

19 October 2018

Response to request to Convene General Meeting

- Murray River Organics Board unanimously recommends against the resolutions contained in the Section 249D notice received from the founders of MRG
- The Company intends to continue with the \$30.6M fully underwritten equity raising, and \$64.3M debt refinancing. This is the only proposal before the Company that secures the future of Murray River Organics, and funds the future cashflow needs of the business. The capital raising will proceed in accordance with the previously announced timetable
- The \$5M funding proposal from the founders is grossly inadequate to meet the funding needs of the business and is not capable of acceptance
- The Board will call a meeting of shareholders to properly consider the founders' requisition within the timeframe required under the Corporations Act

Murray River Organics Group Limited (ASX: MRG) (**Company**) advises that on 18 October 2018 it received the attached notice under section 249D of the Corporations Act 2001 (Cth) (**Requisition Notice**) requesting that the Company convene a meeting of the members of the Company (**Meeting**).

The Requisition Notice has been received from Kim Sorensen as trustee for the Sorensen Family Trust and Melanie Alderton as trustee for the Jamel Family Trust, being entities associated with the founders and former executive directors of Murray River Organics, Jamie Nemtsas and Erling Sorensen (the founders of the Company). The requisitioning shareholders together hold an interest in approximately 8.98% of the Company's shares, having sold down shares throughout 2018. At the time of the last EGM on 24 January, 2018, the founders held approximately 16.1%.

Pursuant to the Requisition Notice, the founders are requesting resolutions to:

- terminate the capital raising announced by the Company on 9 October 2018 and which is currently underway;
- remove Keith Mentiplay and Michael Porter as directors of the Company; and
- appoint the founders, Erling Sorensen and Jamie Nemtsas, as directors of the Company.

The Board notes that the Requisition Notice includes a statement on behalf of the requisitioning members in support of the resolutions proposed. In accordance with section 249P of the Corporations Act, the Company is not

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required to release that statement until it issues the notice of meeting. However, in the interests of full disclosure and transparency, the Company is releasing that Members' Statement with this announcement.

The Company will provide a fulsome response to the Members' Statement with the notice for the requisitioned meeting. In the meantime, the Board of the Company, taking legal and other relevant financial and restructuring advice, notes the following:

- The Board considers that the original founders, who both left the Company in 2017 following significant downgrades and loss of shareholder value, have been at the centre of the underlying problems and poor management of the Company which resulted in its under-capitalisation. The Board views the requisition request attached as a blatant attempt to thwart the opportunity for the Company to reset its balance sheet and that it is misleading in its suggestions that there are alternatives to the capital raising capable of delivering a superior return to shareholders.
- The founders have also stated that they intend to engage Boab Capital to advise them in relation to alternative proposals. Boab Capital is currently the subject of a confidentiality undertaking with the Company that is on foot, has previously explored potential transactions as principle with Murray River Organics. The Board questions Boab's ability to act in the interests of all shareholders as advisor given their prior conditional and incomplete interest to acquire some and all of the Company's assets.
- Given that the Requisition Notice proposes the election of Jamie Nemtsas and Erling Sorensen as directors of the Company in place of Michael Porter and Keith Mentiplay, it is also with reluctance that we further disclose that the external independent investigation conducted by KordaMentha into business and operational practice and employee behaviours (as previously announced) contains serious allegations against certain members of the former management of the Company, which includes the founders. This investigation has been handed over to the relevant authorities. The Directors cannot in good conscience recommend that the founders be reinstated to the Board in the context of the findings of the external independent investigation.
- The Board has previously disclosed that it has explored numerous options including alternative capital raising structures, debt refinancing, asset sales and a potential sale of the entire Company to ensure the Company not only remains an ongoing concern but is positioned to realise Murray River Organics' significant potential.
- The Company requires the capital raising to be completed as soon as possible to secure ongoing support of the bank and to deliver on its projected growth plan. As previously disclosed, the ongoing support of the bank is contingent on the Company raising \$30 million of equity, which is fully underwritten and well underway. The success of this equity raising when combined with the debt funding, will secure approximately \$94.6 million dollars of ongoing funding for the Company (being \$30.6 million of equity and \$64.2 million of debt funding).

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- The funding secured by the current capital raising is to be contrasted with the "\$5 million line of credit" that the founders are proposing to fund the business while further alternative transaction paths are pursued. The Board notes that such funding is grossly inadequate
 - It fails to meet the immediate needs of the business
 - The \$5M line of credit would require the bank's consent
 - The proposal does not address the pending maturity of \$26.1M of bank facilities on 30 November 2018, as previously disclosed .
- The Board continues to believe that the current capital raising, fully underwritten by Shaw & Partners, presents the best possible outcome for shareholders and allows for them to retain their percentage holding in the Company and an opportunity to benefit as the Company's turnaround progresses. The Board further believes that to delay or not complete the capital raising would not be in the best interests of shareholders, particularly given that \$26.1 million of the Company's debt facilities mature on 30 November 2018, and the refinancing is subject to completion of the capital raising. Given the ability for all shareholders to protect themselves from dilution under the renounceable entitlement offer underway, the Board recommends that all shareholders participate in the current raising and will be investing alongside shareholders as previously disclosed. There are no alternative transaction structures that meet the balance sheet and ongoing working capital needs of the business.

The Board will be unanimously recommending against the resolutions proposed in the Requisition Notice.

The Board will, in accordance with the Corporations Act, issue a notice of general meeting of the Company within 21 days of the date of the Requisition Notice (unless the Requisition Notice is withdrawn in the meantime) to consider the resolutions the subject of the Requisition Notice. That general meeting will be held within 2 months of the date of the Requisition Notice, being 18 October 2018.

The Company will keep all shareholders informed of any material developments relating to the above in accordance with its obligations under the Listing Rules and Corporations Act.

Investor enquiries

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Natasha Mandie
EM Advisory
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Murray River Organics Group Limited (ASX: MRG) is a leading Australian producer, manufacturer, marketer and seller of certified organic, natural and better-for-you food products. We service the organic, natural and healthy food and snack market globally.

For further information please visit www.murrayriverorganics.com.au

Certifications



To:

The Board of Directors
Murray River Organics Group Ltd
32 Crompton Way
Dandenong South 3175, Victoria

By email and registered post

REQUEST TO CONVENE GENERAL MEETING

This request ("Request") is given to Murray River Organics Group Limited (ABN 46 614 651 473) ("MRG" or the "Company") under section 249D, and in reliance on section 203D(2), of the *Corporations Act 2001* (Cth) ("Corporations Act").

The Sorensen Family Trust and the Jamel Family Trust (together the "Requesting Shareholders"), being shareholders of the Company with at least 5% of the votes that may be cast at a general meeting of the Company, request the Company and the Company's directors to call a general meeting of members of the Company to consider, and if thought fit pass, the following resolutions:

Resolution: Termination of capital raise

"That the 2.4 for 1 accelerated pro-rata renounceable entitlement offer of shares to raise \$30.6 million at \$0.10 per share as announced by the Company 9th October 2018 is terminated on and with immediate effect from the close of this meeting, and that any funds received and held in trust account are returned to the relevant shareholders and no new shares in the Company are issued under the entitlement offer."

Resolution: Election of Jamie Nemtsas as a director

"That Jamie Nemtsas, having consented to act as a director of the Company, be and is hereby appointed as a director of the Company on and with effect immediately from the close of this general meeting."

Resolution: Election of Erling Sorensen as a director

"That Erling Sorensen, having consented to act as a director of the Company, be and is hereby appointed as a director of the Company on and with effect immediately from the close of this general meeting."

Resolution: Removal of Keith Mentiplay as a director

"That Keith Mentiplay be removed as a director of the Company on and with immediate effect from the close of this general meeting."

Resolution: Removal of Michael Porter as a director

"That Michael Porter be removed as a director of the Company on and with immediate effect from the close of this general meeting."

To ensure that each shareholder has all information necessary to make an informed decision as to how to vote on the above resolutions and to ensure the notice of meeting for the general meeting is

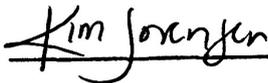
truly informative, the Requesting Shareholders enclose, as attachment "A", biographical details of Jamie Nemtsas and Erling Sorensen and requests that the Company include these details in the explanatory materials to be delivered to all shareholders together with the notice of meeting.

The Requesting Shareholders also request that, together with its notice of meeting, the Company distribute to all its shareholders a members' statement in accordance with section 249P of the Corporations Act. A copy of the member's statement is enclosed as attachment "B".

The Requesting Shareholders hereby nominate Jamie Nemtsas and Erling Sorensen as directors of the Company pursuant to Article 47 of the Company constitution and enclose consents to act as directors from each of them. In accordance with the Company constitution, the Requesting Shareholders request that meeting is not to be held within 30 Business Days of receipt of this notice in accordance with Article 47.

The Requesting Shareholders further request that the directors of the Company disclose this request to the market by lodging it with the Australian Securities Exchange as soon as possible.

Dated: 18 October 2018



KIM SORENSEN AS TRUSTEE FOR THE SORENSEN FAMILY TRUST



MELANIE ALDERTON AS TRUSTEE OF THE JAMEL FAMILY TRUST

Attachment "A"

Biographical details of Jamie Nemtsas and Erling Sorensen

Jamie Nemtsas

Jamie has significant experience in farming operations, having been involved in such operations for the most of his life and also has significant experience in wealth and asset management, predominately with high net worth individuals, families and corporations. Jamie currently serves on a number of private company Boards and also has a strong interest in serving the community and is the pro bono Director of the Greenlight Foundation and the Willow Foundation. Jamie is also a Certified Financial Planner and is a fellow of the Securities Institute of Australasia. Jamie is a co-founder of Murray River Organics and was executive director from 6 September 2016 till 28 August 2017.

Erling Sorensen

Erling has a diverse skillset with significant international experience in management, sales, operations, corporate finance, strategy, mergers & acquisitions, commodity trading, risk management, investing and transport. He has worked for and managed international industrial and transport companies in Oslo, Singapore, Melbourne and London. Erling is a Fellow of the Australian Institute of Company Directors and has held a number of non-executive directorships for publicly listed companies both in Australia and the United Kingdom. Erling is a co-founder of Murray River Organics and was managing director from 6 September 2016 till 9 November 2017.

Attachment "B"

Members' Statement

REQUISITIONING MEMBERS' STATEMENT

18th October 2018

Dear fellow MRG shareholder

In accordance with section 249D of the *Corporations Act 2001* (Cth) we have today requisitioned a shareholder meeting for the purposes of:

- **Terminating the accelerated pro-rata renounceable entitlement offer of shares to raise \$30.6 million at \$0.10 per share as announced by MRG 9th October 2018 (Offer)**
 - The pricing of the Offer:
 - is at a 73.33% discount to the 12 months' volume weighted average price at which MRG shares traded prior to the Company's shares being suspended from trading;
 - results in the total number of shares in the Company increasing by 306,184,087 shares to 433,760,790;
 - is at a 38% discount to the (intermediate written down) net tangible asset backing per the most recently lodged set of accounts; and
 - may consequently be extremely dilutive for those shareholders who do not participate in the raise.
 - the Offer may result in a substantial shareholder, who is sub-underwriting the Offer, gaining effective control of the Company by increasing its voting power to as much as 40.5% if no eligible shareholders accept the Offer.
 - This shareholder will not be paying a control premium for any such effective control.
 - **Although not legally required, we fundamentally believe that all shareholders should have the right to vote on whether this Offer, given its size and consequences, is in the best interest of all shareholders.**

- **Replacing two existing directors with two new directors who possess a deep and intimate knowledge of the business and the industry in which it operates and who will seek to ensure that:**
 - the Company pursues an alternative recapitalisation strategy to achieve a significant reduction in debt levels and a better environment for shares in MRG to appreciate in value with a focus on minimising dilution for existing shareholders; and
 - a proper process is undertaken, concurrent with the alternative recapitalisation strategy, to potentially sell all or parts of the Company or its assets. This will include engaging with parties that we understand have expressed an interest in a whole of Company transaction.

We have requested the Company to hold the requisitioned meeting prior to the completion of the Offer.

We have spoken with a number of shareholders of the Company and it is apparent that more than 30% of the shares on issue are in favour of terminating the Offer. These shareholders do not believe that pursuing the Offer is in their best interest and they support Jamie Nemtsas and Erling Sorensen replacing two of the existing directors.

If you would also rather that the announced Offer be terminated and that Jamie Nemtsas and Erling Sorensen replace two existing directors to seek to ensure than an alternative recapitalisation strategy is pursued, then please vote in favour of the resolutions proposed by us.

Both Jamie Nemtsas and Erling Sorensen have consented to their nominations and consented to act as directors of MRG. They possess a deep knowledge of the Company and the sector in which it operates both domestically and internationally and they are highly experienced business people who

REQUISITIONING MEMBERS' STATEMENT

have built and operated businesses for a large part of their careers. Biographical details will be distributed by the Company when it provides you with the notice of meeting.

Finally, we think it is also important for you to know that Jamie Nemtsas and Erling Sorensen:

- **are large shareholders of MRG, unlike the existing Board and Management.** They have invested their own money in the Company. Accordingly, they are aligned with the shareholders of the Company and will ensure they act with the degree of care and diligence that a reasonable person might be expected to show in the role as a director.
- **will not improperly use their position to gain an advantage for themselves or someone else, or to the detriment to the Company** and therefore if appointed will not allow the issuance of retention or incentive payments or one-off payments in form of discounted shares or options in connection with our alternative recapitalisation proposal. In contrast, the Prospectus issued by the Company on 9th October 2018 provides for the following:
 - CEO retention incentive payment of
 - 6 million options at \$0.10 (vesting 2019);
 - 6 million options at \$0.18 (vesting 2020);
 - 6 million options at \$0.27 (vesting 2022); and
 - 3,000,000 shares for no consideration.
 - Each non-executive director will receive 1,000,000 options at \$0.10 (vesting on 22 November 2018).
 - EM Advisory will be granted 3,825,000 options at \$0.12.
- **have on numerous occasions advised the current Board of MRG that they do not believe the Offer is in the best interest of shareholders** and have requested that shareholders were provided comfort and evidence that all recapitalisation options had been explored along with detailed explanation and justification for the chosen option.
- **if appointed to replace the two other directors, and subject to approval by the board, will be able to establish a \$5 million line of credit (unsecured)** with a minimum of 12 months duration and a 9% p.a. fixed interest on drawn amount, should this be deemed necessary to ensure the effective operation of the Company after appointment of the directors that have been nominated.
- **intend to appoint Boab Capital Group as financial advisor** to run a proper process to potentially sell all or parts of the Company or its assets to assist in realising the inherent value of MRG to its shareholders.
- **if appointed as directors, will not be charging any director fees until the Company has generated sustainable positive operating cashflow** for a period of more than 12 months.

We encourage you to consider our proposal carefully, to advise the Company of your views as soon as practicable, to contact us if you have any questions and then vote at the meeting.

Should you be unable to attend the meeting then we would be pleased to act as your proxy at the meeting.

REQUISITIONING MEMBERS' STATEMENT

Yours sincerely

KIM SORENSEN AS TRUSTEE OF THE SORENSEN FAMILY TRUST

A handwritten signature in cursive script, appearing to read "Kim Sorensen".

MELANIE ALDERTON AS TRUSTEE OF THE JAMEL FAMILY TRUST

A handwritten signature in cursive script, appearing to read "Melanie Alderton".

Attachment "C"

Director nominations and consents

DIRECTOR NOMINATION FORM
MURRAY RIVER ORGANICS GROUP LIMITED

1. Nomination

We, the undersigned, being members of Murray River Organics Group Limited ACN 614 651 473 (Company), hereby nominate:

Name: Erling Sorensen (Nominee)

Address: 48 Mills Street, Hampton 3188

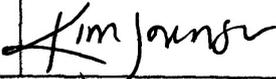
Telephone: 0457 730 175

Email erlingsorensen@y7mail.com

for election to the Board of Directors of the Company.

We also confirm that each of us hold ordinary shares (either alone or jointly with any other person) in the capital of the Company.

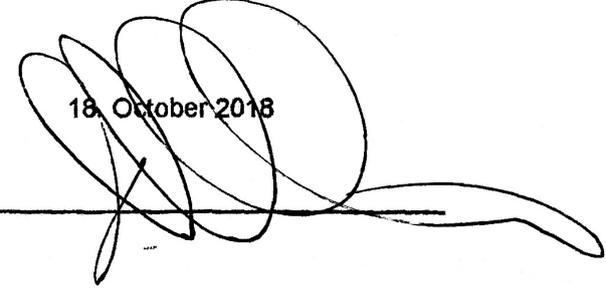
Dated: 18 October 2018

Nominating Member	Signature
MELANIE ALDERTON AS TRUSTEE OF THE JAMEL FAMILY TRUST	
KIM SORENSEN AS TRUSTEE OF THE SORENSEN FAMILY TRUST	

2. Nominee's Acceptance

And I, the undersigned, being the Nominee, do hereby accept my nomination as a Director of the Company.

Dated: 18 October 2018

Signed: 

DIRECTOR NOMINATION FORM
MURRAY RIVER ORGANICS GROUP LIMITED

1. Nomination

We, the undersigned, being members of Murray River Organics Group Limited ACN 614 651 473 (Company), hereby nominate:

Name: Jamie Nemtsas (Nominee)

Address: 14 Dyrden Street, Canterbury, 3126

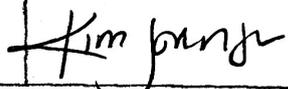
Telephone: 0403200253

Email: jamiememtsas@gmail.com

for election to the Board of Directors of the Company.

We also confirm that each of us hold ordinary shares (either alone or jointly with any other person) in the capital of the Company.

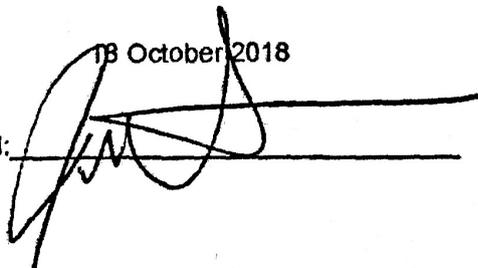
Dated: 18th October 2018

Nominating Member	Signature
MELANIE ALDERTON AS TRUSTEE OF THE JAMEL FAMILY TRUST	
KIM SORENSEN AS TRUSTEE OF THE SORENSEN FAMILY TRUST	

2. Nominee's Acceptance

And I, the undersigned, being the Nominee, do hereby accept my nomination as a Director of the Company.

Dated: 18 October 2018

Signed: 

Consent to act as a Director

To: **Murray River Organics Group Limited ACN 614 651 473**
(Company)

32 Crompton Way
Dandenong South 3175, Victoria

Attention: Board of Directors

Consent and confirmations

1. I consent to act as a director of the Company with effect on and from the date of this consent.
2. I confirm that I am not disqualified from managing corporations under Part 2D.6 of the *Corporations Act 2001 (Cth) (Corporations Act)*.
3. I confirm that my appointment as a director of the Company will not breach the terms of any agreement by which I am bound.
4. I provide the following information in accordance with section 205C of the Corporations Act:

Personal details

<i>Given name and family name</i>	Erling Sorensen
<i>Usual residential address</i>	48 Mills Street, Hampton, Victoria 3188
<i>Date of birth</i>	31 st October 1969
<i>Place of birth</i>	Lyngby, Denmark
<i>Former names</i>	None

Undertaking

I undertake to notify the Company immediately of:

1. any material change in the facts set out in this document; and
2. any material personal interest I have in a matter that relates to the affairs of the Company, unless I have already given a standing notice of the nature and extent of the interest and the notice is still effective in relation to the interest.

.....
Signature of Erling Sorensen

Date: 18 / 10 / 2018

Consent to act as a Director

To: **Murray River Organics Group Limited ACN 614 651 473**
(Company)

32 Crompton Way
Dandenong South 3175, Victoria

Attention: **Board of Directors**

Consent and confirmations

1. I consent to act as a director of the Company with effect on and from the date of this consent.
2. I confirm that I am not disqualified from managing corporations under Part 2D.6 of the Corporations Act 2001 (Cth) (Corporations Act).
3. I confirm that my appointment as a director of the Company will not breach the terms of any agreement by which I am bound.
4. I provide the following information in accordance with section 205C of the Corporations Act:

Personal details

Given name and family name	Jamie Nemtsas
Usual residential address	14 Dryden Street, Carterbury, Vic, 3126
Date of birth	18/4/1975
Place of birth	Mildura
Former names	None

Undertaking

I undertake to notify the Company immediately of:

1. any material change in the facts set out in this document; and
2. any material personal interest I have in a matter that relates to the affairs of the Company, unless I have already given a standing notice of the nature and extent of the interest and the notice is still effective in relation to the interest.

.....
Signature of Jamie Nemtsas

Date: 18 / 10 / 2018