



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

Date of Meeting

27 November 2019

Time of Meeting

2pm (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 Annual General Meeting and Explanatory Memorandum carefully.

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

Oro Verde Limited

ABN 84 083 646 477

Notice of Annual General Meeting

NOTICE IS GIVEN that an Annual General Meeting of Shareholders of Oro Verde Limited ABN 84 083 646 477 (**Company**) will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth WA 6005 on 27 November 2019 at 2pm (WST) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

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

Agenda

Financial Reports

To receive and consider the financial report of the Company, together with the Directors' report and the Auditor's Report for the year ended 30 June 2019, as set out in the Annual Report.

Resolution 1 – Adoption of Remuneration Report

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

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2019 be adopted."

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

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

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

- (a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, or the proxy is the Chairman of the Meeting and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

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

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 1. However, in exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 1, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chairman to vote against Resolution 1 or to abstain from voting.

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

Resolution 2 – Re-election of Mr Anthony Rovira as a Director

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

"That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Mr Anthony Rovira, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Resolution 3 – Election of Dr Marc Steffens as a Director

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

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Marc Steffens, a Director who was appointed casually on 30 November 2018, retires, and being eligible, is elected as a Director."

Resolution 4 – Ratification of prior issue - Shares and Options

To consider and, if thought fit, to 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 100,000,000 Shares and 50,000,000 Options on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any 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 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 5 – Ratification of prior issue - Shares

To consider and, if thought fit, to 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 117,720,000 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 Resolution 5 by or on behalf of any 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 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 6 – Approval of Additional 10% Placement Capacity

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

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

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who is expected to participate in the proposed issue 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:

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

Resolution 7 – Approval to grant Director Options to Director - Dr Marc Steffens

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

"That, subject to and conditional on the passing of Resolution 3, for the purposes section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 20,000,000 Director Options to Dr Marc Steffens or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Dr Marc Steffens (or his nominee(s)) or any of their Associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) provided the Chairman is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; or
- (b) provided the Chairman is not a Resolution 7 Excluded Party, the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 7. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 7, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chairman to vote against Resolution 7 or to abstain from voting.

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

Resolution 8 – Approval to grant Director Options to Director - Mr Brett Dickson

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

"That, for the purposes section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Director Options to Mr Brett Dickson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Brett Dickson (or his nominee(s)) or any of their Associates (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) provided the Chairman is not a Resolution 8 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 8 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 8; or
- (b) provided the Chairman is not a Resolution 8 Excluded Party, the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 8. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 8, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chairman to vote against Resolution 8 or to abstain from voting.

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

Resolution 9 – Approval to grant Director Options to Director - Mr Anthony Rovira

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

"That, subject to and conditional on the passing of Resolution 2, for the purposes section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company grant up to 10,000,000 Director Options to Mr Anthony Rovira or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr Anthony Rovira (or his nominee(s)) or any of their Associates (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) provided the Chairman is not a Resolution 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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

- (a) the appointment specifies the way the proxy is to vote on Resolution 9; or
- (b) provided the Chairman is not a Resolution 9 Excluded Party, the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 9. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on Resolution 9, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chairman to vote against Resolution 9 or to abstain from voting.

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

Other business

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

By order of the Board



Brett Dickson

Finance Director and Company Secretary

Dated: 8 October 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. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 7 to 9 if the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the 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 each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice. However, in exceptional circumstances, the Chairman of the Meeting may change his voting intention, in which case an ASX announcement will be made.
- Proxies must be received by **2pm (WST) on 25 November 2019**. Proxies received after this time will be invalid. Proxies may be lodged using any of the following methods:

– **Online:** www.investorvote.com.au

– **By mail:**
Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne, Victoria 3001
Australia

– **By facsimile:**
1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

– **By mobile:**
Scan the QR Code on your proxy form and follow the prompts

For all enquiries call 1300 850 505 (inside 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 **4pm (WST) on 25 November 2019**.

Oro Verde Limited

ABN 84 083 646 477

Explanatory Memorandum

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

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

Financial Reports

The Board is required to lay before the Meeting the consolidated annual financial report of the Company for the financial year ended 30 June 2019, together with the Directors' report (including the Remuneration Report) and the Auditor's Report on the financial report. No resolution is required to be moved in respect of this item.

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

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

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

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

Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2019 Annual Report be adopted.

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

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

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

The remuneration report for the financial year ended 30 June 2018 did not receive a vote of more than 25% against its adoption at the Company's 2018 annual general meeting held on 30 November 2018. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

Resolution 2 – Re-election of Mr Anthony Rovira as a Director

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

Mr Rovira has over 30 years technical and management experience in the mining industry, as an exploration and mining geologist, and as a company executive at Board level. He has worked for companies both large and small, including BHP, Barrack Mines, Pegasus Gold and Jubilee Mines. Mr Rovira was the General Manager of Exploration with Jubilee Mines, during which time he led the team that discovered and developed the world class Cosmos and Cosmos Deeps nickel sulphide deposits in Western Australia. In 2000, the Association of Mining and Exploration Companies awarded Tony the "Prospector of the Year Award" for those discoveries.

Currently Mr Rovira is the Managing Director of Azure Minerals Limited a company which is actively exploring in Mexico and his knowledge of Latin America and networks are of significant benefit to the Company.

Mr Rovira has a Bachelor of Science (Hons) from Flinders University and is a member of the Australasian Institute of Mining and Metallurgy of Directors.

He has served as a Director since 21 November 2014 and was last re-elected on 22 November 2017.

The Board has considered Mr Anthony Rovira's independence and considers that he is an independent Director.

The members of the Board (other than Mr Rovira) support the re-election of Mr Rovira and recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Election of Dr Marc Steffens as a Director

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Marc Steffens, having been appointed by other Directors on 30 November 2018 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Dr Steffens is a minerals engineer with a PhD in metallurgy from the WA School of Mines. His experience covers a broad range of commodities and includes areas of project evaluation, project management and process development, as well as experience in African minerals projects. He is a Member of the Australian Institute of Mining and Metallurgy.

The Board has considered Dr Marc Steffens' independence and considers that he is not an independent Director as he is an executive Director.

The members of the Board (other than Dr Steffens) support the re-election of Dr Steffens and recommend that Shareholders vote in favour of Resolution 3.

Resolutions 4 and 5 – Ratification of prior issues

Background

Resolutions 4 and 5 relate to the ratification of the following prior issues of securities:

- (a) on 5 September 2019, the Company issued 100,000,000 Shares and 50,000,000 Options exercisable at \$0.005 each on or before 31 August 2022 to Southern Cross Mining Limited in consideration for consulting services provided to the Company; and

- (b) on 17 September 2019, the Company issued 117,720,000 Shares to clients of Patersons Securities Limited and Sixty Two Capital Pty Ltd at an issue price of \$0.006 per Share to raise \$706,320 (refer to the Company's ASX announcement on 9 September 2019).

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.

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

By ratifying these previous issues, 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.

Resolution 4 - Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 100,000,000 Shares and 50,000,000 Options were issued;
- (b) the Shares were issued at a deemed issue price of \$0.003 per Share and the issue price of the Options was nil as they were issued free attaching with the Shares on a 1:2 basis;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in Annexure A;
- (e) the Shares and Options were issued to Southern Cross Mining Limited, who is not a related party of the Company; and
- (f) no funds were raised from the issue as they were issued in consideration for consulting services provided to the Company.

Resolution 5 - Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 117,720,000 Shares were issued;
- (b) the issue price was \$0.006 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional, sophisticated and professional investor clients of Patersons Securities Limited and Sixty Two Capital Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are being used to meet exploration commitments on the Company's Makuutu Rare Earths Project.

Resolution 6 – Approval of Additional 10% Placement Capacity

Background

In addition to a company's 15% placement capacity under Listing Rule 7.1, an "eligible entity" which has obtained shareholder approval for the purposes of Listing Rule 7.1A via a special resolution may issue, or agree to issue, up to that number of Equity Securities equal to 10% of its issued capital over a 12-month period after the annual general meeting at which the approval is sought (**Additional 10% Placement Capacity**).

An entity will be an "eligible entity" able to seek approval under Listing Rule 7.1A if as at the date of the relevant annual general meeting:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity is not included in the S&P/ASX 300 Index.

The Company is an eligible entity for the purposes of Listing Rule 7.1A as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$14.02 million as at 8 October 2018.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Resolution 6 seeks Shareholders' approval to issue, or agree to issue, additional Equity Securities under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue, or agree to issue, Shares in the 12-month period following the Meeting.

If passed, Resolution 6 will allow the Company to issue, or agree to issue, Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Listing Rule 7.1A

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

As at the date of this Notice, the Company has 2,002,578,050 Shares on issue and therefore, subject to Shareholders approving Resolution 6, 200,257,805 Equity Securities may be issued in accordance with Listing Rule 7.1A.

Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

(A x D) – E

- A** is the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:
- (a) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (b) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (c) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary securities under the Company's 15% placement capacity without approval of holders of ordinary securities; and
 - (d) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

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

The table below demonstrates various examples as to the number of Equity Securities (and the voting dilution impact) that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		Issue Price at half the current market price \$0.0035	Issue Price at current market price \$0.007	Issue Price at double the current market price \$0.014
Current Variable 'A' 2,002,578,050 Shares	Shares issued	200,257,805	200,257,805	200,257,805
	Funds raised	\$700,902	\$1,401,805	\$2,803,609
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 3,003,867,075 Shares	Shares issued	300,386,707	300,386,707	300,386,707
	Funds raised	\$1,051,353	\$2,102,707	\$4,205,414
	Dilution	10%	10%	10%
100% increase in current variable 'A' 4,005,156,100 Shares	Shares issued	400,515,610	400,515,610	400,515,610
	Funds raised	\$1,401,805	\$2,803,609	\$5,607,219
	Dilution	10%	10%	10%

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note: The table above assumes:

- (a) There are 2,002,578,050 Shares on issue and no Options are exercised before the date of the issue of the Equity Securities.
- (b) The current market price set out above is the closing price of Shares on the ASX on 8 October 2019.
- (c) The Company issues the maximum possible number of Equity Securities under the Additional 10% Placement Capacity.
- (d) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (e) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- (f) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (g) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

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

Specific information required by Listing Rule 7.3A

The following information is provided to Shareholders in relation to Resolution 6 for the purposes of Listing Rule 7.3A:

Minimum price	<p>The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) the date on which the price at which the Equity Securities are to be issued is agreed; or (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
Potential risk of economic and voting dilution	<p>If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that:</p>

	<p>(a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;</p> <p>(b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or</p> <p>(c) the Equity Securities may be issued for non-cash consideration, which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.</p> <p>The table above on page 5 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.</p> <p>The table shows:</p> <p>(a) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;</p> <p>(b) examples of where the issue price of ordinary securities is the current market price as at close of trade on 8 October 2019, being \$0.007, (current market price), where the issue price is halved, and where it is doubled; and</p> <p>(c) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.</p>
Timing of potential issues	<p>Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the Meeting and will expire on the earlier of:</p> <p>(a) the date that is 12 months after the date of the Meeting; and</p> <p>(b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).</p>
Purpose of potential issues	<p>The Company may seek to issue Equity Securities under the Additional 10% Placement Capacity for the following purposes:</p> <p>(a) If Equity Securities are issued for cash consideration, the Company intends to use the funds for exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital; and</p> <p>(b) If Equity Securities are issued for non-cash consideration to acquire access to strategic tenements or assets identified by the Company to further existing projects and future growth. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.</p> <p>The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.</p>
Allocation policy	<p>The identity of the persons to whom Equity Securities will be issued under the Additional 10% Placement Capacity is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:</p> <p>(a) the purpose of the issue;</p> <p>(b) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;</p> <p>(c) the effect of the issue of the Equity Securities on the control the Company;</p> <p>(d) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;</p>

	<p>(e) prevailing market conditions;</p> <p>(f) circumstances of the Company, including without limitation, the financial situation and solvency of the Company; and</p> <p>(g) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).</p> <p>The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.</p> <p>Further, if the Company is successful in acquiring new tenements or assets, it is likely that the recipients under the Additional 10% Placement Capacity will be vendors of the tenements or assets.</p>
Previous approvals under Listing Rule 7.1A	<p>The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2018 (Previous Approval). The Previous Approval expired on 19 August 2019 following Shareholder approval of a transaction under Listing Rule 11.1.2.</p> <p>The Company has not issued any Equity Securities pursuant to the Previous Approval.</p> <p>In the 12 months preceding the date of the Meeting, being on and from 27 November 2018, the Company has issued 446,899,517 Equity Securities which represents 28.7% of the total number of Equity Securities on issue at the commencement of that 12-month period. Annexure B sets out information in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting.</p>
Voting exclusion statement	<p>A voting exclusion statement is included in the Notice in relation to Resolution 6. As at the date of this Notice, the Company has not approached, and has not yet determined to approach, any particular existing Shareholders or an identifiable class of existing Shareholders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing Shareholders' votes would be excluded from voting on Resolution 6.</p>

Resolutions 7 to 9 – Approval to grant Director Options

Background

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 40,000,000 Options (**Director Options**) to Directors of the Company (or their nominees) as follows:

- (a) 20,000,000 Director Options to Dr Marc Steffens (Resolution 7);
- (b) 10,000,000 Director Options to Mr Brett Dickson (Resolution 8); and
- (c) 10,000,000 Director Options to Mr Anthony Rovira (Resolution 9).

Each Director Option will have an exercise price equal to a 50% premium to the volume weighted average price of Shares on ASX on the 30 Trading Days before the date of this Meeting and will have an expiry date of 30 November 2021. The Director Options will otherwise be issued to Messrs Steffens, Dickson and Rovira (or their nominees) (**Related Parties**) on the terms and conditions set out in Annexure C.

The grant of Director Options encourages Dr Steffens and Mr Dickson, as the Company's executive Directors, to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Dr Steffens and Mr Dickson, respectively) that the incentive intended for Dr Steffens and Mr Dickson represented by the grant of Director Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Under the Company's current circumstances, the Directors consider that the issue of Director Options to Mr Rovira, the Company's non-executive Director, represents a cost effective way for the Company to remunerate Mr Rovira, as opposed

to cash remuneration and it is designed to attract and retain suitably qualified non-executive directors, and to align their interests with the interests of other security holders. The Director Options do not have any performance hurdles attached to them.

The number and exercise price of Directors Options to be granted to each of the Directors, subject to Shareholder approval, has been determined based upon a consideration of:

- (a) the cash remuneration of the Directors;
- (b) the extensive experience and reputation of the Directors within the resources industry;
- (c) the current price of Shares;
- (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Directors Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice;
- (e) attracting and retaining suitably qualified non-executive directors; and
- (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the exercise price to be a suitable premium to meet the objectives of the proposed grant of Director Options as outlined above.

Resolutions 7 to 9 seek Shareholder approval for the grant of the Director Options to the Related Parties. Resolution 7 is subject to the passing of Resolution 3 and Resolution 9 is subject to the passing of Resolution 2.

Chapter 2E of the Corporations Act and Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes giving a financial benefit and Messrs Steffens, Dickson and Rovira are related parties of the Company by virtue of being Directors.

In addition, Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As it is proposed that Director Options be issued to all Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or Listing Rule 10.12 applies to these issues. Accordingly, Shareholder approval is sought for the issue of Director Options to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Shareholder approval

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Director Options:

- (a) Messrs Steffens, Dickson and Rovira are related parties of the Company by virtue of being Directors;

- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
- (i) 20,000,000 Director Options to Dr Marc Steffens (or his nominee(s));
 - (ii) 10,000,000 Director Options to Mr Brett Dickson (or his nominee(s)); and
 - (iii) 10,000,000 Director Options to Mr Anthony Rovira (or his nominee(s));
- (c) the Director Options will be granted to the Related Parties no later than 1 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Annexure C and will each convert into one (1) Share upon exercise, as set out Annexure C;
- (f) the value of the Director Options and the pricing methodology is set out in Annexure D;
- (g) the relevant interests of the Related Parties in securities of the Company (as at the date of this Notice) is set out below:

Director	Shares	Options
Dr Marc Steffens	Nil	Nil
Mr Brett Dickson	23,420,330	14,000,000 ¹
Mr Anthony Rovira	51,602,016	20,000,000 ³

Notes:

1. Comprising 4,000,000 Options exercisable at \$0.0075 each on or before 31 July 2021 and 10,000,000 Options exercisable at \$0.013 each on or before 30 November 2020.
 2. Comprising 10,000,000 Options exercisable at \$0.0075 each on or before 31 July 2021 and 10,000,000 Options exercisable at \$0.013 each on or before 30 November 2020.
- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Financial Year Ended 30 June 2019					
Director	Base Salary & Fees \$	Non-Monetary Benefit \$	Superannuation \$	Options \$	Total remuneration \$
Dr Marc Steffens	19,162	2,912	-	-	22,074
Mr Brett Dickson	120,000	4,991	2,850	-	127,841
Mr Anthony Rovira	30,000	4,499	2,850	-	37,841
Financial Year Ended 30 June 2020 (Forecast)					
Director	Base Salary \$	Bonus \$	Superannuation \$	Indicative value of Director Options ¹ \$	Total remuneration \$
Dr Marc Steffens	254,850	6,000	-	76,000	336,850
Mr Brett Dickson	120,000	6,000	2,850	38,000	166,850
Mr Anthony Rovira	30,000	6,000	2,850	38,000	76,850

Note:

1. The indicative Director Option valuation of \$0.0038 per Director Option is a theoretical valuation using the Binomial Model (see Annexure D).

- (i) if all Director Options granted under Resolutions 7, 8 and 9 are exercised, a total of 40,000,000 Shares would be issued. This will increase the number of Shares currently on issue from 2,002,578,050 to 2,042,578,050 assuming that no other Shares are issued, with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.96%, comprising 0.98% by Dr Steffens and 0.49% by each of Mr Dickson and Mr Rovira;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Highest price/date	Lowest price/date	Latest price/date
\$0.009 on 2, 5, 15 and 16 August 2019	\$0.001 on 24, 28, 30 and 31 May 2019 and 17 June 2019	\$0.007 on 8 October 2019

- (k) the Board acknowledges the grant of Director Options to Messrs Dickson and Rovira is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Director Options to the Related Parties is reasonable in the circumstances for the reason set out in paragraph (m);
- (l) the primary purpose of the grant of the Director Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (m) Dr Steffens declines to make a recommendation to Shareholders in relation to Resolution 7 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 8 and 9, Dr Steffens recommends that Shareholders vote in favour of the Resolutions for the following reasons:
 - (i) the grant of Director Options to the Related Parties, will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed;
- (n) Mr Dickson declines to make a recommendation to Shareholders in relation to Resolution 8 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company should Resolution 8 be passed. However, in respect of Resolutions 7 and 9, Mr Dickson recommends that Shareholders vote in favour of the Resolutions for the reasons set out in paragraph (m);
- (o) Mr Rovira declines to make a recommendation to Shareholders in relation to Resolution 9 due to a material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Options in the Company should Resolution 9 be passed. However, in respect of Resolutions 7 and 8, Mr Rovira recommends that Shareholders vote in favour of the Resolutions for the reasons set out in paragraph (m); and

the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 to 8.

Glossary

\$ means Australian dollars.

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

Additional 10% Placement Capacity has the meaning set out on page 3 of the Explanatory Memorandum.

Additional Placement Period has the meaning set out on 6 of the Explanatory Memorandum.

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

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

Annexure C means the annexure to the Explanatory Memorandum marked C.

Annexure D means the annexure to the Explanatory Memorandum marked D.

Annual Report means the annual report of the Company for the year ended 30 June 2019.

Associate has the meaning given in the Listing Rules.

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

Auditor means the Company's auditor from time to time.

Auditor's Report means the report of the Auditor contained in the Annual Report.

Board means the current Board of Directors.

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

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

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

Company means Oro Verde Limited ABN 84 083 646 477.

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

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

Directors means the current directors of the Company.

Directors' Report means the directors' report set out in the Annual Report.

Director Option means an Option granted pursuant to Resolutions 7 to 9 with the terms and conditions set out in Annexure C.

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

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

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

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Remuneration Report means the remuneration report set out in the Annual Report.

Resolution means a resolution contained in the Notice.

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

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

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

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

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

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

WST means Australian Western Standard Time.

Annexure A – Terms and Conditions of Options

1. No monies will be payable for the issue of the Options.
2. Subject to condition 3, the Options shall expire at 5.00pm (WST) on 31 August 2022 (**Expiry Date**).
3. Subject to conditions 13 and 14, each Option shall carry the right in favour of the Option holder to subscribe for one Share.
4. Subject to condition 12, the exercise price for each Option shall be AU\$0.005 ("**Exercise Price**").
5. Subject to condition 12, the Exercise Price of the Options shall be payable in full on exercise of the Options.
6. Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the Option holder to:
 - (a) exercise all or a specified number of Options; and
 - (b) pay the Exercise Price in full for the exercise of each Option.

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

7. The Company shall issue the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
8. The Options will be transferable subject, at all times, to the requirements of the Corporations Act and will not be listed on the ASX.
9. Shares issued pursuant to an exercise of Options shall rank, from the date of issue, equally with existing Shares in all respects.
10. The Company shall within 5 business days of any exercise of the Options apply for official quotation on the ASX of the Shares issued pursuant to the exercise of any of the Options.
11. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

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

- O' = the new exercise price of the Option
- O = the old exercise price of the Option
- E = the number of underlying securities into which one Option is exercisable
- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

12. In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
13. In the event of any reorganisation of the capital of the Company (including consolidation, subdivisions, reduction or return) the rights of an Option holder will be changed to extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of the capital at the time of the reorganisation.
14. There are no participating rights or entitlements inherent in the Options and an Option holder will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options. However, the Company will send a notice to the Option holder at least 3 business days before the record date of any new issues of capital offered to the Company's shareholders in order to give the Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
15. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

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

Date of issue	Type of Equity Securities	No. issued	Summary of terms	Names of persons who received securities or basis on which those persons were determined	Issue price	Discount to market price at time of issue (if any) ¹	Amount of cash consideration, amount of cash spent, use of cash and intended use for remaining amount of cash (if any)	Non-cash consideration and current market value of non-cash consideration
11/07/2019	ORD	200,000,000	Ordinary fully paid ²	Institutional, sophisticated and professional investor clients of Patersons Securities Limited	\$0.003	Nil	Cash consideration: \$600,000 Amount of cash spent: \$600,000 Use of cash spent: Meet Makuutu project commitments Intended use for remaining amount of cash: N/A	
6/09/2019	ORD	29,179,517	Ordinary fully paid ²	Rare Earth Elements Africa Proprietary Limited	Deemed issue price of \$0.0076	Nil		The 29,179,517 Shares were issued as part consideration for an immediate 20% interest in the Makuutu Rare Earths Project and at 8 October 2019 have a current value of \$204,256 ³ .
6/09/2019	ORD	100,000,000	Ordinary fully paid ²	Southern Cross Mining Limited	Deemed issued price of \$0.003	50%		The 100,000,000 Shares were issued as consideration for consulting services and at 8 October 2019 have a current value of \$700,000 ³ .
6/09/2019	Options	50,000,000	Unquoted Options exercisable at \$0.005, expire 31 August 2022 and otherwise on the terms and conditions set out in Annexure A.	Southern Cross Mining Limited	Free	N/A		The Options were issued as free attaching options the placement of 100,000,000 Shares issued on 6 September 2019 on the basis of one Option for every two Shares issued. The current value of the Options based on a Binomial valuation conducted on 8/10/2019 is \$0.0047 per Option (\$235,000 in total) ³ .
17/09/2019	ORD	117,720,000	Ordinary fully paid ²	Institutional, sophisticated and professional investor clients of Patersons Securities Limited	\$0.006	Nil	Cash consideration: \$706,320 Amount of cash spent: Nil Use of cash spent: N/A Intended use for remaining amount of cash ⁴ : Meet Makuutu Rare Earths Project commitments	

Notes:

1. Market price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the market price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: OVL (terms are set out in the Constitution).
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.007) on the ASX on 8 October 2019. In respect of unquoted Equity Securities, the value of Options is measured using the Binomial Model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

Annexure C – Terms and Conditions of Director Options

1. No monies will be payable for the issue of the Director Options.
2. The Director Options shall expire at 5.00pm (Perth time) on 30 November 2022 (**Expiry Date**). In addition, the Director Options (if not yet exercised) will automatically lapse should the director voluntarily cease employment, for whatever reason, with the Company.
3. Subject to conditions 12 and 13, each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
4. Subject to condition 11, the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Options (**Exercise Price**).
5. Subject to condition 11, the Exercise Price of the Director Options shall be payable in full on exercise of the Director Options.
6. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Director Options; and
 - (b) pay the Exercise Price in full for the exercise of each Director Option.

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

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

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

Annexure D – Valuation of Director Options

The Company has valued the Director Options proposed to be issued to the Directors using the Binomial Model. The valuation of an option using the Binomial Model is a function of a number of variables.

The valuation of the Director Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.007
Exercise price	\$0.0105
Risk free interest rate	0.63%
Volatility	100%
Time (years to expiry)	3

For the purposes of calculating the value of each Director Option, the Company has:

- (a) assumed the Share price is \$0.007, which was the closing price of Shares on ASX on 8 October 2019, being the date of valuation of the Director Options;
- (b) assumed the exercise price is \$0.0105, being the price equal to a 50% premium to the closing price of Shares on ASX on 8 October 2019, being the date of valuation of the Director Options;
- (c) used a risk free interest rate of 0.63%, (estimated based on the 3-year Australian treasury bond rate as at the date of valuation of the Director Options);
- (d) used a volatility of the Share price of 100% as determined as a typical volatility for a junior resource stock; and
- (e) assumed that the Director Options are issued on 30 November 2019.

Based on the above, the Company has calculated an indicative value of one Director Option to be \$0.0038. Accordingly, an indicative value of all Director Options, proposed to be issued pursuant to Resolutions 7, 8 and 9 is \$152,000.

Any change in the variables applied in the Binomial Model calculation between the date of the valuation (8 October 2019) and the date the Director Options are granted would have an impact on their value.

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

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (WST) Monday, 25 November 2019**

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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 Annual General Meeting of Oro Verde Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Wednesday, 27 November 2019 at 2:00pm (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 7 to 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 7 to 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 7 to 9 by marking the appropriate box in step 2.

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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Anthony Rovira as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Dr Marc Steffens as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue - Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to grant Director Options to Director - Dr Marc Steffens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to grant Director Options to Director - Mr Brett Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to grant Director Options to Director - Mr Anthony Rovira	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

