of 100,000,000 Shares at an issue price of not less than 80% of the volume weighted average market price of the closing sale price of the Company's Shares on the ASX, calculated over the last five days on which sales of the Shares are recorded immediately preceding the date of issue (or, if there is a prospectus, product disclosure statement or offer information statement relating to the issue, over the last five days on which sales in the Shares were recorded before the date of the prospectus, product disclosure statement or offer information statement is signed).

ASX Listing Rule 7.1 broadly provides that a company must not, subject to certain exceptions, issue during any 12-month period any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12-month period. However, where shareholders have previously approved the issue, those shares are not taken into account in the calculation of the 15% threshold. The Company seeks approval for the purposes of Listing Rule 7.1 to give it the flexibility to issue these Shares to further advance the Company's exploration programs in Nicaragua.

The effect (on an undiluted basis) on the capital structure of the Company if all 100,000,000 Shares are issued can be summarised as follows (there will be no change to the number of Options on issue):

Shares	Number	Percentage of Shares based on total Shares upon completion of Share issue being 100%
Shares currently on issue	695,196,590	87.42%
Shares that may be issued under Resolution 15	100,000,000	12.58%
<b>Total Shares if all Shares the subject of Resolution 15 are issued</b>	<b>795,196,590</b>	<b>100.00%</b>

The following information is provided to Shareholders for the purposes of Listing Rule 7.3:

<b>Maximum number of securities</b>	The maximum number of Shares the Company can issue is 100,000,000.
<b>The date by which the Company will issue the securities</b>	The Company will issue the Shares no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
<b>The issue price of the securities</b>	The Shares will be issued at a price not less than 80% of the volume weighted average market price of the closing sale price of Shares on the ASX, calculated over the last five days on which sales of the Shares are recorded immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last five days on which sales in the Shares were recorded before the date of the prospectus).
<b>The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected</b>	The Shares will be issued to applicants to be determined by the Directors. No decision has, as yet, been made by the Directors in respect of determining the identity of the persons to whom Shares will be issued, other than that none of the persons will be related parties of the Company (which would require separate Shareholder approval).

<b>The terms of the securities</b>	The Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue.
<b>The intended use of the funds raised</b>	The funds raised by the issue will be used to further advance the Company's exploration programs in Nicaragua.
<b>The issue date</b>	The Shares may be issued on one date or progressively as required.
<b>Voting exclusion statement</b>	A voting exclusion statement is included in the Notice in relation to Resolution 15.

## Glossary

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out on page 10 of the Explanatory Memorandum.

**Additional Placement Period** has the meaning set out on page 12 of the Explanatory Memorandum.

**Annexure A** means the annexure to the Explanatory Memorandum marked A.

**Annexure B** means the annexure to the Explanatory Memorandum marked B.

**Annual Report** means the annual report of the Company for the year ended 30 June 2017.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company’s auditor from time to time.

**Auditor’s Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2017.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Oro Verde Limited ABN 84 083 646 477.

**Constitution** means the Company’s constitution, as amended from time to time.

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

**Directors** means the directors of the Company.

**Director Option** means an Option with the terms and conditions set out in Annexure A.

**Directors’ Report** means the directors’ report set out in the Annual Report for the year ended 30 June 2017.

**Director Shares** means Shares issued under the Directors’ Share Plan.

**Directors’ Share Plan** means the Oro Verde Directors’ Share Plan approved by Shareholders on 24 November 2015.

**Equity Securities** has the meaning set out in the ASX Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

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

**Notice** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Remuneration Report** means the remuneration report set out in the Annual Report for the financial year ended 30 June 2017.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 1 of the Explanatory Memorandum.

**Spill Resolution** the meaning set out on page 1 of the Explanatory Memorandum.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**WST** means Australian Western Standard Time.

## Annexure A – Director Option Terms and Conditions

1. No monies will be payable for the issue of the Director Options.
2. The Director Options shall expire at 5.00pm (Perth time) on 30 November 2020 (**Expiry Date**). In addition, the Director Options (if not yet exercised) will automatically lapse should the director voluntarily cease employment, for whatever reason, with the Company.
3. Subject to conditions 12 and 13, each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
4. Subject to condition 11, the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Options (**Exercise Price**).
5. Subject to condition 11, the Exercise Price of the Director Options shall be payable in full on exercise of the Director Options.
6. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Director Options; and
  - (b) pay the Exercise Price in full for the exercise of each Director Option.

The notice must be accompanied by a cheque made payable to the Company for the exercise price for the Director Options. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.

7. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
8. Subject to the requirements of the Corporations Act 2001 (Cwlth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange (**ASX**).
9. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
10. The Company shall apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N + 1}$$

- O' = the new exercise price of the Director Option
- O = the old exercise price of the Director Option
- E = the number of underlying securities into which one Director Option is exercisable
- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.
12. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
  13. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
  14. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

**Annexure B – Equity Securities issued by the Company during the 12 months preceding the Meeting**

Date of issue	Type of Equity Securities	No. issued	Summary of terms	Names of persons who received securities or basis on which those persons were determined	Issue price	Discount to market price at time of issue (if any)	Amount of cash consideration, amount of cash spent, use of cash and intended use for remaining amount of cash (if any)	Non-cash consideration and current market value of non-cash consideration
15/12/2016	Shares	2,006,173	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to: Shordean Pty Ltd of which Mr Woolfe is a director and shareholder (925,926 Shares). Dr Wolf Martinick (617,284 Shares) Mr Anthony Rovira (462,963 Shares)	\$0.0162	4.7%	N/A	The Shares were issued in lieu of cash remuneration to Directors for the period ended 30 September 2016 under the Directors' Share Plan. The current value of the Shares is \$20,062 based the latest closing market price of Shares as at the date of this Notice.
17/01/2017	Shares	817,757	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to: Dr Wolf Martinick (467,290 Shares) Mr Anthony Rovira (350,467 Shares)	\$0.0214	6.1%	N/A	The Shares were issued in lieu of cash remuneration to Directors for the period ended 31 December 2016 under the Directors' Share Plan. The current value of the Shares is \$8,178 based the latest closing market price of Shares as at the date of this Notice.
23/01/2017	Shares	5,500,000	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to unrelated third parties upon the exercise of options.	\$0.01	54.5%	\$55,000 The funds were used for general and administrative expenses	N/A
20/02/2017	Shares	2,000,000	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to unrelated third parties upon the exercise of options.	\$0.01	52.4%	\$20,000 The funds were used for general and	N/A

							administrative expenses	
17/03/2017	Shares	3,666,666	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to unrelated third parties upon the exercise of options.	\$0.01	50.0%	\$36,666 The funds were used for general and administrative expenses	N/A
20/06/2017	Shares	238,318	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to Dr Wolf Martinick	\$0.0214	Nil	N/A	The Shares were issued in lieu of cash Directors fees for the period ended 31 March 2017 under the Directors' Share Plan. The current value of the Shares is \$2,383 based the latest closing market price of Shares as at the date of this Notice.
17/08/17	Shares	349,315	The Shares rank equally with all other fully paid ordinary shares on issue	The Shares were issued to Dr Wolf Martinick	\$0.0146	Nil	N/A	The Shares were issued in lieu of cash Directors fees for the period ended 30 June 2017 under the Directors' Share Plan. The current value of the Shares is \$3,493 based the latest closing market price of Shares as at the date of this Notice.

# ORO VERDE LIMITED

ACN: 083 646 477

REGISTERED OFFICE:  
LEVEL 1  
30 RICHARDSON STREET  
WEST PERTH WA 6005

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

«EFT\_REFERENCE\_NUMBER»



«Post\_zone»  
«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code: **OVL**

Holder Number: «HOLDER\_NUM

## PROXY FORM

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

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

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

«ONLINE

### SECTION A: Appointment of Proxy

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

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Wednesday 22 November 2017 at The Celtic Club, 48 Ord Street, West Perth WA 6005 and at any adjournment of that meeting.

**Chairperson authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairperson of the meeting as my/our proxy (or the Chairperson becomes my/our proxy by default) I/we expressly authorise the Chairperson to exercise my/our proxy on Resolutions 1 and 4 to 13 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 to 13 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairperson.

**Important note:** If the Chairperson of the meeting is (or becomes) your proxy you can direct the Chairperson to vote for or against or abstain from voting on Resolutions 1 and 4 to 13 by marking the appropriate box in Section B below.

### SECTION B: Voting Directions

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

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*	
1. Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval to issue Director Options to Mr Trevor Woolfe or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Dr Wolf Martinick as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval to issue Director Options to Dr Wolf Martinick or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Anthony Rovira as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval to issue Director Options to Dr Bradford Farrell or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval to issue shares to Mr Trevor Woolfe under Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval to issue Director Options to Mr Anthony Rovira or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue shares to Dr Wolf Martinick under Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Approval to issue Director Options to Mr Brett Dickson or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue shares to Dr Bradford Farrell under Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to issue shares to Mr Anthony Rovira under Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval to issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval to issue shares to Mr Brett Dickson under Directors' Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Monday 20 November 2017.**

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My/Our contact details in case of enquiries are:

Name:

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Number:

( 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 )

**1. NAME AND ADDRESS**

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

**2. APPOINTMENT OF A PROXY**

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

**3. DIRECTING YOUR PROXY HOW TO VOTE**

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

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

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

**5. SIGNING INSTRUCTIONS**

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

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

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

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

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

**6. LODGEMENT OF PROXY**

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

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

**Security Transfer Australia Pty Ltd**

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916  
**Overseas** +61 3 9628 2200

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

**PRIVACY STATEMENT**

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

