



ABN 33 087 741 571

Suite 8, 7 The Esplanade, Mt Pleasant WA 6153, Australia  
Phone: +61 8 9316 9100 Fax: +61 8 9315 5475

28 April 2017

The Manager  
Company Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam,

**2017 Annual General Meeting**

The Directors of Po Valley Energy Limited are pleased to announce that the Notice of Meeting for the Company's 2017 Annual General Meeting is being mailed to shareholders today.

The 2017 Annual General Meeting will be held at 11.30am on 31 May 2017 at Port Jackson Partners Limited, Level 32, 50 Bridge Street, Sydney NSW.

Po Valley's 2016 Annual Report was lodged earlier today with the ASX and is being sent to those shareholders who have requested a copy.

The 2016 Annual Report and Notice of Meeting will be available on the Company's website at [www.povalley.com](http://www.povalley.com).

Pursuant to Listing Rule 3.17, attached are copies of the Notice of Meeting and Proxy Form.

Yours faithfully

Lisa Jones

A handwritten signature in black ink that reads 'Lisa Jones' in a cursive script.

Company Secretary



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## NOTICE OF ANNUAL GENERAL MEETING 2017

**TIME:** 11.30am (AEST)  
**DATE:** 31 May 2017  
**PLACE:** Port Jackson Partners Limited  
Level 32, 50 Bridge Street  
SYDNEY NSW AUSTRALIA

### **Attending and Voting in Person**

To vote in person, attend the Annual General Meeting on the date and at the place set out above. Registration will commence 15 minutes prior to the commencement of the Meeting. Please bring this Notice of AGM and your proxy form which will facilitate registration for the AGM.

### **Voting by Proxy**

To vote by proxy, please follow the instructions on the enclosed proxy form on how to send the completed proxy form enclosed (and relevant authorities) to Link Market Services Limited so that it is received no later than 11.30am (AEST) on 29 May 2017. You may also lodge your proxy form online by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Select 'Investor Login'. If you don't have a portfolio, go to the "Single Holding" box and enter Po Valley Energy Limited or the ASX code (PVE) 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 or can be found on your holding statement), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

If you require further information on how to complete the proxy form, telephone Link Market Services Limited on 1300 554 474 or +61 1300 554 474 if calling from overseas.

### **Questions from Shareholders**

In addition to asking questions at the meeting, written questions to the Chairman of the meeting about the management of PVE, or to PVE'S auditor about the content of the Auditor's Report and the conduct of the audit, may be submitted no later than 26 May 2017 by fax or email to:

PVE Chairman  
C/- Company Secretary  
Po Valley Energy Limited  
Email: [ljones@povalley.com](mailto:ljones@povalley.com)



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## NOTICE OF ANNUAL GENERAL MEETING

**Notice is given that the Annual General Meeting of the Shareholders of Po Valley Energy Limited will be held on 31 May 2017 at 11.30am (AEST) at the Offices of Port Jackson Partners Limited at Level 32, 50 Bridge Street, Sydney New South Wales, Australia.**

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### ITEMS OF BUSINESS

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Po Valley Financial Report

To receive the Financial Statements, Directors' Report and Auditor's Report of the Company and its controlled entities for the year ended 31 December 2016.

Resolution 1: Adoption of Remuneration Report

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

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as contained in the Company's annual financial report for the year ended 31 December 2016."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:**

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- a member of the Key Management Personnel named in the Remuneration Report or their Closely Related Parties regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.

However, a person (the **voter**) described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

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

Resolution 2: Re-Election of Mr Michael Masterman as a Director

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

*"That, Mr Michael Masterman being a Director of the Company retires under the director rotation provisions of Clause 13.2 of the Company's Constitution, and ASX Listing Rule 14.4. Mr Masterman, being eligible, is hereby re-elected as a Director of the Company."*



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Resolution 3: Ratification of Issue of Tranche One Placement Shares

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

*“That, for all purposes including ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 14,526,966 Shares each at an issue price of \$0.0275 (2.75c) to sophisticated and professional investors under the first tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the first tranche of the Placement and any of their associates.

Resolution 4: Approval of Director Participation in the Placement – Mr Michael Masterman

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

*“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 9,090,909 Shares to Mr Michael Masterman or his associate at an issue price of \$0.0275 (2.75c) under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Michael Masterman or his associates. However, the Company will not disregard the 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 the directions on the proxy form to vote as the proxy decides.

Resolution 5: Approval of Related Party Participation in the Placement- Ms Joan Masterman

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

*“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 1,090,909 Shares to Ms Joan Masterman or her associate at an issue price of \$0.0275 (2.75c) under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Joan Masterman and her associates. However, the Company will not disregard the 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
- (c) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.



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Resolution 6: Approval of Director Participation in the Placement – Dr Byron Pirola

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

*“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 2,675,617 Shares to Dr Byron Pirola or his associate at an issue price of \$0.0275 (2.75c) under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Dr Byron Pirola or his associates. However, the Company will not disregard the 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 the directions on the proxy form to vote as the proxy decides.

Resolution 7: Approval of Director Participation in the Placement – Mr Kevin Bailey

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

*“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 15,497,636 Shares to Mr Kevin Bailey or his associate at an issue price of \$0.0275 (2.75c) under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum to the Notice of Meeting”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Kevin Bailey or his associates. However, the Company will not disregard the 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 the directions on the proxy form to vote as the proxy decides..

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**Dated: 24 April 2017**

**BY ORDER OF THE BOARD**

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

**LISA JONES**  
**Company Secretary**



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## EXPLANATORY NOTES

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The Explanatory Notes have been prepared to assist Shareholders to understand the reasons for and the effect of the resolutions to be put to the Shareholders at the AGM. The Explanatory Notes and the proxy form are part of this Notice of Meeting.

### **General notes on Voting**

#### *Voting Entitlement*

For the purposes of the Annual General Meeting, only those persons registered as Shareholders of the Company at 7:00pm (AEST) on 29 May 2017 will be entitled to vote. This means that if you are not a registered Shareholder at that time you will not be entitled to vote in respect of that Share. On a show of hands each Shareholder has one vote. On a poll each Shareholder has one vote for each Share they hold.

#### *Proxies*

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder of the Company.

Shareholders holding two or more Shares may appoint either one or two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and no proportion or number of votes is specified, each proxy may exercise one-half of the votes. Neither proxy may vote on a show of hands.

If the Chairman of the meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise all available votes in favour of the relevant resolution.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote proxies as directed.

Special considerations apply to proxy voting on Resolution 1 (Remuneration Report) – please refer to the explanatory notes below.

### **Financial Statements and Reports**

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The Corporations Act requires the financial report, directors' report and auditor's report to be laid before the AGM. There is no requirement in the Corporations Act or the Company's Constitution for Shareholders to vote on, approve or adopt these reports. Shareholders will have a reasonable opportunity at the AGM to ask questions about and make comments about these reports and the management and performance of the Company. Shareholders may also submit written questions on these matters to the Company by email as set out on the first page of this Notice.

The 2016 Annual Report can be found on the Company's website ([www.povalley.com](http://www.povalley.com)).



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## **Resolution 1: Adoption of Remuneration Report**

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### **General**

The Remuneration Report is set out in the Directors' Report in the Company's 2016 Annual Report.

Shareholders will be afforded the opportunity to comment on and ask questions about the content of the Remuneration Report and the Board will take the outcome of the vote into consideration when reviewing the remuneration practice and policies of the Company.

### **Voting consequences**

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, under the Corporations Act if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), Shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a *spill resolution*) that another meeting be held within 90 days at which all of the Company's Directors (other than a Managing Director) must go up for re-election. At the Company's 2016 annual general meeting, less than 25% of votes cast were against the remuneration report and the spill resolution is not, therefore, relevant for this Annual General Meeting.

### **Proxy Votes on Resolution 1**

The key management personnel of the Company (which includes each of the directors and the executives named in the Company's 2016 Remuneration Report) and their closely related parties will not be able to vote as your proxy on Resolution 1 unless you tell them how to vote, or the Chairman of the meeting is your proxy. Accordingly, if you intend to appoint a member of the key management personnel or one of their closely related parties as your proxy, please ensure that you direct them how to vote on Resolution 1, otherwise they will not be able to cast your vote as your proxy on that resolution.

If you appoint the Chairman of the meeting as your proxy, you can direct him how to vote by marking one of the boxes for Resolution 1 (i.e. to vote "for", "against" or "abstain"). If you appoint the Chairman of the meeting as your proxy or the Chairman of the meeting is appointed as your proxy by default, but you do not mark a voting box for Resolution 1, you will be taken to have expressly authorised the Chairman of the meeting to exercise the proxy in respect of that resolution even though it is connected with the remuneration of key management personnel.

## **Resolution 2: Re-Election of Mr Michael Masterman**

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Clause 13.2 of the Constitution requires that at the Company's annual general meeting one-third of the Directors shall retire from office provided always that no Director (except a Managing Director) holds office for a period in excess of 3 years. With a board of three directors, this requires one director to retire at the 2017 AGM. ASX Listing Rule 14.4 also requires that no director must hold office for more than 3 years without re-election. Mr Masterman was last re-elected at the 2014 Annual General Meeting.



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### **Mr Michael Masterman**

Michael is a co-founder of PVE, having served as its inaugural CEO from 2002 to 2010. From 2010, he has served as a non-executive director and was appointed Chairman in April 2016. Michael has also recently been appointed as CEO and director of Po Valley's AIM listed subsidiary, Saffron Energy Plc. From 2010 to 2014 Michael held an executive position at Fortescue Metal Group where he was CEO of FMG Iron Bridge Fortescue's Magnetite JV. Prior to joining PVE, Michael was CFO and Executive Director of Anaconda Nickel (now Minara Resources), and he spent 8 years at McKinsey & Company serving major international resource companies principally in the area of strategy and development. He is also Chairman of W Resources Plc, an AIM listed company with tungsten, gold, and copper assets in Spain and Portugal.

### ***Recommendation***

Mr Masterman's re-election is unanimously recommended to Shareholders by the other Directors.

### **Resolution 3: Ratification of Issue of Shares under Tranche One of the Placement**

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On 4 April 2017, the Company announced the placement of up to 42,882,037 ordinary fully paid shares to raise approximately \$1.18million. The Placement is to be completed in two tranches, the first tranche of 14,526,966 Shares (**Tranche One Shares**) was completed on 5 April 2017, with the Tranche One Shares issued to a small group of sophisticated and institutional investors (**Tranche One**). The Company seeks ratification of the issue of the Tranche One Shares in Resolution 3. The second tranche, being 28,355,071 Shares (**Tranche Two Shares**) to be issued to Related Parties on equal terms as those investors who subscribed for Shares under Tranche One of the Placement, is subject to Shareholder approval which is sought under Resolutions 4, 5, 6 and 7 (**Tranche Two**).

ASX Listing Rule 7.1 provides that an ASX listed company may not issue equity securities comprising more than 15% of its issued shares in any 12 month period without obtaining shareholder approval unless the issue comes within any of the specified exceptions.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, permitting the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% limit set by ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

Shareholder approval is therefore sought pursuant to ASX Listing Rule 7.4 to ratify the previous issue of 14,526,966 Shares under Tranche One of the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without further shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) 14,526,966 Shares were allotted under Tranche One of the Placement;
- (b) the issue price was \$0.0275(2.75c) per Share;



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- (c) the Tranche One 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 Tranche One Shares were allotted and issued to sophisticated and institutional investors including some existing shareholders, none of whom were related parties of the Company; and
- (e) the funds raised from this issue of the Tranche One Shares will be used towards the continued development of two of the Company's high value exploration projects (Selva and Teoderico), for repayment of shareholder loans and for general working capital.

#### **Directors' Recommendation**

The directors consider that Resolution 3 is in the best interests of the Company as it will provide the Company with greater flexibility when considering future capital raising opportunities. Accordingly, all directors recommend that Shareholders vote in favour of Resolution 3.

#### **Resolutions 4, 5, 6 and 7: Participation in the Placement by Related Parties**

Resolutions 4, 6 and 7 relate to the proposed participation of Directors, being Michael Masterman, Kevin Bailey and Byron Pirola (or their respective nominees), in Tranche Two of the Placement. Resolution 5 relates to the proposed participation of Ms Joan Masterman, Mr Masterman's mother and a related party of the Company for the purposes of Listing Rule 10.11, in Tranche Two of the Placement.

#### *Chapter 2E of the Corporations Act*

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 (such as a director of the 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.

It is the view of the Company that the issue of the Tranche Two Placement Shares to the Related Parties under Resolutions 4, 5, 6 and 7 falls under the arm's length exception in section 210 of the Corporations Act because the Tranche Two Shares will be issued to the Related Parties on the same terms as the Tranche One Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms. Accordingly, the Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche Two Shares.

#### *Section 195 of the Corporations Act*

Shareholder approval is being sought under section 195 of the Corporations Act, which provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain



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circumstances or unless non-interested directors pass a resolution approving the interested director's participation.

Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter. It might be argued (although it is not necessarily thought by the Board to be the case) that the Directors have a material personal interest in the outcome of Resolutions 4, 5, 6 and 7. In that case, a quorum could not be formed for the Board to consider the matters contemplated by Resolutions 4, 5, 6 and 7. For the avoidance of any doubt, the Directors have elected in accordance with section 195(4) of the Corporations Act to seek Shareholder approval of this matter as outlined in Resolutions 4, 5,6 and 7.

*ASX Listing Rule 10.11*

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution 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.

If Resolutions 4, 5, 6 and 7 are passed, the Related Parties may be issued shares under Tranche Two of the Placement, which would constitute the issuing of Shares to related parties of the Company. Accordingly, approval for the issue of the Tranche Two Shares to the Related Parties is sought under ASX Listing Rule 10.11. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Separate approval under ASX Listing Rule 7.1 is not required in relation to the issue of the Tranche Two Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11.

The following information is provided in relation to the approval sought as required under ASX Listing Rule 10.13:

- a) the Related Parties are all Directors except for Joan Masterman who is Michael Masterman's mother. For the purposes of Listing Rule 10.11, a related party of the Company includes the parents of Directors. Ms Masterman is, therefore, considered to be a related party of the Company by virtue of her relationship to Michael Masterman who is a Director.
- b) the number of Tranche Two Shares to be issued to the Related Parties is as follows:
  - i. Michael Masterman 9,090,909 Shares;
  - ii. Joan Masterman 1,090,909 Shares
  - iii. Byron Pirola 2,675,617 Shares; and
  - iv. Kevin Bailey 15,497,636 Shares
- c) the Tranche Two Shares will be issued no later than one month after the date of the Meeting and it is anticipated that allotment will occur on or around the same date;
- d) the issue price is \$0.0275(2.75c) per Share;



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- e) the Tranche Two Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- f) the funds raised from this issue will be used towards the continued development of two of the Company's high value exploration projects (Selva and Teoderico), for repayment of shareholder loans and for general working capital; and
- g) a voting exclusion statement is included in this Notice of Meeting.

### **Directors' Recommendation**

The Directors consider that Resolutions 4, 5, 6 and 7 are in the best interests of the Company as passing these Resolutions will ensure that the Company receives the full amount of funds under the second tranche of the Placement.

All the directors, other than Mr Masterman, recommend that Shareholders vote in favour of Resolutions 4 and 5. Mr Masterman has abstained from making a recommendation to Shareholders in respect of Resolutions 4 and 5 due to his material personal interest in the issue of the Placement shares the subject of Resolutions 4 and 5.

All the directors, other than Dr Pirola, recommend that Shareholders vote in favour of Resolution 6. Dr Pirola has abstained from making a recommendation to Shareholders in respect of Resolution 6 due to his material personal interest in the issue of the Placement shares the subject of Resolution 6.

All the directors, other than Mr Bailey, recommend that Shareholders vote in favour of Resolution 7. Mr Bailey has abstained from making a recommendation to Shareholders in respect of Resolution 7 due to his material personal interest in the issue of the Placement shares the subject of Resolution 7.



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## GLOSSARY

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**2016 Annual Report** means the Company's annual report for the year ended 31 December 2016.

**AEST** means Australian eastern standard time as observed in Sydney, New South Wales.

**Annual General Meeting** or **AGM** means the annual general meeting of the Company to be held at 11.30am on 31 May 2017 (**AEST**).

**ASX** means ASX Limited.

**Board** means the current board of directors of the Company.

**Closely Related Parties** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Po Valley Energy Limited (ABN 33 087 741 571).

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of the Company.

**Explanatory Notes** means the explanatory notes which accompany and are incorporated as part of this Notice.

**KMP** means key management personnel, which has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group

**Listing Rules** means the official listing rules of the ASX.

**Notice and Notice of Meeting** means this Notice of AGM.

**Placement** means the placement announced by the Company on 4 April 2017 to raise approximately \$1.18million through the issue of Shares at an issue price of \$0.0275 (2.75c) in two tranches, the first tranche being 14,526,966 Shares issued to sophisticated and institutional investors on 5 April 2017 and the second tranche being 28,355,071 Shares proposed to be issued to Related Parties.



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**Related Parties** means Michael Masterman, Joan Masterman, Kevin Bailey and Byron Pirola.

**Remuneration Report** means the remuneration report of the Company for the year ended 31 December 2016, as set out in the 2016 Annual Report.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Tranche One Shares** means the first tranche of 14,526,966 Shares issued under the Placement to sophisticated and institutional investors which was completed on 5 April 2017.

**Tranche Two Shares** means the second tranche of 28,355,071 Shares to be issued to the Related Parties under the Placement if Shareholder approval is obtained for Resolutions 4, 5, 6 and 7 as set out in this Notice of Meeting.

**LODGE YOUR VOTE**

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Po Valley Energy Limited  
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 Po Valley Energy Limited 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 Annual General Meeting of the Company to be held at **11:30am (AEST) on Wednesday, 31 May 2017 at Port Jackson Partners Limited, Level 32, 50 Bridge Street, Sydney NSW Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**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 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Related Party Participation in the Placement – Ms Joan Masterman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Mr Michael Masterman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Director Participation in the Placement – Dr Byron Pirola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Issue of Tranche One Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Director Participation in the Placement – Mr Kevin Bailey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Director Participation in the Placement – Mr Michael Masterman	<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)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

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).

**STEP 3**



## 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, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### 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:

- 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
- 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](http://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 **11:30am (AEST) on Monday, 29 May 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](http://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, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Po Valley Energy Limited  
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)



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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