



NOTICE OF GENERAL MEETING

to be held on

Monday, 13 March 2017 at 10:00 a.m. (Perth time) at

RSM Australia Partners, 8 St Georges Terrace, Perth, Western Australia

and

EXPLANATORY MEMORANDUM

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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KEY DATES

Deadline for lodgement of proxy forms for General Meeting	10:00 a.m.	11 March 2017
General Meeting	10:00 a.m.	13 March 2017

All times referred to in this Notice of General Meeting are references to Perth time.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of Orion Gold NL (ACN 098 939 274) will be held at **10:00 a.m. on 13 March 2017 at:**

RSM Australia Partners
8 St Georges Terrace
Perth, Western Australia

Your Vote is Important

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

Voting in Person

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

Voting by Proxy and Corporate Representatives

To vote by proxy, your Proxy Form must be received by the Company by no later than **10:00 a.m. on 11 March 2017**. Proxy Forms can be lodged:

By mail: Link Market Services Limited
Locked Bag A14,
Sydney South NSW 1235

By facsimile: (+61 2) 9287 0309

Online: Shareholders may submit their proxy instruction online on the Company's Share Registry by visiting www.linkmarketservices.com.au. Select 'Investor Login'. Refer to 'Single Holding' and enter Orion Gold NL or the ASX code (ORN) in the Issuer Name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and Security Code which is shown on the screen and click 'Login'. Select 'Vote' under the 'Action' header and then follow the prompts to submit your proxy online. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

A shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy, who need not be a shareholder of the Company. A proxy may be an individual or a body corporate. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and their appointment does not specify the proportion or number of the shareholder's votes the proxy may exercise, each proxy may exercise one half of the shareholder's votes. If a shareholder appoints two proxies, neither may vote on a show of hands.

Shareholders and their proxies should be aware that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed. The Chair intends to vote all available undirected proxies in favour of all Resolutions.

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act.

The proxy form and the power of attorney (if any) under which it is signed (or a certified copy of it) must be received at the Company's Share Registry **at least 48 hours before the commencement of the General Meeting or any adjournment of that meeting**.

If a representative of a corporate shareholder or a corporate proxy is to attend the meeting pursuant to section 250D of the Corporations Act, a certificate of appointment of the representative must be produced prior to the admission to the meeting. A form of certificate of appointment can be obtained from the Company's registered office.

Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the General Meeting will be as it appears in the Share Register at **4:00 p.m. on 10 March 2017**.

Notice of General Meeting

Notice is given that the General Meeting of the Shareholders of Orion Gold NL (**Company**) will be held at RSM Australia Partners, 8 St Georges Terrace, Perth, Western Australia on 13 March 2017 commencing at 10:00 a.m.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Agenda

Resolution 1 – Proposed Issue of Consideration Shares and Consideration Options

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

"That, subject to the passing of Resolution 2, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of ZAR20,425,000 (~\$2,001,650) worth of Consideration Shares, with one attaching Consideration Option for each Consideration Share issued, to the Agama Vendors as part consideration for the acquisition by the Company of all of the issued shares in Agama, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 – Proposed Issue of Transaction Fee Shares and Transaction Fee Options

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

"That, subject to the passing of Resolution 1, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of ZAR1,075,000 (~\$105,350) worth of Transaction Fee Shares, with one attaching Transaction Fee Option for each Transaction Fee Share issued, to BC Neethling as consideration for transaction services provided by BC Neethling in connection with the Company's proposed acquisition of all of the issued shares in Agama, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form as the proxy decides.

Resolution 3 – Proposed Issue of Convertible Notes

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

"That, subject to the passing of Resolutions 1 and 2, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 307,692,308 Convertible Notes, each with a face value of \$0.026 to raise up to \$8,000,000, to various sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 4 – Participation of Silja in Convertible Note issue

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

"That, subject to the passing of Resolutions 1 to 3 and ASX granting the ASX Waiver, for the purposes of Listing Rule 10.11 and for all other purposes, Silja (an entity deemed to be controlled by Mr Alexander Haller, a Director) may participate in the issue of Convertible Notes the subject of Resolution 3 by subscribing for up to 38,461,538 Convertible Notes, each with a face value of \$0.026 to raise up to \$1,000,000 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4 by Silja and any Associate of Silja. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 5 – Participation of a Director in Convertible Note issue – Mr Denis Waddell (or nominee)

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

"That, subject to the passing of Resolutions 1 to 3 and ASX granting the ASX Waiver, for the purposes of Listing Rule 10.11 and for all other purposes, Mr Denis Waddell, a Director, or his nominee(s), may participate in the issue of Convertible Notes the subject of Resolution 3 by subscribing for up to 19,230,769 Convertible Notes, each with a face value of \$0.026 to raise up to \$500,000 on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 5 by Mr Denis Waddell and any Associate of Denis Waddell. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Other Business

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

DATED: 8 February 2017
By Order of the Board



Martin Bouwmeester
Company Secretary

Explanatory Memorandum to accompany Notice of General Meeting

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

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

1. Background to Resolutions 1 and 2

On 3 January 2017, the Company announced that it had exercised its option (**Option**) to acquire 100% of the issued shares in Agama (**Acquisition**). Agama, through its wholly owned subsidiaries, ultimately holds an effective 73.33% interest in the company holding prospecting rights over the historic Prieska Copper Mine located in Copperton, Northern Cape province, South Africa (**PC Project**) and the Marydale Gold-Copper Project (**Marydale Project**), a volcanogenic gold-copper discovery located 60 kilometres from the PC Project.

The PC Project is located 270km's south-west of Kimberley (the regional capital) in the Northern Cape province of South Africa. Importantly, the project has access to significant local and regional infrastructure, with mine infrastructure, including a regional power grid feed, bitumen access roads, access to a bulk, treated water supply and a 1,900m landing strip. Several large commercial wind and solar generation projects are operational in the surrounding area and the mine is located just 48km's from a railway siding at Groveput with an open-access railway line connecting the site to the world-class export port of Saldanha Bay.

The PC Project covers the historical Prieska Copper Mine, which was operated by Anglovaal Limited between 1971 and 1991. During this time, the mine produced over 430,000 tonnes of copper and more than 1 million tonnes of zinc from an underground operation.

Mining ceased in 1989, with milling ceasing in 1991. The site was closed and rehabilitated in 1995. The premature closure of the mine was influenced by an early operating decision by the owners to focus on maximising dividend yields, rather than investing further in underground capital development to extend mine life. The decision was influenced by uncertain economic and political environment in South Africa in the mid-1980s.

The underground development and regional infrastructure and services in place at the mine is estimated by the Company to have significant replacement value, which will assist in the feasibility and economics of any potential redevelopment of the mine.

In addition to the PC Project the Agama transaction gives the Company an option over the Marydale Project, a virgin gold discovery of possible high sulphidation epithermal origin located 60km from the PC Project. Historical drilling following the discovery was carried out in various orientations and, despite wide zones of mineralisation being returned, the majority of these are now seen to be sub optimal. As a result, the Company's recent drilling has focused on obtaining oriented drill core through the higher grade zones intersected in historical drilling. Structural geological data from these holes is being used to generate a robust geological model for the prospect.

The projects have a well-established broad based black economic empowerment ownership structure (26.66% ownership) in place with strong local partners.

The Company first announced that it had entered into binding term sheet to give it the option to acquire Agama in July 2015. During the option period, the Company undertook comprehensive due diligence including conducting exploration programs at both the PC Project and the Marydale Project. The formal option and share purchase is the subject of the Agreement.

Under the Agreement, completion of the Acquisition is subject to satisfaction or waiver of specified conditions precedent, including:

- (a) Agama completing a restructure so that the only subsidiaries remaining in Agama are those that relate to the PC Project and the Marydale Project;
- (b) the Company providing or procuring finance for Agama so that it can settle all shareholder loans to an aggregate amount of approximately ZAR32,300,000 (~\$3,165,400¹);
- (c) the Company providing the Agama Vendors with proof that it has secured ZAR31,500,000 (~\$3,087,000¹) in funding;
- (d) Agama obtaining all requisite regulatory approvals to the extent required;

- (e) Shareholders approving all required resolutions for the transaction, including the issue of the Consideration Shares and Consideration Options;
- (f) the Financial Surveillance Department of the South African Reserve Bank approve the parties to perform their respective obligations under the Agreement under the *Currency and Exchanges Act, 1933*; and
- (g) Agama ensuring that the prospecting rights for the Marydale Project and PC Project are lodged with the South African Mining Titles Office for registration and providing the Company with proof of receipt by the Mining Titles Office of the lodgement.

The consideration payable by the Company to the Agama Vendors upon completion is ZAR50,000,000 (~\$4,900,000¹) (**Consideration**), comprising:

- (a) ZAR29,575,000 (~\$2,898,350¹) in cash; and
- (b) ZAR20,425,000 (~\$2,001,650¹) in Shares (**Consideration Shares**), with each Consideration Share to be issued at a 10% discount to the 10 trading day VWAP of the Shares prior to the issue of the Consideration Shares (**Consideration Share Issue Price**). The Company will also issue the Agama Vendors one Option for each Consideration Share issued (**Consideration Option**), each Consideration Option to be exercisable at a 100% premium to the Consideration Share Issue Price and expire on the date 24 months from the date of issue.

In addition to the above, under the Agreement, BC Neethling, who acted as advisor to the Company in connection with the Agreement, is entitled to ZAR1,925,000 (~\$188,650¹) in cash and ZAR1,075,000 (~\$105,350¹) worth of Shares to be issued at the Consideration Share Issue Price (**Transaction Fee Shares**), together with one attaching Option (with the same terms as the Consideration Options) for each Transaction Fee Share issued (**Transaction Fee Options**). The Transaction Fee Shares and Transaction Fee Options are the subject of Resolution 2.

The issue of the Consideration Shares and Consideration Options are subject to regulatory and Shareholder approvals. If certain South African regulatory approvals for the issue of Consideration Shares and Consideration Options to the Agama Vendors are not received prior to 15 March 2017, the Company's obligation to issue the Consideration Shares and Consideration Options may be settled by cash payment to the Agama Vendors who have not been able to obtain such approvals.

A total of 75% of the Consideration Shares to be issued to the Agama Vendors will be subject to a 12-month voluntary escrow period from their date of issue, with the balance of the Consideration Shares to be subject to a 6 month voluntary escrow period from their date of issue.

Under the Agreement, the parties agree that the Company shall be appointed manager and operator of the Agama business following exercise of the Option. The Company has given indemnities in respect of environmental liabilities and liabilities incurred by the Agama Vendors in respect of the conduct of the Agama business in the period following exercise of the option under the Agreement until completion of the Acquisition. The Agama Vendors have given the Company warranties and representations relating to Agama and its business which are considered standard for an agreement of this nature, and have agreed to indemnify the Company against loss suffered as a result of a breach of these warranties (capped such that the aggregate liability of the Agama Vendors shall not exceed the Consideration).

Resolution 1 seeks Shareholder approval for the issue of the Consideration Shares and Consideration Options, and Resolution 2 seeks Shareholder approval for the issue of the Transaction Fee Shares and Transaction Fee Options.

Shareholders should note that Resolutions 1 and 2 are inter-conditional. That is, these Resolutions will only be effective if the other Resolution is passed. The Acquisition will only proceed if both Resolutions 1 and 2 are passed. If Shareholders want the Acquisition to proceed, they should vote in favour of Resolutions 1 and 2.

2. Resolution 1 – Issue of Consideration Shares and Consideration Options

2.1 Background

The number of Consideration Shares and Consideration Options to be issued to the Agama Vendors under the Agreement will depend on the Share price and the ZAR to AUD exchange rate at the time of issue of the securities. The Agama Vendors do not currently have a relevant interest in any securities in the Company. At the time of issue, the formula to be used to calculate the number of Consideration Shares (and Consideration Options) is:

$$\frac{\text{ZAR Consideration payable converted into AUD at the time of issue}}{\text{Consideration Share Issue Price}}$$

The following table shows the number of Consideration Shares and Consideration Options to be issued to the Agama Vendors, assuming a Consideration Share Issue Price of \$0.018 (being a 10% discount to the current share price of around \$0.02) and the current exchange rate of 1 ZAR = AUD\$0.098:

¹ Note: this approximate number was based on an exchange rate of 1 ZAR to 0.098 AUD as at 7 February 2017.

Value of Consideration Shares to be issued (ZAR)	Value of Consideration Shares to be issued (AUD)	Number of Consideration Shares to be issued	% Shareholding in the Company	Number of Consideration Options to be issued
20,425,000	2,001,650	111,202,776	14.61%	111,202,776

Note: The table above is based on the current capital structure of the Company and does not take into account any Shares which may be issued on conversion of the Convertible Notes proposed to be issued by the Company the subject of Resolutions 3 to 5.

2.2 ASX Listing Rule 7.1

Listing Rule 7.1 broadly provides that a company may issue or agree to issue Equity Securities up to 15% of its issued capital in any 12 month period without shareholder approval. Subject to certain exceptions, prior approval of shareholders is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the company without shareholder approval during the previous 12 months, exceed the 15% limit.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

Resolution 1 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of the Consideration Shares and Consideration Options to the Agama Vendors.

The effect of Resolution 1 will be to allow the Directors to issue the Consideration Shares and Consideration Options during the period of three months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1.

2.3 Technical information required by ASX Listing Rule 7.3

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

- the formula for determining the number of Consideration Shares and Consideration Options to be issued is set out in Section 1, and will depend on the ZAR to AUD exchange rate and the Company's Share price at the time of issue. The table in Section 2.1 sets out the number of Consideration Shares and Consideration Options that would be issued based on the ZAR to AUD exchange rate and Share price around the time of this Notice of Meeting;
- the Company will issue the Consideration Shares and Consideration Options no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- as detailed in Section 1, the Consideration Shares will be issued at a deemed issue price of a 10% discount to the 10 trading day VWAP of the Shares prior to the issue of the Consideration Shares, in part consideration for the Acquisition. The Company will issue the Agama Vendors one Consideration Option for each Consideration Share issued. No issue price will be payable for the Consideration Options;
- the Consideration Shares and Consideration Options will be issued to the Agama Vendors according to their respective holdings of Agama securities;
- the Consideration Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing Shares on issue. The Consideration Options will be exercisable at a 100% premium to the Consideration Share Issue Price and expire on the date 24 months from the date of issue. The full terms of the Consideration Options are set out in Attachment A;
- the Consideration Shares and Consideration Options will be issued as part consideration for the Acquisition. No funds will be raised from the issue of the Consideration Shares and Consideration Options; and
- it is expected that the Consideration Shares and Consideration Options will be issued on one date.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1.

Voting intention

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 1.

3. Resolution 2 – Issue of Transaction Fee Shares and Transaction Fee Options

3.1 Background

As noted in Section 1, under the Agreement, BC Neethling who acted as advisor Company in connection with the Agreement, is entitled to the Transaction Fee Shares and the Transaction Fee Options,

The number of Transaction Fee Shares and the Transaction Fee Options to be issued to BC Neethling under the Agreement will depend on the Share price and the ZAR to AUD exchange rate at the time of issue of the securities.

BC Neethling does not currently have a relevant interest in any securities in the Company. At the time of issue, the formula to be used to calculate the number of Transaction Fee Shares (and Transaction Fee Options) is:

$$\frac{\text{ZAR Consideration payable converted into AUD at the time of issue}}{\text{Consideration Share Issue Price}}$$

The following table shows the number of Transaction Fee Shares and the Transaction Fee Options to be issued to BC Neethling, assuming a Consideration Share Issue Price of \$0.018 (being a 10% discount to the current share price of around \$0.02) and the current exchange rate of 1 ZAR = AUD\$0.098:

Value of Consideration Shares to be issued (ZAR)	Value of Consideration Shares to be issued (AUD)	Number of Consideration Shares to be issued	% Shareholding in the Company	Number of Consideration Options to be issued
1,075,000	105,350	5,852,777	0.77%	5,852,777

Note: The table above is based on the current capital structure of the Company and does not take into account any Shares which may be issued on conversion of the Convertible Notes proposed to be issued by the Company the subject of Resolutions 3 to 5.

3.2 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 2.2.

Resolution 2 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of the Transaction Fee Shares and Transaction Fee Options to BC Neethling.

The effect of Resolution 2 will be to allow the Directors to issue the Transaction Fee Shares and Transaction Fee Options during the period of three months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1.

3.3 Technical information required by ASX Listing Rule 7.3

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

- the formula for determining the number of Transaction Fee Shares and Transaction Fee Options to be issued is set out in Section 1, and will depend on the ZAR to AUD exchange rate and the Company's Share price at the time of issue. The table in Section 3.1 sets out the number of Transaction Fee Shares and Transaction Fee Options that would be issued based on the ZAR to AUD exchange rate and Share price around the time of this Notice of Meeting;
- the Company will issue the Transaction Fee Shares and Transaction Fee Options no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- as detailed in Section 1, the Transaction Fee Shares will be issued at a deemed issue price of a 10% discount to the 10 trading day volume weighted average price of the Shares prior to the issue of the Transaction Fee Shares, in part consideration for the acquisition of Agama by the Company under the Agreement. The Company will issue BC Neethling one Consideration Option for each Consideration Share issued. No issue price will be payable for the Transaction Fee Options;
- the Transaction Fee Shares and Transaction Fee Options will be issued to BC Neethling;
- the Transaction Fee Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue. The Transaction Fee Options will be exercisable at a 100% premium to the Consideration Share Issue Price and expire on the date 24 months from the date of issue. The full terms of the Transaction Fee Options are set out in Attachment A;
- the Transaction Fee Shares and Transaction Fee Options are being issued as consideration for BC Neethling who acted as advisor to the Company in connection with the Agreement. No funds will be raised from the issue of the Transaction Fee Shares and Transaction Fee Options; and
- it is expected that the Transaction Fee Shares and Transaction Fee Options will be issued on one date.

Directors' recommendation

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

Voting intention

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 2.

4. Resolution 3 – Issue of up to 307,692,308 Convertible Notes**4.1 Background**

On 7 February 2017, the Company announced that it is proposing to conduct a capital raising through the issue of convertible notes to various sophisticated and professional investors to raise up to \$8,000,000 through the issue of up to 307,692,308 convertible notes, each with a face value of \$0.026 (**Convertible Notes**).

Negotiations with potential investors are well progressed, and it is expected that the issue of the Convertible Notes will be subject to the satisfaction or waiver of the following conditions precedent:

- (a) all relevant shareholder, ASX and other regulatory approvals and waivers have been obtained to enable the issue and conversion of the Convertible Notes;
- (b) satisfaction or waiver of all conditions precedent under the Agreement on or before 15 March 2017 or such later date as may be agreed with the Agama Vendors; and
- (c) other standard conditions precedent to a draw down under a facility of this kind.

Drawdown is expected to occur within 4 days after satisfaction or waiver of the conditions precedent.

The purpose of the issue of the Convertible Notes is to raise funds to complete the purchase of 100% of the issued capital of Agama and to otherwise provide working capital to the Company.

4.2 Key terms of Convertible Notes

The key terms of the Convertible Notes are expected to be as follows:

- (a) **Security:** the Company and a number of its subsidiaries (both presently held or after acquired) will, other than to the extent they are contractually or legally prevented from doing so, grant to a security trustee (**Trustee**) (to hold on behalf of holders of Convertible Notes) a security over certain of their present and after-acquired property in Western Australia and Queensland and in the case of property in South Africa, over shares in those holding companies that hold shares in the entities with tenements in South Africa and not over the tenements themselves (**Security**).
- (b) **Status and ranking:** the Convertible Notes will be unsubordinated, senior and (subject to negative pledge) secured and unconditional obligations of the Company. The payment obligations of the Company under the Convertible Notes will rank in priority to the issued share capital and all future preference shares and senior to all future debt. The Convertible Notes will at all times rank *pari passu* and without priority among themselves.
- (c) **Maturity Date:** 24 months from the date of issue (**Maturity Date**).
- (d) **Interest:** 12% per annum (grossed up for withholding and other taxes for non-Australian resident investors), calculated and payable quarterly in arrears.
- (e) **Conversion:** holders of the Convertible Notes may elect to convert part or all of their Convertible Notes at any time prior to the Maturity Date, provided that the total face value of such Convertible Notes is not less than \$250,000.
- (f) **Conversion Price:** \$0.026 per Share (**Conversion Price**). If there is a reconstruction of the issued capital of the Company before the Maturity Date or the conversion of all Convertible Notes, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in the noteholder being worse off or obtaining any additional benefits which are not conferred on the Shareholders of the Company.
- (g) **Early redemption by the Company:** the Company may elect to redeem all or some of the Convertible Notes by notice to the noteholder, however the noteholder shall have the right, within 14 days of receipt of an early redemption notice from the Company, to convert the Convertible Notes the subject of the early redemption notice into Shares at the Conversion Price.
- (h) **Early redemption by the noteholder:** the noteholder may require the Company to redeem the Convertible Notes if an event of default occurs or if there is a sale by the Company of all or substantially all of the Company's business.

- (i) Mandatory redemption: the Company must redeem all outstanding Convertible Notes on:
 - (i) the Maturity Date; or
 - (ii) if a change in control transaction occurs, the earlier of the date on which a third party acquires a relevant interest in all of the Shares or is entitled to acquire or buy out any Shares, Convertible Notes or other securities it does not already own under Part 6A of the Corporations Act.
- (j) Redemption amount: the redemption amount is the outstanding facility amount with respect to each Convertible Note. If any Convertible Notes are redeemed by the Company within 12 months after their issue, an additional early repayment fee of 5% of the facility amount of the Convertible Notes being redeemed is payable by the Company.
- (k) Participation rights: the Convertible Notes will not provide for any voting rights at Shareholder meetings unless and until converted into Shares. A noteholder is not (by virtue of the Convertible Note) entitled to participate in any new issue of securities to Shareholders without first converting the Convertible Note into Shares.
- (l) Transferability and other restrictions: the Convertible Notes are not transferrable. The noteholder agrees to not short sell Shares at any time, and further agrees not to transfer any Shares issued on conversion of the Convertible Notes for a period of 12 months following their issue except if the Company issues a cleansing notice in respect of the Shares under section 708A(5)(e) of the Corporations Act or the transfer is to a sophisticated or professional investor (as defined in the Corporations Act) provided the transferee agrees to be subject to the same transfer restrictions as set out above.

The Convertible Note deeds (**Note Deeds**) are expected to include the following key terms:

- (a) Undertakings and covenants: before the earlier of the redemption or conversion of all Convertible Notes and the Maturity Date, the Company agrees that unless expressly permitted by the Note Deeds, without the prior consent of noteholders holding at least 75% of the aggregate face value of the Convertible Notes, it must (in summary):
 - (i) not incur (and shall procure that none of its subsidiaries incur) any debt other than in certain circumstances including debt incurred in the ordinary course of trading or for the purpose of funding any of its projects,
 - (ii) not grant (and shall procure that none of its subsidiaries grant) any security interests other than in certain circumstances;
 - (iii) procure that all of its obligations under the Note Deed will at all times rank at least pari-passu with all of its other present and future secured and unsubordinated obligations, except for obligations mandatorily preferred by law applying to companies generally;
 - (iv) not (and shall procure that none of its subsidiaries shall) dispose of, sell or part with possession of or create an interest in any asset of the group other than in certain circumstances;
 - (v) not (and shall procure none of its subsidiaries shall) acquire or agree to acquire any asset other than in certain circumstances;
 - (vi) not (and shall procure that none of its subsidiaries shall) substantially change the general nature of its business from that carried out following completion of Agama;
 - (vii) immediately notify the noteholders if it becomes aware that any Event of Default has occurred and the steps being taken (if any) to remedy it;
 - (viii) not (and shall procure that none of its subsidiaries shall) amend its constitution or other constituent documents;
 - (ix) not pay, make or declare any dividend or other distribution;
 - (x) pay when due any duties in relation to the Note Deed, or any Convertible Note;
 - (xi) ensure that each authorisation required for:
 - (A) the execution and delivery (if applicable) and the performance by it of the Note Deed; and
 - (B) the development, conduct and operation of the Company group's business and, (including under environmental law) and, which is material to the group,
 is obtained and maintained in full force and effect and that any breach is promptly rectified;

- (xii) comply (and shall procure that each of its subsidiaries shall comply) fully with all laws binding on it in all respects where failure to do so may be reasonably likely to have a material adverse effect on the condition, prospectus, business, assets or operations of the of the Company and its subsidiaries as a whole, the ability of the Company to perform its obligations under the Note Deed, the rights or benefits to the noteholder under the Note Deed, or the validity, priority or enforceability of the Note Deed (**Material Adverse Effect**);
 - (xiii) not (and shall procure that none of its subsidiaries shall) enter into any agreement, transaction or other arrangement with or for the benefit of a related body corporate other than as contemplated in the Note Deed, or otherwise in the ordinary course of business; and
 - (xiv) not issue or grant, and must procure that none of its subsidiaries issues or grants, or agrees to issue or grant, any securities, other than in certain circumstances.
- (b) Events of default: it will be an event of default under the Note Deeds if (in summary):
- (i) the Company fails to pay principal, interest, fees or any other payments owing to the noteholders under the Convertible Notes which is not remedied within 60 days;
 - (ii) the Company fails to perform any obligation under the Note Deed unless in the Company's opinion (acting reasonably), the failure is capable of remedy and is so remedied within 60 days of such failure;
 - (iii) there is a material breach of representations, warranties or covenants made by the Company in the Note Deeds which has a Material Adverse Effect, unless in the Company's opinion (acting reasonably), the failure is capable of remedy and is so remedied within 60 days of such failure;
 - (iv) an insolvency event occurs to the Company or any of its subsidiaries;
 - (v) it is or becomes unlawful for a party to perform any of its obligations under the Note Deed or they otherwise are repudiated, terminated, rescinded, or become void, unenforceable or otherwise of limited force and effect, or any person becomes entitled to repudiate, terminate, rescind or avoid any material provision of the Note Deed;
 - (vi) any person with competent jurisdiction takes any step with a view to the seizure, compulsory acquisition, expropriation or nationalisation of any assets of or shares in the Company or its subsidiaries;
 - (vii) the Company or its subsidiaries default under any material agreement they are parties to and such default has a Material Adverse Effect;
 - (viii) if the Company or its subsidiaries are in breach of an applicable law or regulation and such breach has a Material Adverse Effect; and
 - (ix) an authorisation, approval or consent which is material to the Company or its subsidiaries is cancelled, repealed, revoked or termination or has expired, or is modified or amended or conditions are attached in a manner which gives rise to a Material Adverse Effect.

As noted above, the Conversion Price of the Convertible Notes is \$0.026. Accordingly, if all Convertible Notes are converted, it would result in 307,692,308 Shares being issued. The Company currently has 643,932,310 Shares on issue. If all of the Convertible Notes are converted, and assuming all of the Consideration Shares and Transaction Fee Shares the subject of Resolutions 1 and 2 are issued and no other Shares are issued, the Shares issued would comprise 28.79% of the issued capital of the Company.

Further information regarding the proposed issue of Convertible Notes is set out in the Company's 7 February 2017 ASX announcement.

4.3 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 2.2.

The Convertible Notes are Equity Securities for the purposes of the Listing Rules.

Resolution 3 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of up to 307,692,308 Convertible Notes to raise up to \$8,000,000. For the avoidance of doubt, this includes the 38,461,538 Convertible Notes proposed to be issued to Silja the subject of Resolution 4, and the 19,230,769 Convertible Notes proposed to be issued to Mr Waddell or his nominee(s) the subject of Resolution 5.

The effect of Resolution 3 will be to allow the Directors to issue the Convertible Notes the subject of Resolution 3 during the period of three months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1.

Shareholders should note that Resolution 3 is subject to and conditional on the passing of Resolutions 1 and 2.

4.4 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Convertible Notes the Company can issue is 307,692,308. If these Convertible Notes are converted, a maximum of 307,692,308 Shares will be issued;
- (b) the Company will issue the Convertible Notes no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Convertible Notes will be issued with a face value of \$0.026 each. As detailed in Section 4.2, the Convertible Note are convertible into Shares in accordance with their terms and at a Conversion Price of \$0.026 per Share;
- (d) the Convertible Notes will be issued to various sophisticated or professional investors, and (save for Silja and Denis Waddell whose participation in the Convertible Note issue are the subject of Resolutions 4 and 5), will be unrelated parties of the Company;
- (e) the proposed key terms of the Convertible Notes are set out in Section 4.2. If the Convertible Notes are converted, Shares issued on conversion will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (f) as noted in Section 4.2, funds raised by the issue will be used to complete the purchase of 100% of the issued capital of Agama and to otherwise provide working capital to the Company; and
- (g) it is expected that the Convertible Notes will be issued on one date.

Directors' recommendation

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

Voting intention

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 3.

5. Resolution 4 – Participation of Silja in Convertible Note Issue

5.1 Background

As detailed in Section 4.1, on 7 February 2017, the Company announced a proposed capital raising to raise up to \$8,000,000 through the issue of up to 307,692,308 Convertible Notes to sophisticated and professional investors. It is anticipated that subject to Shareholder approval, the satisfaction or waiver of the conditions precedent set out in Section 4.1 and ASX granting the ASX Waiver as detailed in Section 5.3, Silja, a related party of the Company (as explained below), will participate in the raising by subscribing for up to 38,461,538 Convertible Notes each with a face value of \$0.026 to raise up to \$1,000,000.

The proposed issue of Convertible Notes to Silja is part of the Convertible Note issue the subject of Resolution 3, and the terms of the Convertible Notes to be issued to Silja will be exactly the same as the terms of the Convertible Notes to be issued to unrelated parties of the Company. The key terms of these Convertible Notes are set out in Section 4.2.

As noted above, the Conversion Price of the Convertible Notes is \$0.026. Accordingly, if all Convertible Notes to be issued to Silja are converted, it would result in 38,461,538 Shares being issued. The Company currently has 643,932,310 Shares on issue, and as at the date of this Notice of Meeting, Silja had a relevant interest in 69,119,936 Shares (equating to voting power of approximately 10.73% in the Company).

If all of the Convertible Notes to be issued to Silja are converted, and assuming all of the Consideration Shares and Transaction Fee Shares the subject of Resolutions 1 and 2 are issued and no other Shares are issued, Silja's voting power in the Company would be 13.45%.

If all of the Convertible Notes to be issued to Silja are converted, and assuming all other Convertible Notes the subject of Resolution 3 are issued and converted and all of the Consideration Shares and Transaction Fee Shares the subject of Resolutions 1 and 2 are issued but no other Shares are issued, Silja's voting power in the Company would be 10.07%.

5.2 Chapter 2E of the Corporations Act

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

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

Under the Corporations Act, a director of a company (or an entity controlled by a director) is a related party of the company. Silja is a related party of the Company because Mr Haller, a Director of the Company, is deemed to have control over Silja.

The issue of Convertible Notes to Silja constitutes the giving of a financial benefit to a related party of the Company and therefore requires Shareholder approval under Chapter 2E of the Corporations Act unless a relevant exception applies.

Section 210 of the Corporations Act broadly provides that Shareholder approval under Chapter 2E is not required where the financial benefit provided by the public company to the related party is on arm's length terms (or less favourable for the related party).

The Directors (in the absence of Mr Haller, who has a material personal interest in Resolution 4) have resolved that the arm's length exception in section 210 of the Corporations Act applies to the proposed issue of Convertible Notes to Silja, as the proposed issue is part of the Convertible Note issue the subject of Resolution 3, and the terms of the Convertible Notes to be issued to Silja will be exactly the same as the Convertible Notes to be issued to unrelated parties the subject of Resolution 3.

Accordingly, Shareholder approval under Chapter 2E of the Corporations Act for the issue of Convertible Notes to Silja is not required.

5.3 ASX Listing Rule 10.1

As noted in Section 4.2, it is anticipated that the Company will grant the Security to the Trustee to hold on behalf of holders of the Convertible Notes. The Security will be over all present and after acquired property of the Company and its subsidiaries. Listing Rule 10.1 provides that a company must obtain shareholder approval to acquire a substantial asset from, or dispose of a substantial asset to, a related party of the company (among others). Broadly, an asset will be a substantial asset if its value, or the value of the consideration for it is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules. Listing Rule 10.10.2 requires the company to provide to shareholders an independent expert's report on whether the transaction is fair and reasonable to shareholders.

Under the Listing Rules, the grant of a security over an asset constitutes disposing of the asset. As the Security proposed to be granted to the Trustee on behalf the holders of the Convertible Notes is over all of the Company (and its subsidiaries) present and acquired property, the Security would constitute a substantial asset for the purposes of Listing Rule 10.1. Accordingly, the grant of the Security by the Company to the Trustee to hold on behalf of Silja (and other noteholders) prima facie requires Shareholder approval under the Listing Rule 10.1.

The Company has applied for a waiver from Listing Rule 10.1 to enable the Company to grant security to the Trustee on behalf of noteholders including Silja and Mr Waddell without Shareholder approval under Listing Rule 10.1 (**ASX Waiver**). A decision from ASX is expected shortly, and the Company will update the market in due course if and when the ASX Waiver is granted, including the terms and conditions of any decision.

5.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that shareholder approval is required for an entity to issue or agree to issue Equity Securities to a related party.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to approve the issue of up to 38,461,538 Convertible Notes to Silja.

Shareholders should note that Resolution 4 is subject to and conditional on the passing of Resolutions 1 to 3.

5.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Convertible Notes will be issued to Silja;
- (b) a maximum of 38,461,538 Convertible Notes will be issued to Silja. If these Convertible Notes are converted, a maximum of 38,461,538 Shares will be issued;
- (c) the Company will issue the Convertible Notes within one month of the date of Meeting (or such later date as approved by ASX);
- (d) the Convertible Notes will be issued to Silja. Silja is a related party of the Company because Mr Haller, a Director of the Company, is deemed to have control over Silja;

- (e) the Convertible Notes will be issued with a face value of \$0.026 each. As detailed in Section 4.2, the Convertible Note are convertible into Shares in accordance with their terms and at a Conversion Price of \$0.026 per Share;
- (f) the proposed key terms of the Convertible Notes are set out in Section 4.2;
- (g) as noted in Section 4.2, funds raised by the issue will be used to complete the purchase of 100% of the issued capital of Agama and to otherwise provide working capital to the Company.
- (h) If approval is given for the grant of the Convertible Notes under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Directors' recommendation

The Directors, other than Mr Haller, recommend that Shareholders vote in favour of Resolution 4. Mr Haller abstains from making a recommendation as he has a material personal interest in Resolution 4 as it relates to the issue of Convertible Notes to Silja. Silja is a related party of the Company because Mr Haller, a Director of the Company, is deemed to have control over Silja.

Voting intention

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 4.

6. Resolution 5 – Participation of a Director in Convertible Note issue – Mr Denis Waddell (or nominee)

6.1 Background

As detailed in Section 4.1, on 7 February 2017, the Company announced a proposed capital raising to raise up to \$8,000,000 through the issue of up to 307,692,308 Convertible Notes to sophisticated and professional investors. It is anticipated that subject to Shareholder approval and the satisfaction or waiver of the conditions precedent set out in Section 4.1, Denis Waddell, a related party of the Company, will participate in the raising by subscribing for up to 19,230,769 Convertible Notes each with a face value of \$0.026 to raise up to \$500,000.

The proposed issue of Convertible Notes to Mr Waddell (or his nominee(s)) is part of the Convertible Note issue the subject of Resolution 3, and the terms of the Convertible Notes to be issued to Mr Waddell (or his nominee(s)) will be exactly the same as the terms of the Convertible Notes to be issued to unrelated parties of the Company. The key terms of these Convertible Notes are set out in Section 4.2.

As noted above, the Conversion Price of the Convertible Notes is \$0.026. Accordingly, if all Convertible Notes to be issued to Mr Waddell (or his nominee(s)) are converted, it would result in 19,230,769 Shares being issued. The Company currently has 643,932,310 Shares on issue, and as at the date of this Notice of Meeting, Mr Waddell had a relevant interest in 92,541,324 Shares (equating to voting power of approximately 14.37% in the Company).

If all of the Convertible Notes to be issued to Mr Waddell (or his nominee(s)) are converted, and assuming all of the Consideration Shares and Transaction Fee Shares the subject of Resolutions 1 and 2 are issued and no other Shares are issued, Mr Waddell's voting power in the Company would be 14.33%.

If all of the Convertible Notes to be issued to Mr Waddell (or his nominee(s)) are converted, and assuming all other Convertible Notes the subject of Resolution 3 are issued and converted and all of the Consideration Shares and Transaction Fee Shares the subject of Resolutions 1 and 2 are issued but no other Shares are issued, Mr Waddell's voting power in the Company would be 10.46%.

6.2 Chapter 2E of the Corporations Act

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

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

Under the Corporations Act, a director of a company is a related party of the company. Mr Waddell is a Director of the Company and therefore a related party of the Company.

The issue of Convertible Notes to Mr Waddell (or his nominee(s)) constitutes the giving of a financial benefit which requires Shareholder approval under Chapter 2E of the Corporations Act unless a relevant exception applies.

Section 210 of the Corporations Act broadly provides that Shareholder approval under Chapter 2E is not required where the financial benefit provided by the public company to the related party is on arm's length terms (or less favourable for the related party).

The Directors (in the absence of Mr Waddell who has a material personal interest in Resolution 5) have resolved that the arm's length exception in section 210 of the Corporations Act applies to the proposed issue of Convertible Notes to Mr Waddell (or his nominee(s)), as the proposed issue is part of the Convertible Note issue the subject of Resolution 3, and the terms of the Convertible Notes to be issued to Mr Waddell (or his nominee(s)) will be exactly the same as the Convertible Notes to be issued to unrelated parties the subject of Resolution 3.

Accordingly, Shareholder approval under Chapter 2E of the Corporations Act for the issue of Convertible Notes to Mr Waddell (or his nominee(s)) is not required.

6.3 ASX Listing Rule 10.1

A summary of the application of Listing Rule 10.1 to the proposed grant of the Security to the Trustee to hold on behalf of Silja and Mr Waddell (and other noteholders) in connection with the Convertible Note issue is provided in Section 5.3.

As noted in Section 5.3, the Company has applied for the ASX Waiver. A decision from ASX is expected shortly, and the Company will update the market in due course if and when the ASX Waiver is granted, including the terms and conditions of any decision

6.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that shareholder approval is required for an entity to issue or agree to issue Equity Securities to a related party.

Resolution 5 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11 to approve the issue of up to 19,230,769 Convertible Notes to Mr Waddell (or his nominee(s)).

Shareholders should note that Resolution 5 is subject to and conditional on the passing of Resolutions 1 to 3.

6.5 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Convertible Notes will be issued to Mr Waddell (or his nominee(s));
- (b) a maximum of 19,230,769 Convertible Notes will be issued to Mr Waddell (or his nominee(s)). If these Convertible Notes are converted, a maximum of 19,230,769 Shares will be issued;
- (c) the Company will issue the Convertible Notes within one month of the date of Meeting (or such later date as approved by ASX);
- (d) the Convertible Notes will be issued to Mr Waddell (or his nominee(s)). Mr Waddell is a Director of the Company;
- (e) the Convertible Notes will be issued with a face value of \$0.026 each. As detailed in Section 4.2, the Convertible Note are convertible into Shares in accordance with their terms and at a Conversion Price of \$0.026 per Share;
- (f) the proposed key terms of the Convertible Notes are set out in Section 4.2;
- (g) as noted in Section 4.2, funds raised by the issue will be used to complete the purchase of 100% of the issued capital of Agama and to otherwise provide working capital to the Company.
- (h) If approval is given for the grant of the Convertible Notes under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Directors' recommendation

The Directors, other than Mr Waddell, recommend that Shareholders vote in favour of Resolution 5. Mr Waddell abstains from making a recommendation as he has a material personal interest in Resolution 5 as it relates to the issue of Convertible Notes to him.

Voting intention

The Chairman of the meeting intends to vote all available undirected proxies in favour of Resolution 5.

Glossary

\$ or AUD means Australian dollars.

Acquisition means the acquisition by the Company of all of the issued shares in Agama under the Agreement.

Agama means Agama Exploration & Mining (Pty) Ltd.

Agama Vendors means the current holders of the issued shares in Agama.

Agreement means the option and share purchase agreement between the Company, the Agama Vendors, Echo Structured Investments (Pty) Ltd, BC Neethling and Agama dated 20 December 2016.

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

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

ASX Waiver has the meaning given in Section 5.3.

BC Neethling means BC Neethling (ID 690824 5044 084).

Board means the Board of Directors.

Chair means the Chairperson of the Meeting.

Company means Orion Gold NL ACN 098 939 274.

Consideration Options means Options with the terms and conditions set out in Attachment A.

Consideration Shares has the meaning given in Section 1

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.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Listing Rules means the ASX Listing Rules.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Security has the meaning given in section 4.2(a) of the Notice.

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

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

Share Registry means Link Market Services Limited.

Silja means Silja Investment Ltd.

Transaction Fee Options means Options with the terms and conditions set out in Attachment A.

Transaction Fee Shares has the meaning given in Section 1.

VWAP means volume weighted average price.

ZAR means South African rand.

ATTACHMENT A – TERMS OF CONSIDERATION OPTIONS AND TRANSACTION FEE OPTIONS

The Options to be granted, will be granted on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share in the capital of the Company upon exercise of the Option in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5.00pm (WST) on the date which is 24 months following the date of issue of the Options (**Expiry Date**). Any Options not exercised prior to the Expiry Date will automatically expire at this time. The amount payable upon exercise of each Option is a 100% premium to the Consideration Share Issue Price (**Exercise Price**).
- (c) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (d) Subject to paragraph (c), the Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).
- (e) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (f) Within 10 Business Days of receipt of an effective Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) All Shares issued upon the exercise of Options will from the date of issue rank pari passu in all respects with other Shares.
- (h) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Options on ASX within 10 Business Days after the date of issue of those Shares.
- (i) Subject to paragraphs (k), (l) and (m), the Optionholder will not be entitled to participate in new issues of capital offered to holders of Shares in the Company prior to the exercise of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (j) The Optionholder will not have any right to attend and vote at general meetings.
- (k) In the event of any reconstruction or reorganisation (including consolidation, subdivision, reduction or return of capital) of the Company, the Options shall be treated in a manner consistent with the Corporations Act and the ASX Listing Rules as in force as at the date of any such reconstruction.
- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in the ASX Listing Rules.
- (m) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue in accordance with the ASX Listing Rules.
- (n) Other than as provided for above, the Options do not confer any right upon the Optionholder to a change in the exercise price of each Option or a change in the number of Shares over which each Option can be exercised.
- (o) Any notices to an Optionholder regarding an Option will be sent to the address of the Optionholder in the Register.
- (p) The Company is not responsible for any Duties or Taxes which may become payable in connection with the issue of Shares pursuant to an exercise of the Options or any other dealing with the Options or Shares.

LODGE YOUR VOTE

-  **ONLINE**
www.linkmarketservices.com.au
-  **BY MAIL**
ORION GOLD NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
-  **BY FAX**
+61 2 9287 0309
-  **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138;
-  **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of ORION GOLD NL and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (Perth time) on Monday, 13 March 2017 at RSM Australia Partners, 8 St Georges Terrace, Perth, Western Australia** (the Meeting) and at any postponement or adjournment of the Meeting.


The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions	For	Against	Abstain*		For	Against	Abstain*
1 Proposed Issue of Consideration Shares and Consideration Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Proposed Issue of Transaction Fee Shares and Transaction Fee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Participation of a Director in Convertible Note issue – Mr Denis Waddell (or nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Proposed Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Participation of Silja in Convertible Note issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

ORN PRX1701A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

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

Joint Holding: where the holding is in more than one name, either shareholder may sign.

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Perth time) on Saturday, 11 March 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

ORION GOLD NL
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**