

ORO VERDE LIMITED
ABN 84 083 646 477

NOTICE OF ANNUAL GENERAL MEETING
PROXY FORM
AND
EXPLANATORY MEMORANDUM

Date of Meeting
14 November 2013

Time of Meeting
1.00pm (WST)

Place of Meeting
The Celtic Club
48 Ord Street
WEST PERTH WA

This Notice of Annual General Meeting and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting. A Proxy Form is enclosed. If you are unable to attend the Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 2555.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 12 November 2013.

VOTING IN PERSON

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

PROXIES

Votes at the general meeting may be given personally or by proxy, attorney or representative.

A shareholder entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.

A proxy may, but need not be, a shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. In accordance with section 249L of the Corporations Act, members are advised that:

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

ORO VERDE LIMITED
ABN 84 083 646 477
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2013 Annual General Meeting of shareholders of Oro Verde Limited ("**Company**") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 14 November 2013 at 1.00 pm (WST) for the purpose of transacting the following Business.

ORDINARY BUSINESS

2013 Financial Statements and Reports - Agenda Item

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013, together with the Directors' statement and the Directors' Report, auditor's report and the Remuneration Report.

Resolution 1 – Re-election of Mr Ross O'Dea as a Director

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Ross O'Dea, a Director, retires by rotation, and being eligible, is re-elected as a Director of the Company."

Resolution 2 – Non-Binding Resolution to adopt Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Company's Annual Report for the financial year ended 30 June 2013."

Note: The vote on this resolution is advisory only and does not bind the Company's Directors or the Company.

Voting Prohibition Statement

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

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

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

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

Resolution 3 – Issue of Options to Dr. Wolf Martinick

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

"That for the purpose of Section 195(4) and Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 5,000,000 Options to Dr. Wolf Martinick or his nominee under the Company's Option Plan on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director, other than Directors who are ineligible to participate in any employee incentive scheme in relation to the Company and any associates of those Directors.

However, the Company need not disregard a vote cast on this resolution 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 chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 4 – Issue of Options to Dr. Brad Farrell

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

“That for the purpose of Section 195(4) and Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 5,000,000 Options to Dr. Brad Farrell or his nominee under the Company’s Option Plan on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director, other than Directors who are ineligible to participate in any employee incentive scheme in relation to the Company and any associates of those Directors.

However, the Company need not disregard a vote cast on this resolution 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 chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 5 – Issue of Options to Mr. Ross O’Dea

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

“That for the purpose of Section 195 (4) and Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 2,000,000 Options to Mr. Ross O’Dea or his nominee under the Company’s Option Plan on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director, other than Directors who are ineligible to participate in any employee incentive scheme in relation to the Company and any associates of those Directors.

However, the Company need not disregard a vote cast on this resolution 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 chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 6 – Issue of Options to Mr. David Ward

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

"That for the purpose of Section 195 (4) and Section 208 of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 2,000,000 Options to Mr. David Ward or his nominee under the Company's Option Plan on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director, other than Directors who are ineligible to participate in any employee incentive scheme in relation to the Company and any associates of those Directors.

However, the Company need not disregard a vote cast on this resolution 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 chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

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

However, the above prohibition does not apply if:

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

Resolution 7 – Approval to Issue Shares

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of a maximum of 80,000,000 Shares in the Company, at an issue price of not less than 80% of the average of the market price of the Company's Shares on the ASX on the 5 trading days on which sales were recorded before the day on which the issue is made (or, if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus or offer information statement is signed) and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any 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 associates of those persons.

However, the Company need not disregard a vote if:

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

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

By order of the Board



Brett Dickson
Company Secretary
Date: 9 October 2013

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Oro Verde Limited ABN 84 083 646 477 ("**Company**") with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Financial Statements and Reports – Agenda Item

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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

Shareholders will be given an opportunity to ask questions in relation to the accounts of the Company at the Annual General Meeting. The full financial accounts of the company are included as part of the 2013 Annual Report.

Resolution 1 – Re-election of Mr Ross O'Dea as a Director

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

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

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors and accordingly 1 must retire.

Mr Ross O'Dea, being the director the longest in office since his last election, retires by way of rotation and seeks re-election as a director of the Company.

Mr Ross O'Dea was appointed a director on 7 March 2002. He is a former Business Development Manager for The West Australian Newspaper with 35 years media experience in radio, television, press and outdoor advertising. Mr O'Dea was contracted to the TAB Western Australia as Manager, Media Services, a contract which concluded on 11 June 2004.

Resolution 2 – Non-Binding Resolution to adopt the Remuneration Report

General

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

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

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

Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against

adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

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

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

Previous voting results

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

Proxy voting restrictions

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

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member)

You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy

You do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. The Directors recommend that Shareholders vote in favour of Resolution 2.

Resolutions 3, 4, 5 & 6 – Approval of Grant of Director Options

Shareholder approval is being sought in Resolutions 3, 4, 5 and 6 to grant a total of 14,000,000 Director Options to the Directors of the Company under the Company's Option Plan as follows –

- Dr. Wolf Martinick, the Managing Director - 5,000,000 Director Options;
- Dr. Bard Farrell, the Technical Director - 5,000,000 Director Options;
- Mr. Ross O'Dea, a Non-Executive director - 2,000,000 Director Options; and
- Mr. David Ward, a Non-Executive director - 2,000,000 Director Options.

Each Director Option will be exercisable at \$0.04, a 166% premium to the last trading price of the Company's shares as at the date of this Notice, on or before 30 November 2016.

The full terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Director Options is in acknowledgement of the workload placed on the Directors and designed to encourage them 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. The Directors recognise that the issue of options to non-executive directors does not meet best practice corporate governance guidelines. However, under the Company's current circumstances the Directors consider that the incentive intended for them, represented by the issue of these Director Options, is a reasonable, 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 or the award of share rights.

The number and exercise price of the Director Options to be granted has been determined based upon a consideration of:

- their cash remuneration as a Director or executive;
- the current competitive environment in the minerals industry for experienced professionals;
- the Directors' wish to ensure that the remuneration offered is competitive with the Company's peers. The Directors consider the proposed number of Director Options to be issued will ensure that the overall remuneration is in line with market standards; and
- incentives that are given by other listed mineral exploration companies to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Over the last 12 month period, the highest closing price of Shares was \$0.06 on 17 October 2012 and the lowest closing price was \$0.008 on 1 May 2013. The closing price of Shares on 8 October 2013 was \$0.015. In respect of the Director Options to be granted (subject to Shareholder approval), the exercise price will be a 166% premium closing price of Shares on 4 October 2013.

Related Party Transactions Generally

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:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

The grant of the Director Options constitutes a "financial benefit" as defined in the Corporations Act. Further, the Directors are related parties of the Company as defined under the Corporations Act because they are Directors. Accordingly, the proposed grant of Director Options to Directors pursuant to Resolutions 3, 4, 5 and 6 constitutes the provision of a financial benefit to related parties of the Company that requires shareholder approval.

Information Requirements

For the purposes of section 219 of the Corporations Act the following information is provided to Shareholders.

The related party to whom the proposed resolution would permit the financial benefit to be given

Subject to Shareholder approval the related parties to whom the proposed Resolutions would permit the financial benefit to be given are Dr. Wolf Martinick, Dr. Brad Farrell, Mr. Ross O'Dea and Mr. David Ward, or their respective nominee(s). All are related parties by virtue of being Directors of the Company.

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Director Options for no monetary consideration to Dr. Wolf Martinick, Dr. Brad Farrell, Mr. Ross O'Dea and Mr. David Ward, or their respective nominee(s), as noted above. The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

Directors' recommendation

Resolutions 3, 4, 5 and 6 seek Shareholder approval to grant the Directors Options to each of the Directors personally. It is therefore arguable that even though the resolutions are not inter-dependent, each Director has an interest in each of the resolutions to the extent they are a proposed recipient of Director Options under one of those resolutions.

Therefore, all the Directors are of the view that it is inappropriate for them to make a recommendation on Resolutions 3, 4, 5 and 6.

For this purpose also, the Directors are seeking approval under Section 195 of the Corporations Act to allow them to all vote on any resolution at a meeting of the Directors to issue the Directors in accordance with the approvals given at the Annual General Meeting, if Resolutions 3, 4, 5 and 6 are passed. Section 195 provides that a Director may not vote on a matter at a meeting of the Directors in which the Director has a material personal interest. However, if approval is given by Shareholders in general meeting for that Director to participate, the Director may vote at the meeting of Directors on that matter, despite having a material personal interest.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

Resolution 3, 4, 5 and 6 would have the effect of giving authority to the Company to grant a total of 14,000,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has the following securities on issue:

- 179,011,012 Shares;
- 24,364,459 unlisted options exercisable at \$0.27 (expiring 31 December 2014);
- 2,500,000 unlisted options exercisable at \$0.20 (expiring 10 January 2016); and
- 3,250,000 unlisted options exercisable at \$0.04 (expiring 31 March 2016).

If all Director Options granted as proposed above are exercised, and assuming no other existing Options on issue have been exercised, the effect would be to dilute the shareholding of then Shareholders by approximately 7.25% in aggregate, or 2.72% for Mr Martinick, 2.72% for Mr Farrell, 1.10% for Mr O'Dea and 1.10% for Mr Ward. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not Dr. Wolf Martinick, Dr. Brad Farrell, Mr. Ross O'Dea and Mr. David Ward exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Shares may be trading at a price which is higher than the exercise price of the Director Options.

Current Holdings

Set out below are details of Directors' relevant interest in the securities of the Company as at the date of this Notice:

	Direct and Indirect Holdings and those of Associates			
	Dr Martinick	Dr Farrell	Mr. O'Dea	Mr. Ward
Ordinary fully paid Shares	23,000,000	20,701,281	1,060,090	2,519,727
Options				
Exercisable at \$0.27, expire 31 Dec 2014	7,500,000	7,500,000	500,000	500,000

The Directors' base fees per annum and the total financial benefit to be received by them in this current period as a result of the grant of Director Options the subject of Resolutions 3, 4, 5 and 6 are:

Director	Base salary and Fees p.a. (\$)	Superannuation p.a. (\$)	Value of Director Options (\$)	Total Financial Benefit (\$)
Dr. Martinick	210,000	18,900	32,500	261,400
Dr. Farrell	283,364	4,500	32,500	320,364
Mr. O'Dea	50,000	4,500	13,000	67,500
Mr. Ward	25,000	29,500	13,000	67,500

Valuation of Director Options

The Company has valued the Director Options to be granted to the Directors, or their respective nominee(s), using the Binomial Model. The value of an option calculated by the Binomial Model is a function of a number of variables. The Company's assessment of the value of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.015
Exercise price	\$0.040
Risk free interest rate	2.83%
Volatility	100%
Time (years) to expiry	3.0 years

For the purposes of this valuation the Company has assumed 30 November 2013 as the issue date of the Director Options. For the Share price, the Company has assumed \$0.015 as this was a recent Share price on ASX on 3 October 2013. The Company has also assumed a volatility level of 100%. Taking these factors into account, the term of the Director Options (3.0 years) and its past Share prices the estimated value of one Director Option is 0.65 cents per Director Option.

The estimated value of the 14,000,000 Director Options proposed to be granted to Dr. Martinick, Dr. Farrell, Mr. O'Dea and Mr. Ward pursuant to Resolutions 3, 4, 5 and 6 is \$91,000.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity based compensation will be recognised as an expense in respect of the services received. Other than as set out 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 granting the Director Options pursuant to Resolutions 3, 4, 5 and 6.

Apart from the information set out in this Explanatory Memorandum, 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 the proposed Resolutions 3, 4, 5 and 6.

Listing Rules Requirements

Listing Rule 10.14

Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including the grant of options) to a related party of the Company under an employee incentive scheme. If Resolutions 3, 4, 5 and 6 are passed, the Director Options will be granted to Dr Martinick, Dr. Farrell, Mr. O'Dea and Mr. Ward, or their nominee under the Company's existing employee option plan.

Accordingly, approval for the grant of the Director Options to Dr Martinick, Dr. Farrell, Mr. O'Dea and Mr. Ward is required pursuant to Listing Rule 10.14. Shareholder approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options as approval is being obtained under Listing Rule 10.14. Shareholders should note that the grant of the Director Options with approval under Listing Rule 10.14 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.14. For the purpose of Listing Rule 10.15, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Dr. Martinick (5,000,000), Dr. Farrell (5,000,000), Mr. O'Dea (2,000,000) and Mr. Ward (2,000,000) or their nominee(s);
- (b) the maximum number of Director Options to be granted is 14,000,000;
- (c) the Director Options will be granted on a date which will be no later than 12 months after the date of this Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Director Options will be granted for no consideration and accordingly, no funds will be raised from, the grant of the Director Options;
- (e) no loans have been provided to Messrs Dr. Martinick, Dr. Farrell, Mr. O'Dea and Mr. Ward in relation to the acquisition of the Director Options;

- (f) all Directors are entitled to participate in the employee option plan;
- (g) since the adoption of the Company's current employee option plan, the Company has issued options under the plan to the following persons:

Name	No. of Options issued	Price of Issue (\$)	Exercise price of option
Brett Dickson	1,000,000	Nil	\$0.27
Brett Dickson	1,000,000	Nil	\$0.04
Juan Jose Dutierrez Velez	1,000,000	Nil	\$0.27
Juan Jose Dutierrez Velez	1,500,000	Nil	\$0.04
Rodrigo Vasquez Amin	750,000	Nil	\$0.04

- (h) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

Resolution 7 – Approval to Issue Shares

Resolution 7 seeks Shareholder approval to the issue of a maximum of 80,000,000 Shares at an issue price of not less than 80% of the average of the market price of the Company's Shares on the ASX on the five trading days on which sales before the day on which the issue is made (or, if there is a prospectus or offer information statement relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus or offer information statement is signed) (**Placement**).

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

Given the Shares to be issued under Resolution 7 will exceed this 15% threshold, such approval is required. The effect of Resolution 7 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

- (a) the maximum number of Shares the Company can issue is 80,000,000 Shares;
- (b) the Company will issue the 80,000,000 Shares no later than three months after the date of the Meeting (or such other later date as permitted by any ASX modifications or waiver of the Listing Rules). At this stage, it is intended the issue of the Shares will occur in one tranche, although the Board may determine otherwise;
- (c) the Shares will be issued at a price not less than 80% of the weighted average of the closing sale price of the Shares on the ASX for the five trading days on which sales are recorded immediately preceding the date of issue (or, if there is a prospectus relating to the issue, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed);
- (d) the recipients of the Shares are not yet known at this stage, however 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 allottees. None of the allottees will be related parties of the Company;
- (e) the Shares will be ordinary fully paid shares in the capital of the Company and rank equally in all respects with the existing ordinary fully paid shares on issue; and
- (f) the purpose of the issue is to raise funds for working capital requirements, to meet administrative expenses and to progress the company's mineral exploration in Chile.

The issue of the maximum number of 80,000,000 Shares will be equal to approximately 31% of the Company's expanded share capital assuming no further issues of the securities by the Company.

ANNEXURE A
TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 30 November 2016 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) In the event that the holder, or their Associate, of the Option ceases to be an employee, contractor or ceases to provide services to the Company the Options will lapse 90 days after such cessation date.
- (d) The amount payable upon exercise of each Option will be \$0.04 (Exercise Price).
- (e) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) Subject to the satisfaction of any vesting conditions, an Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (e) (Exercise Notice).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are not transferable.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

GLOSSARY

“\$”	means Australian dollars
“Annual General Meeting” or “Meeting”	means the meeting convened by this Notice.
“ASX”	means ASX Limited;
“ASX Listing Rules”	means the Listing Rules of ASX.
“Closely Related Party” (of a member of the Key Management Personnel)	means (a) a spouse or child of the member; (b) a child of the member’s spouse; (c) a dependent of the member or the member’s spouse; (d) anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth).
“Company” or “Oro Verde”	means Oro Verde Limited ABN 84 083 646 477;
“Corporations Act”	means Corporations Act 2001;
“Directors”	means the current directors of the Company;
“Explanatory Memorandum”	means this information attached to the Notice, which provides information to shareholders about the resolutions contained in the Notice;
“Key Management Personnel”	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
“Listing Rules”	means the listing rules of ASX;
“Meeting”	means the Annual General Meeting the subject of the Notice;
“Notice” or “Notice of Meeting”	means this notice of Annual General Meeting including the Explanatory Memorandum and Proxy Form;
“Option”	means an option which enables the holder to subscribe for one Share.
“Remuneration Report”	means the remuneration report set out in the Director’s report section of the Company’s annual financial report for the year ended 30 June 2013.
“Resolutions”	means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.
“Securities”	has the meaning given to that term in the Listing Rules, and includes shares and options to subscribe for shares;
“Shares”	means fully paid ordinary shares issued in the capital of the Company
“Shareholder”	means a holder of a Share.
“WST”	means Australian Western Standard time.

PROXY FORM

APPOINTMENT OF PROXY
ORO VERDE LIMITED
ABN 84 083 646 477

ANNUAL GENERAL MEETING

I/We

of

appoint

being a Shareholder entitled to attend and vote at the Meeting, hereby

Name of proxy

OR

the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 1.00pm (WST) on 14 November 2013 at The Celtic Club, 48 Ord Street, West Perth WA, and at any adjournment thereof.

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

Voting on business of the Meeting	FOR	AGAINST	ABSTAIN
Resolution 1- Re-election of Mr. Ross O'Dea	☐	☐	☐
Resolution 2 -Adopt Remuneration Report	☐	☐	☐
Resolution 3 - Issue of Options to Dr. Wolf Martinick	☐	☐	☐
Resolution 4- Issue of Options to Dr. Bard Farrell	☐	☐	☐
Resolution 5 - Issue of Options to Mr. Ross O'Dea	☐	☐	☐
Resolution 6 - Issue of Options to Mr David Ward	☐	☐	☐
Resolution 7 - Approval to Issue Shares	☐	☐	☐

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

Important for Resolutions 2, 3, 4, 5 and 6

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 2, 3, 4, 5 and 6 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 2, 3, 4, 5 and 6 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 2, 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 2, 3, 4, 5 and 6 and that votes cast by the Chair for Resolutions 2, 3, 4, 5 and 6, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 2, 3, 4, 5 and 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2, 3, 4, 5 and 6.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Level 1, 30 Richardson Street or PO Box 493 West Perth 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9485 1290; or
 - (c) email to the Company at wolfmartinick@martinick.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.