



Oro Verde Limited
ABN 84 083 646 477

Notice of General Meeting and Explanatory Memorandum

Date of Meeting

19 August 2019

Time of Meeting

9:00am (WST)

Place of Meeting

The Park Business Centre
45 Ventnor Avenue
West Perth WA 6005

A Proxy Form is enclosed

Please read this Notice of General Meeting and Explanatory Memorandum carefully and in the entirety. If you are unable to attend the 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 General Meeting

NOTICE IS GIVEN that a general meeting of the Shareholders of Oro Verde Limited ABN 84 083 646 477 (**Company** or **OVL**) will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005 on 19 August 2019 at 9:00am (WST) for the purpose of transacting the business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to 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.

RESOLUTION 1 - APPROVAL FOR A CHANGE TO SCALE OF ACTIVITIES

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

That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the scale of its activities by entering into and completing the Proposed Acquisition as described in the Explanatory Memorandum.

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, or an associate of that person (or those persons), if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 - ISSUE OF CONSIDERATION SHARES

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

That, subject to and conditional upon the passing of Resolution 1, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the Company to issue that number of Shares which is equal to the Australian dollar equivalent of US\$150,000 divided by the greater of the 30-day VWAP or 80% of the 5-day VWAP at the time of issue, on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the 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 3 - RATIFICATION OF PRIOR ISSUE OF SHARES

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

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 200,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy

Form or it is cast by the 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.

By order of the Board:

A handwritten signature in black ink, appearing to read 'Brett Dickson', written in a cursive style.

Brett Dickson
Finance Director and Company Secretary

Dated: 16 July 2019

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.
- 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 Chairman 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 Chairman of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chairman 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 Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support 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 Resolution. These rules are explained in this Notice. However, in exceptional circumstances, the Chairman of the Meeting may change his voting intention, in which case an ASX announcement will be made.
 - Proxies must be received by **9:00am (WST) on 17 August 2019**, being 48 hours prior to the Meeting. Proxies received after this time will be invalid. Proxies may be lodged using any of the following methods:
 - Online: www.investorcentre.com/au
 - By mail: GPO Box 2975 Melbourne VIC 3001, Australia
 - In person: Computershare Investor Services Pty Limited - Level 11, 172 St Georges Terrace Perth WA 6000
 - By facsimile: +61 3 9473 2500
- For all enquiries call 1300 850 505 (within Australia) or +61 3 9415 4000 (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 17 August 2019.

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 General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1. RESOLUTION 1 - APPROVAL FOR A CHANGE TO SCALE OF ACTIVITIES

1.1 Background to the Proposed Acquisition

As announced on 5 July 2019, the Company has entered into an option agreement to acquire up to a 60% interest in the Makuutu Rare Earth Elements project (**Makuutu**) (**Option Agreement**). The Company's interest in Makuutu will arise through the proposed acquisition of up to a 60% interest in Rwenzori Rare Metals Limited (**RRM**) (**Proposed Acquisition**).

Makuutu comprises three licences covering approximately 132 km² located approximately 40 km east of the regional centre of Jinja and 120 km east of the capital city of Kampala in eastern Uganda. The area has excellent infrastructure with tarred roads, nearby rail, power and water, cell phone coverage, as well as being readily accessible throughout the year irrespective of weather conditions.

As foreshadowed in the Company's announcement, the Company is now seeking Shareholder approval for the Proposed Acquisition.

1.2 Rationale for the Proposed Acquisition

As explained in the Company's announcement on 5 July 2019, the Board considers that this is an exciting acquisition for the Company having searched extensively for the next company project. The Board considers that the Makuutu project has the potential to be a world-class rare earth project, with a favourable low cerium/lanthanum content, and that is located strategically outside of China.

Additionally, the Board considers that the Company will have an excellent project partner in RRM's existing management and technical teams.

The Makuutu project geology is similar to the southern China ionic clay-type deposits, which are the cheapest and most readily accessible source of heavy Rare Earth Oxides (**HREO**) that are extracted through rudimentary mining and processing methods. Preliminary metallurgical work has been undertaken on Makuutu mineralisation that culminated in an 8.5 tonne bulk sample being tested at Mintek laboratories in South Africa, which has confirmed favourable metallurgy and extraction characteristics typical of ionic clay mineralisation.

1.3 Proposed Acquisition details

The Makuutu Rare Earth Elements project is owned 100% by Ugandan registered Rwenzori Rare Metals Limited (**RRM**), which in turn is owned 85% by South African registered Rare Earth Elements Africa Proprietary Limited (**REEA**).

The Company has entered into a binding Option Agreement with both companies that enables it to acquire up to a 60% direct interest in RRM, and thereby up to a 60% indirect interest in the Makuutu project by:

- (a) the payment of US\$10,000 for a 30-day exclusive option period (which OVL has paid to RRM);
- (b) upon exercise of the option following OVL's satisfactory due diligence, the payment of US\$100,000 cash and issuing US\$150,000 in OVL Shares to REEA at a 30-day VWAP, in return for an immediate 20% interest in RRM;
- (c) OVL to contribute US\$1,700,000 of expenditure by 1 October 2020 to earn up to a 51% staged interest in RRM as follows:

Spend	Interest earned	Cumulative Interest earned
Exercise of Option US\$100,000 as in (b) above	20%	20%
Expenditure contribution of US\$650,000	11%	31%
Expenditure contribution of further US\$800,000	15%	46%
Expenditure contribution of further US\$250,000	5%	51%

- (d) OVL to fund to completion of a bankable feasibility study to earn an additional 9% interest for a cumulative 60% interest in RRM; and
- (e) during the earn-in phase there are milestone payments, payable in cash or OVL Shares at the election of RRM, as follows:
 - (i) US\$750,000 on the Grant of Retention licence over RL1693 which is due to expire in November 2020;
 - (ii) US\$375,000 on production of 10 kg of mixed rare-earth product from pilot or demonstration plant activities; and
 - (iii) US\$375,000 on conversion of existing licences to mining licences.

At any time should the Company not continue to invest in the project and project development ceases for at least two months, RRM has the right to return the capital sunk by the Company and reclaim all interest earned by the Company.

The Company has commenced due diligence activities, with technical consultants having been appointed. Upon successful completion of due diligence, a swift progression to project development is being planned by the Company, with work to commence immediately on the following:

- » Infill and extensional drilling;
- » resource development to JORC standard; and
- » metallurgical test work.

If the Company is satisfied with the results of its due diligence it has the right to elect to complete the initial investment into RRM and the Makuutu project. At any time OVL may require the parties to enter into a formal contract and any ancillary documentation to reflect the terms of the Option Agreement and other items as are appropriate and customary for transactions of this nature and as are required under Australian, Ugandan and South African laws.

Upon completion of the planned bankable feasibility study, the Company will have a first right of refusal to acquire the outstanding 40% shareholding in RRM from REEA. The outstanding shareholding may be acquired in consideration for cash or shares in OVL, with the split between cash and shares at the sole discretion of the REEA. The value of the 40% stake shall be determined by agreement between the Company and REEA.

1.4 Funding of the Proposed Acquisition

The Company has secured immediate funding of approximately A\$600,000 (before costs) through a share placement to clients of Patersons Securities Limited and Sixty Two Capital Pty Ltd. A total of 200 million fully paid ordinary shares were issued on 11 July 2019 at a price of \$0.003 utilising the Company's existing placement capacity pursuant to Listing Rule 7.1. The funds raised under the placement will be used to fund its initial commitments for the Makuutu project (refer to Resolution 3 for more information on this placement).

The funding of the remainder of the Company's expenditure commitment will likely be funded through future capital raisings, however, this expenditure is discretionary and the funds will only be committed by the Company should results warrant it.

Notwithstanding the Company's previous announcement noting that the placement Shares would be issued in part under the 10% placement capacity under Listing Rule 7.1A, the Shares will now be issued in full utilising the Company's existing placement capacity pursuant to Listing Rule 7.1 due to the recent increase in the Share price.

If Resolution 1 is approved by Shareholders, the previously obtained Shareholder approval for the issue of equity securities up to 10% of the issued capital of the Company that was provided in accordance with Listing Rule 7.1A at the Company's Annual General Meeting on 30 November 2018 will cease to be valid due to the Company's change in scale.

1.5 Timing of Proposed Acquisition

Subject to the requirements of the ASX Listing Rules, the Company anticipates completion of the Proposed Acquisition will be in accordance with the following timetable:

Event	Date
Notice of meeting despatched to Shareholders	19 July 2019
Expiry of Option Period	28 July 2019
General Meeting to approve the Proposed Acquisition	19 August 2019
Deadline for funding of work for Preliminary Economic Assessment	1 October 2020

Please note that these dates are indicative only and subject to change.

1.6 About the Makuutu Rare Earth Project

Makuutu comprises three licences covering approximately 132 km² located approximately 40 km east of the regional centre of Jinja and 120 km east of the capital city of Kampala in eastern Uganda. The area has excellent infrastructure with tarred roads, nearby rail, power and water, cell phone coverage, as well as being readily accessible throughout the year irrespective of weather conditions.

The Company will be utilising its 30 day due diligence period to verify the previous exploration and testing results generated by the current owners, RRM, which include:

- » ground Gravity survey;
- » radiometric survey;
- » pitting for metallurgical test work samples;
- » in excess of 100 drill holes totalling more than 2,000 m of drilling and sample assays;
- » preliminary metallurgical testing, with an 8.5 tonne sample being processed at Mintek laboratories in South Africa;
- » geological modelling; and
- » a non-JORC compliant Mineral Resource estimate.

Collectively, this work indicates the presence of a large zone containing mineralised rare earth clays covering an aerial extent of approximately 15.0 x 1.5 km. This mineralised zone covers only a portion of the main tenement, while the other tenements in the package remain untested, indicating that further mineralised extensions and/or new zones may be defined.

The resource and exploration work that has been completed to date is not being disclosed by the Company, as until the Company's due diligence is completed it has no comment on the veracity or reliability of that information and investors should not rely on that information until it has been verified.

Ionic clay Rare Earth Projects vary markedly from hard rock Rare Earth projects. Typically, rare earths can be recovered from ionic clay mineralisation using mild leaching conditions and generally present practical processing advantages which are summarized in the following table:

Mining / processing stages	Clay-Hosted REE	Hard Rock-Hosted REE
Mineralisation	↗ Soft material, negligible (if any) blasting	↘ Hard rock
Mining	Low operating costs: ↗ Surface mining (0-15m) ↗ Minimal stripping of waste material ↗ Progressive rehabilitation of mined areas	High operating costs: ↘ Blasting required ↘ Could have high strip ratios
Processing – Mining site	↗ No crushing or milling ↗ Potential for static or in-situ leaching ↗ Ambient temperature ↗ Simple process plant	↘ Comminution, followed by beneficiation that often requires expensive (flotation) reagents
Mine product	↗ Mixed high-grade rare earth precipitate (~50-95% depending on precipitant) for feedstock into rare earth separation plant	↘ Mixed REE mineral concentrate (typically 20 – 40% TREO)
Processing – Refinery (typically not on mining site)	↗ Simple acid solubilisation followed by conventional REE separation ↘ Complex recycling of reagents and water	↘ High temperature mineral “cracking” using strong reagents ↘ Complex plant (to withstand strong reagents and high temperatures) ↘ High reagent consumption per tonne of REO)
Processing – Environmental	↗ Non-radioactive tailings ↘ Solution treatment and reagent recovery requirements (somewhat off-set by advantageous supporting infrastructure)	↘ Tailings often radioactive (complex and costly disposal)

1.7 About Rwenzori Rare Metals Limited (RRM)

RRM is a private Ugandan company, with its majority shareholder, REEA, based in South Africa. RRM's share capital is currently 85% owned by REEA (South African) and 9.75% is owned by Kweri Limited (Ugandan) and 5.25% is owned by Berkely Reef Limited (Ugandan). There is provision for the Ugandan partners to convert their shareholding to a 2% royalty (1% royalty each) on project revenue which may be resolved before execution of a formal agreement between the Company and RRM.

RRM is focused on economically viable and sustainable rare earth mining with a deep respect for the planet and the countries in which it operates. RRM is a rare earth exploration company that strives to extract rare earth elements cost effectively without adversely affecting the environment.

Since 2016, RRM has created a team that has not only uncovered the potential within the land but defined a clear economic model to ensure the sustainability and viability of the opportunity. The RRM management team is a unique partnership of both world class geological skills and experienced business leaders drawn from both Uganda and South Africa.

Current Directors: Bongani Raziya | BA, B.Proc.,LLB | Founder and President
 Richard Kaijuka | B.A. (Econ) Hons, F.C.I.B | Chairman / Uganda
 Warren Tregurtha | B.Bus.Sci. (Hons), CA (SA), CFA | CEO
 Cesare Morelli | B.Sc. (Hons)(Geology) | Technical Director
 David Kyagulanyi | B.Sc. M.Sc. | Project Director / Uganda

Advisors: Uswege Seme | B.Sc. (Hons)(Geology) | Exploration
 Dr Medard Kubanza | PhD (Geophysics) | Geophysics
 John Derbyshire | B.Sc. Eng. (Chem.) | Metallurgy

If the Company exercises the option and proceeds with the staggered expenditure payments detailed in Section 1.3(c) above, the Company will be entitled to appoint individuals to the RRM board. The Company will be entitled to appoint one board member while its cumulative interest in RRM is less than 50% and a majority of the board members once it has reached a 50% interest.

1.8 Effect on OVL's financial position

Set out in the table below for illustrative purposes is the pro forma balance sheet of the Company showing the effect of the Proposed Acquisition. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

	CONSOLIDATED		
	Unaudited as at 31 May 2019	Pro-forma adjustments	Unaudited Pro- forma as at 31 May 2019
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	708,461	447,143	1,155,604
Trade and other receivables	37,612	-	37,612
Total Current Assets	<u>746,073</u>	<u>447,143</u>	<u>1,193,216</u>
Non-current Assets			
Capitalised exploration expenditure	-	357,143	357,143
Total Non-current Assets	<u>-</u>	<u>357,143</u>	<u>357,143</u>
TOTAL ASSETS	<u>746,073</u>	<u>804,286</u>	<u>1,550,359</u>
LIABILITIES			
Current Liabilities			
Payables	17,058	-	17,058
Total Current Liabilities	<u>17,058</u>	<u>-</u>	<u>17,058</u>
TOTAL LIABILITIES	<u>17,058</u>	<u>-</u>	<u>17,058</u>
NET ASSETS	<u>729,015</u>	<u>804,286</u>	<u>1,533,301</u>
EQUITY			
Issued Capital	24,503,006	3,242,857	27,745,863
Reserves	5,228,315	-	5,228,315
Accumulated losses	(29,002,306)	(2,438,571)	(31,440,877)
TOTAL EQUITY	<u>729,015</u>	<u>804,286</u>	<u>1,533,301</u>

1.9 Effect on OVL's capital structure

The indicative effect of the Proposed Acquisition on the capital structure of the Company will be as follows:

Capital Structure	Shares	Options	Performance Rights
As at announcement of Proposed Acquisition	1,555,678,533	460,000,000 ¹	50,000,000 ²
Share placement to clients of Patersons Securities ³	200,000,000	-	-
Shares to be issued in connection with Proposed Acquisition ⁴	880,952,381	-	-
Total	2,636,630,914	460,000,000	50,000,000

1. Comprising:

- a. 73,000,000 unquoted options exercisable at \$0.05 on or before 30 September 2019;
- b. 47,000,000 unquoted options exercisable at \$0.013 on or before 30 November 2020; and
- c. 340,000,000 unquoted options exercisable at \$0.0075 on or before 31 July 2021.

2. The full terms and conditions of the performance rights on issue are set out in Annexure B of the Company's Notice of Annual General Meeting dated 16 October 2018.

3. Share placement to clients of Paterson's Securities Limited and Sixty Two Capital Pty Ltd as detailed in section 1.4 above.

4. Assumes initial option exercise payment and total exploration expenditure funding detailed in section 1.3 met by issue of new OVL Shares @ \$0.003 per Share.

1.10 Changes to business

The change in scale to the Company's activities as a result of the Proposed Acquisition is not one that fundamentally changes Shareholders' original investments. The Proposed Acquisition is complementary to the current business activities and undertakings of the Company and the nature of the Company's existing business activities will not significantly change given the Company already conducts mineral exploration in frontier countries.

The Proposed Acquisition provides a significant strategic opportunity for existing Shareholders and is in line both with the Company's historical and continuing mineral exploration asset base and publicly stated strategic objectives. As Shareholders will be aware, the Company has been actively looking for new project opportunities that meet its criteria for some time.

1.11 Company's Board of Directors

The Board of Directors and management of the Company will not change as a result of the Proposed Acquisition.

None of the Company's existing Directors have any interest in the Proposed Acquisition, other than in the capacity as Shareholders.

1.12 Advantages of the Proposed Acquisition

The Directors of the Company believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Proposed Acquisition represents a significant opportunity for the Company to strengthen its portfolio of mining assets, with the rationale for the Proposed Acquisition set out in Section 1.3 above;
- (b) the Proposed Acquisition is in line with the Company's ongoing search for new projects that have the potential to add value to the Company and that are consistent with the Company's criteria as previously disclosed;
- (c) the potential increase in the market capitalisation of the Company may lead to increased coverage from capital market analysts, improved access to equity capital market opportunities and increased liquidity in its share trading; and
- (d) the Proposed Acquisition represents a significant opportunity for the Company to increase the scale of its activities which could increase the number and size of the investor pool that may invest in the Company's Shares.

1.13 Disadvantages of the Proposed Acquisition

The Directors of the Company are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolution:

- (a) the Company will be changing the scale of its activities through the Proposed Acquisition which may not be consistent with the objectives of all Shareholders;
- (b) there will be a dilution of the relevant interest of Shareholders as part of the proposed capital raising and any future capital raisings that Shareholders may elect not to partake in;
- (c) there is no guarantee of the future performance of the Makuutu project; and
- (d) OVL will have an increased exposure to an array of risks associated with the Proposed Acquisition and Makuutu. Some of these risks are explored in greater detail in Section 1.14.

1.14 Risk factors

Following completion of the Proposed Acquisition, there will be no material change in the nature of the Company's business activities as the Company will continue to be a minerals exploration company. Accordingly, the relevant risks of the Proposed Acquisition are analogous to the Company's existing business which have previously been disclosed to Shareholders. These risks include exploration and operational risks, environmental regulations, changes in government policy, lack of specific infrastructure, commodity price and foreign currency volatility and other general risks.

In addition, the Company will be exposed to the following risks as a result of the Proposed Acquisition:

(a) Dilution

Current Shareholders will have their interests in the Company diluted by the any issue of Shares as part consideration for the Proposed Acquisition and upon any further equity funding undertaken by the Company.

(b) Contractual

The ability of the Company to fulfil its stated objectives is subject to the performance by the Company and RRM of their obligations under the Option Agreement. If any of these parties default in the performance of their obligations, it may delay the completion of any stage of the Proposed Acquisition (if it completes at all) and it may be necessary for the Company to approach a court to seek a legal remedy, which can be uncertain and costly.

(c) Future capital requirements

Additional funding will be required in order to finance the cash portion of the consideration for the Proposed Acquisition and to continue to explore and progress the Company's projects, or additional projects that the Company may identify. The ability of the Company to meet these future funding requirements, should it arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities via credit markets.

Funding via additional equity issues may be dilutive to the Company's existing Shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programmes and business strategies, as the case may be. There is, however, no guarantee that the Company will be able to secure any additional funding as and when required or be able to secure funding on terms favourable to the Company. The failure of which would thus have a material adverse effect on the Company's activities and its solvency.

(d) Exploration risks

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

(e) Exploration Costs

The exploration costs of the Company and the Makuutu project are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(g) Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

(h) Commodity price volatility

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

1.15 Shareholder approval of Proposed Acquisition

Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to the ASX as soon as practicable. Listing Rule 11.1.2 confers on the ASX the discretion to require a significant change to the nature or scale of a listed entity's activities to be approved by the holders of its ordinary securities.

Listing Rule 11.1.2 specifically applies where an entity is proposing to acquire a business, or to make a series of business acquisitions of businesses, that will result in a major change to the nature or scale of its business.

ASX has indicated to the Company that, given the change in the scale of the Company's activities upon completion of the Proposed Acquisition, ASX requires the Company to obtain Shareholder approval. For this reason, the Company is seeking Shareholder approval for the Company to change the scale of its activities under Listing Rule 11.1.2 by proceeding with the Proposed Acquisition.

ASX has confirmed that it does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules, which it could have otherwise required.

1.16 Regulatory requirements

The Company notes that:

- (a) the Proposed Acquisition requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming; and
- (b) ASX takes no responsibility for the contents of this Notice.

1.17 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 as they consider the Proposed Acquisition to be in the best interests of Shareholders because after assessment of the rationale and the advantages and disadvantages of the Proposed Acquisition referred to in Sections 1.2, 1.12 and 1.13, the Directors are of the view that the advantages outweigh the disadvantages.

2. RESOLUTION 2 - ISSUE OF CONSIDERATION SHARES

2.1 Background to issue of Shares

As detailed in Section 1.3, if the Company elects to exercise the option following satisfactory due diligence then it will be required to pay REEA US\$100,000 cash and issue REEA US\$150,000 worth of Shares at an issue price that is the greater of the 30-day VWAP or 80% of the 5-day VWAP of the Shares at the time of issue (**Consideration Shares**).

The Consideration Shares will be issued in return for the Company acquiring an immediate 20% interest in RRM.

Resolution 2, which is conditional on Shareholders approving Resolution 1 and the Company's change in scale, seeks Shareholder approval for the issue of Shares to REEA.

2.2 ASX Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the Consideration Shares on exercise of the option without using the Company's 15% placement capacity under

Listing Rule 7.1. Resolution 2 is conditional on Resolution 1 being approved by Shareholders.

2.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the formula for calculating the maximum number of Consideration Shares to be issued is:

Shares issued = the Australian dollar equivalent of US\$150,000 divided by the greater of the 30-day VWAP or 80% of the 5-day VWAP at the time of issue

The following examples are provided to show the number of Shares that could be issued, dependent on the VWAP of the Shares:

VWAP (A\$)	Consideration Shares	Voting power
\$0.003	72,000,000	3.94%
\$0.004	54,000,000	2.98%
\$0.005	43,200,000	2.40%

Note: Closing share price on 16 July 2019 was A\$0.005 per Share. Consideration Shares calculated based on exchange rate of US\$1 = A\$1.44.

- (b) the Consideration Shares will be issued in accordance with the Option Agreement, being within 5 business days of Shareholder approval and in any event will be no later than 3 months after the date of the Meeting;
- (c) the deemed issue price for the Consideration Shares will be determined under the formula in paragraph (a) above, being the greater of the 30-day VWAP or 80% of the 5-day VWAP at the time of issue;
- (d) the Consideration Shares will be issued to REEA (or its nominee), who is not a related party of the Company;
- (e) the Consideration Shares will be fully paid ordinary shares that will rank equally in all respects with the Company's existing ordinary shares on issue;
- (f) no funds will be raised from the issue as the Shares are being issued as part consideration for the Proposed Acquisition; and
- (g) a voting exclusion statement has been included in the Notice for the purposes of Resolution 2.

2.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES

3.1 Background to issue of Shares

As detailed above in Section 1.4, the Company has secured immediate funding of approximately A\$600,000 (before costs) through a share placement to clients of Patersons Securities Limited and Sixty Two Capital Pty Ltd.

A total of 200,000,000 Shares were issued on 11 July 2019 at a price of \$0.003 utilising the Company's existing placement capacity pursuant to Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares issued by the Company under Listing Rule 7.1.

By ratifying the issue of Shares detailed above, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 ASX Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will of themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period, unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

3.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

3.4 Technical information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 200,000,000 Shares were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price of the Shares was \$0.003 per Share;
- (c) the Shares issued are fully paid ordinary shares that will rank equally in all respects with the Company's existing ordinary shares on issue;
- (d) the Shares were issued to professional and sophisticated investors, being clients of Patersons Securities Limited and Sixty Two Capital Pty Ltd, none of whom are related parties of the Company;
- (e) the funds raised from the issue of shares are to be used to fund the Company's initial commitments relating to the Makuutu project as detailed in Section 1.3; and
- (f) a voting exclusion statement has been included in the Notice for the purposes of Resolution 3.

3.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

4. Further information

The directors are not aware of any other information which is relevant to the consideration by members of the proposed resolutions set out in the notice of general meeting.

The directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser before making any decision in relation to the proposed resolution.

Glossary

A\$ or \$ means Australian dollars.

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

Board means the Directors.

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

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.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Listing Rules means the ASX Listing Rules.

Makuutu means the Makuutu Rare Earths project located in eastern Uganda.

Meeting means the General Meeting convened by the Notice.

Notice means this Notice of General Meeting.

REEA means Rare Earth Elements Africa Proprietary Limited.

Resolution means a resolution contained in the Notice.

RRM means Rwenzori Rare Metals Limited.

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

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

WST means Australian Western Standard Time.

VWAP has the same meaning prescribed to the term "volume weighted average market price" by Listing Rule 19.12.



OVL
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

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

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

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

For all enquiries call:
 (within Australia) 1300 850 505
 (outside Australia) +61 3 9415 4000



Proxy Form

XX



Vote online

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



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

For your vote to be effective it must be received by 9:00am (WST) Saturday, 17 August 2019

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

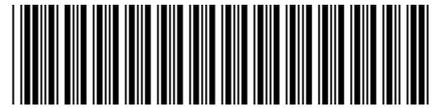
Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare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

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

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

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Oro Verde Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Oro Verde Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Monday, 19 August 2019 at 9:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Approval for a change to scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /