# ORINOCO GOLD LIMITED ACN 149 219 974

# NOTICE OF GENERAL MEETING

**TIME**: 10:00am (WST)

DATE: 29 November 2018

**PLACE**: CWA House

1176 Hay Street

West Perth, Western Australia

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

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm (WST) on 27 November 2018.



#### BUSINESS OF THE MEETING

#### **AGENDA**

#### 1. RESOLUTION 1- RATIFICATION OF PRIOR ISSUE - MAGNA COMMITMENT FEE SHARES

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,363,636 Shares on the terms and conditions set out in the Explanatory Statement."

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

### 2. RESOLUTION 2 – RATIFICATION OF ISSUE OF TRANCHE A CONVERTIBLE NOTES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,472,540 Convertible Notes on the terms and conditions set out in the Explanatory Statement."

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

# 3. RESOLUTION 3 – APPROVAL TO ISSUE CONVERTIBLE NOTES TO MEF I, L.P.

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Approval is sough from Shareholders to issue up to a further A\$4,000,000 of Convertible Notes on the terms and conditions set out in the Explanatory Statement."

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

#### RESOLUTION 4 – APPROVAL TO ISSUE COMMITMENT FEE SHARES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Approval is sough from Shareholders to issue Commitment Fee Shares to Magna on the terms and conditions set out in the Explanatory Statement."

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

# 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUES – UNLISTED ADVISOR OPTIONS – ASX LISTING RULE 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,462,841 Unlisted Options on the terms and conditions set out in the Explanatory Statement."

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

# 6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY ~ FRANCISCO BARRETO

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,800,000 Performance Rights to Mr Francisco Barreto (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

#### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 26 October 2018

By Order of the Board



Joel Ives
Joint Company Secretary

#### Voting in person

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

#### Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9482 0540

#### **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

# 1. RESOLUTIONS 1 & 2 RATIFICATION OF PRIOR ISSUES – SHARES AND CONVERTIBLE NOTES - ASX LISTING RULE 7.1

#### 1.1 Background

As announced on 30 August 2018 the company entered into a Convertible Note Agreement with MEF I, L.P. (Magna) under which the Company may receive up to \$8,000,000 in four equal tranches of \$2,000,000 within a 12 month period at the Company's discretion (Convertible Note Agreement). A summary of the terms of the Convertible Note Agreement is set out in Schedule 1.

Pursuant to the Convertible Note Agreement, the Company drew down the initial tranche on 11 September 2018 and paid the initial Commitment Fee in Shares

Resolution 1 seeks the ratification of the initial tranche of the Shares issued for the payment of the Commitment Fee.

Resolution 2 seeks the ratification of the initial \$2,000,000 convertible note issued by the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any Equity Securities, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

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

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

#### 1.2 Technical information required for Resolution 1

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 1,363,636 Shares were issued;
- (b) the Shares were issued for nil cash consideration as part of the fee for the provision of the convertible security facility under the Convertible Note Agreement;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued to Magna, who is not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares as they were issued as part of the fee for the provision of the convertible securities the subject of Resolution 2 under the Convertible Note Agreement.

### 1.3 Technical information required for Resolution 2

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Company issued 1,472,540 convertible notes with a face value of US\$1.10 per convertible note (as at the date of issue of the Convertible Notes the USD:AUD was approximately USD\$1 = AUD\$0.7115);
- (b) the convertible notes are convertible into Shares in the Company at the lesser of:
  - (i) 90% of the lowest daily VWAP during the 5 Trading Days prior to the conversion; and
  - (ii) \$0.20,

save that the conversion price cannot be less than the floor price of \$0.0125 converted into a US Dollar price on the terms and conditions set out in Schedule 1;

- (c) the key terms of the Convertible Note Agreement and the Convertible Notes issued are set out in Schedule 1;
- (d) the Convertible Notes were issued to Magna, who is not a related party of the Company; and
- (e) the funds received for the issue of the convertible notes have been, and will continue to be used in the development of the Company's Rio do Ouro project in Brazil.

### 2. RESOLUTION 3 – ISSUE OF TRANCHES 2 AND 3 OF THE CONVERTIBLE NOTES

#### 2.1 General

Resolution 3 seeks Shareholder approval for the issue the next two tranches of Convertible Notes to raise \$2,000,000 per tranche for a total of a further A\$4,000,000.

Shareholder approval is required under Listing Rule 7.1. A summary of Listing Rule 7.1 is set out in Section 1.1 above.

The effect of this Resolution will be to allow the Company to issue the two tranches of Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

As at the date of this Notice, the Company has applied to ASX for a waiver to enable the second tranche of Convertible Notes to be issued greater than 3 months after the date of the Meeting. Where this waiver is not granted, the

Company will not be able to issue the second tranche of the Convertible Notes without coming back to Shareholders at a further general meeting.

As set out in Schedule 1, under the Convertible Note Agreement, the Company is able to drawdown funds equal to \$2,000,000 in four equal tranches at 90 day intervals. The first tranche was drawn down on 11 September 2018, and is the subject to Resolution 2. Resolution 3 seeks the approval of Shareholders to draw down tranches 2 and 3. The final draw down is not the subject of any Shareholder approval at this stage, and approval will be sought at a later date closer to the proposed draw down of that final tranche. Shareholders should note that the Company is unable to draw down any tranche without the approval of Shareholders for the issue of the Convertible Notes.

The Convertible Notes are convertible into Shares in the Company at the lesser of:

- (a) 90% of the lowest daily VWAP during the 5 Trading Days prior to the conversion; and
- (b) \$0.20.

By way of example, if the VWAP was \$0.024 (being the closing price on 18 October 2018) and the number of Convertible Notes that had been issued was 1,472,540 (being the same number of Convertible Notes issued under the first tranche), the number of Shares to be issued would be 101,851,852 Shares on conversion.

#### 2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- the Company will issue Convertible Notes, in two separate tranches, equal to the actual amount paid in US Dollars by Magna so as to procure the transfer of the relevant tranche payment, in each cash rounded up to the nearest whole number, and each with a face value of US\$1.10 per Convertible Note. By way of example, the Company issued 1,472,540 Convertible Notes under the initial tranche the subject of Resolution 2. The exact number of Convertible Notes issued will be subject to the prevailing exchange rate on the date of issue;
- (b) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that the Convertible Notes will be issued in two tranches, 90 days apart in accordance with the terms of the Convertible Note Agreement (refer to Schedule 1);
- (c) the issue price will be USD\$1.10 per Convertible Note;
- (d) the Convertible Notes will be issued on the terms and conditions set out in Schedule 1. Any Shares issued on the exercise of the Convertible Notes will be on the same terms and conditions as the Company's existing Shares:
- (e) the Convertible Notes will be issued to Magna, who is not a related party of the Company; and

(f) the Company intends to use the funds raised from the issue of the Convertible Notes towards the ongoing development of the Company's Rio do Ouro project in Brazil and for general working capital purposes.

#### 3. RESOLUTION 4 – ISSUE OF COMMITMENT FEE SHARES

# 3.1 Background

Under the terms of the Convertible Note Agreement, upon each issue of Convertible Notes, the Company is required to pay a fee (**Commitment Fee**) equal to 3% of the Purchase Price of the Convertible Notes (being \$60,000). The Commitment Fee is payable in cash or Shares at its election.

The Company seeks approval under Listing Rule 7.1 to enable it to pay the Commitment Fee in Shares if it so elects. A summary of Listing Rule 7.1 is set out in Section 1.1 above.

The effect of this Resolution will be to allow the Company to issue the two tranches of Convertible Notes during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

# 3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Company will issue such number of Shares equal to \$60,000 divided by the VWAP over the 5 trading days on which the Company's Shares are traded prior to the issue of the Convertible Note;
- (b) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price is currently unknown but will be equal to the VWAP over the 5 trading days on which the Company's Shares are traded prior to the issue of the Convertible Note:
- (d) the Shares issued will be on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued to Magna, who is not a related party of the Company; and
- (f) no funds will be raised from the issue of the Shares as they will be issued for the purpose of paying the Commitment Fee.

### 4. RESOLUTIONS 5 – RATIFICATION OF PRIOR ISSUE – ADVISOR OPTIONS

#### 4.1 General

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Options to certain advisors to the Company (**Advisor Options**).

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

- (a) 7,462,841 Advisor Options were issued;
- (b) the Advisor Options were issued for nil cash consideration as they were issued in lieu of cash fees;
- (c) The Advisor Options were issued on the terms and conditions set out in Schedule 1. Any Shares issued on the exercise of the Advisor Options will be on the same terms and conditions as the Company's existing Shares;
- (d) the Advisor Options were issued to Simon Tritton, Norman Foster, Chia-Ling Kuo and Lelita Baron for various services provided to the Company. None of these parties were related parties of the Company;
- (e) no funds were raised from the issue of the Advisor Options.

#### 5. RESOLUTIONS 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

#### 5.1 General

As announced on 3 October 2018, the Company has agreed, subject to obtaining Shareholder approval to issue a total of 1,800,000 Performance Rights (Related Party Performance Rights) to Mr Francisco Barreto (Related Party), pursuant to the Performance Rights Plan (Plan) and on the terms and conditions set out below.

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

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

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

The grant of the Related Party Performance Rights constitutes the giving of a financial benefit and Mr Francisco Barreto is a related parties of the Company by virtue of being a director of the Company.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

Shareholder approval is sought for the purpose of section 208 of the Corporations Act for the issue of the Related Party Performance Rights to the Directors.

# 5.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Related Party Performance Rights:

(a) the related parties are Mr Francisco Barreto is a related parties by virtue of being a director of the Company;

- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Party is 1,800,000 Related Party Performance Rights to Mr Francisco Barreto (or his nominee);
- (c) the Related Part Performance Rights will be allocated to the Related Parties as set out below:

Related Party	Class A	Class B	Class C
	Performance	Performance	Performance
	Rights	Rights	Rights
Francisco Barreto	600,000	600,000	600,000

- (d) the Related Party Performance Rights will vest in accordance with the milestones set out in Schedule 2;
- (e) no loan will be provided to the Related Parties with respect to the Related Party Performance Rights;
- (f) the Plan was approved by Shareholders on 30 May 2016. Pursuant to the Plan, Related Party Performance Rights were issued to the following Directors on 28 June 2018:

Director Name	No. of Performance Rights	Price
Joseph Pinto	10,000,000	\$0.023
Jeremy Gray	14,000,000	\$0.023
Terrence Topping	5,000,000	\$0.023
Andrew Allan	5,000,000	\$0.023
Helcio Guerra	5,000,000	\$0.023

- (g) all of the executive and non-executive directors of the Company are entitled to participate in the Plan, including all of the Directors named in (f) above and Mr Barreto and Mr Nicholas Revell;
- (h) the Related Party Performance Rights will be granted to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (i) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (j) the terms and conditions of the Related Party Performance Rights are set out in Schedule 2;
- (k) the value of the Related Party Rights and the pricing methodology is set out in Schedule 3;
- (I) the relevant interests of the Related Party in securities of the Company as at the date of this Notice are set out below:

Director	Shares	Options
Frnacisco Barreto	Nil	Nil

- (m) the remuneration and emoluments from the Company to the Related Party for both the previous financial year and the proposed remuneration and emoluments from the Company to the Related Parties for the current financial year was nil;
- (n) if the maximum number of Related Party Performance Rights to the Related Parties are converted, a total of 1,800,000 Shares would be issued. This will increase the number of Shares currently on issue from 1,045,811,875 to 1,047611,875 (assuming that no other Options or Performance Rights are exercised, all of the milestones attaching to the Related Party Performance Rights are met and the Related Party Performance Rights convert into Shares, and no other Shares are issued), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.17% by the Related Party Performance Rights;
- (o) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price <sup>(1)</sup>	Date	
Highest	\$0.13	8 March 2018	
Lowest	\$0.019	12 December 2017	
Last	\$0.024	18 October 2018	

(p) Mr Francisco Barreto declines to make a recommendation to Shareholders in relation to the Resolution due to his material personal interest in the outcome of the Resolution.

However, the remaining non conflicted Directors recommend that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Related Party Performance Rights to the Related Parties, in particular the Milestones attaching to the Related Party Performance Rights, will align the interests of the Related Party with those of the Shareholders;
- (ii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective payment as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of payment were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Performance Rights upon the terms proposed;

- (q) in forming their recommendations, each Director considered the experience of each the Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be granted and the milestones attaching to the expiry date of the Related Party Performance Rights; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule.

#### **GLOSSARY**

\$ means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

## **Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Cascavel \$0.12 Issue** means the issue of 16,164,492 Shares in lieu of the US\$1.5 million payment due to the Cascavel joint venture partners, to be escrowed until 1 September 2018 as announced on 6 April 2018 and 11 April 2018.

Closely Related Party of a member of the Key Management Personnel means:

- (s) a spouse or child of the member;
- (t) a child of the member's spouse;
- (u) a dependent of the member or the member's spouse;
- (v) 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;
- (w) a company the member controls; or
- (x) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Orinoco Gold Limited (ACN 149 219 974).

**Constitution** means the Company's constitution.

**Convertible Note** means a convertible note issued under the Convertible Note Agreement.

**Convertible Note Agreement** means the agreement entered into by the Company and Magna dated on or about 30 August 2018.

Corporations Act means the Corporations Act 2001 (Cth).

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

**Equity Securities** means a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**Group Company** means the Company or any Associated Body Corporate.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Magna means MEF I, L.P.

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

**Officer** means any Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

#### **Relevant Person** means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2017.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

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

**USD** means United States Dollars.

**VWAP** means the volume weighted average price of the Company's Shares on ASX and Chi-X for those trading days, as reported by Bloomberg or such other reputable service as determined by Magna.

**WST** means Western Standard Time as observed in Perth, Western Australia.

### SCHEDULE 1 - TERMS OF CONVERTIBLE NOTE AGREEMENT

The key terms of the Convertible Securities Agreement and the Convertible Securities are as follows:

(a) Magna will purchase the Convertible Securities from the Company, subject to various conditions precedent under the Convertible Securities Agreement being satisfied and in accordance with the below:

Category of Convertible Security	Purchase Date	Purchase Price	Number of Convertible Securities to be issued	Face Value (of each Convertible Security)	Commitment Fee***
Tranche 1	5 business days after the date of the Convertible Note Agreement	A\$2,000,000	US\$ cost of the Purchase Price	US\$1.10	3% of the Purchase price of the Convertible Note
Tranche 2	90 days after the previous issue	A\$2,000,000	US\$ cost of the Purchase Price	US\$1.10	3% of the Purchase price of the Convertible Note
Tranche 3	90 days after the previous issue	A\$2,000,000	US\$ cost of the Purchase Price	US\$1.10	3% of the Purchase price of the Convertible Note
Tranche 4	90 days after the previous issue	A\$2,000,000	US\$ cost of the Purchase Price	US\$1.10	3% of the Purchase price of the Convertible Note

#### Notes:

- (b) Each Convertible Security will mature 12 months after the date of the Tranche 3 Payment, save that is the Company does not obtain Shareholder approval for the issue of all of the Convertible Securities within 75 days after the issue of the Tranche A Convertible Securities, the maturity date will be the date which is 3 calendar months after the date of the issue of the Tranche A Convertible Securities.
- (c) Each purchase of Convertible Securities is subject to conditions precedent.
- (d) All purchases are subject to the Company executing and lodging either a notice complying with section 708A(12D) of the Corporations Act or a cleansing prospectus.
- (e) The purchase of Tranche 2 is subject to the Company obtaining shareholder approval.

<sup>\*\*</sup> The Convertible Securities are denominated in US\$. The maximum number of conversion shares has been calculated on the A\$ value of the Purchas Price, assuming that when conversion occurs, the A\$:US\$ exchange rate is the same as at the time of the Purchase.

<sup>\*\*\*</sup> Payable in Shares or cash at the Company's election. If paid in Shares, Shares are to be issued at a price equal to the VWAP over the 5 trading days on which the Company's Shares are traded prior to the issue of the Convertible Note

- (f) The purchase of the Tranche 2 and Tranche 3 and Tranche 4 Convertible Securities are each at the election of the Company (and will only take place if the Company requests that they do).
- (g) The Convertible Notes bear no interest and are unsecured;
- (h) The conversion price of the Convertible Securities is the lesser of:
  - (i) 90% of the lowest daily VWAP during the 5 Trading Days prior to the conversion notice date; and
  - (ii) A\$0.20,

save that the conversion price for Tranche 1 cannot be less than the floor price of \$0.0125.

- (i) On each Purchase Date, the Company must pay Magna a commitment fee of 3% of the relevant Purchase Price. The Company may, at its election, pay the commitment fee by issuing shares to Magna, provided that in any such instance the Company must immediately after the issue of shares lodge a notice complying with section 708A(6) of the Corporations Act or a cleansing prospectus.
- (j) Magna is bound by a list of trading restrictions including a cap on the market value of shares periodically traded including restrictions preventing short selling.
- (k) The facility has a maturity of 12 months after their respective issue dates for Tranches 1, 2, 3 and 4. Tranches 2, 3 and 4 are at the discretion of Orinoco to draw down.

# SCHEDULE 1 - TERMS AND CONDITIONS OF UNLISTED ADVISOR OPTIONS

#### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.03 (Exercise Price)

# (c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 4 April 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

#### (d) Exercise Period

The Options are exercisable at any time after the Escrow Period and on or prior to the Expiry Date (Exercise Period).

#### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

## (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

## (g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g) (v) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

### (h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

# (i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

#### (j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

#### (k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

#### (I) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

#### SCHEDULE 2 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights that has been adopted by the Company:

- (a) (Milestones): The Performance Rights shall have the following milestones attached to them (Milestones):
  - (i) Class A Performance Rights: the production of an amount equal to or greater than 1,000 ounces of gold from the Cascavel Project for a period of two consecutive months:
  - (ii) Class B Performance Rights: the production of an amount equal to or greater than 1,500 ounces of gold from the Cascavel Project for a period of two consecutive months;
  - (iii) Class C Performance Rights: the production of an amount equal to or greater than 2,000 ounces of gold from the Cascavel Project for a period of two consecutive months;
- (b) (Notification to holder): The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) (Conversion): Once the relevant milestones have been satisfied, each Performance Right will, at the election of the holder, convert into one Share.
- (d) (Consideration): The Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (e) (Share ranking): All Shares issued upon conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (f) (Listing of Shares on ASX): The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (g) (Timing of issue of Shares on exercise): Within 10 Business Days after the date that the Performance Rights are exercised, the Company will:
  - (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights exercised;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.
- (h) (Transfer of Performance Rights): A Performance Right is not transferable (including encumbering the Performance Rights).

- (i) (Participation in new issues): There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Performance Rights.
- (j) (Adjustment for reconstruction): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (k) (Dividend and Voting Rights): A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.
- (I) (Plan): The terms of the Performance Rights are supplemented by the terms of the Plan, a copy of which was previously announced on the Company's ASX platform on 31 Mary 2016

# SCHEDULE 3 - VALUATION OF PERFORMANCE RIGHTS

The Related Party Performance Rights to be issued to the Related Party pursuant to Resolutions 6, have been independently valued.

Based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value:

# Related Party Performance Rights

Assumptions:	Class A	Class B	Class C
Number	600,000	600,000	600,000
Valuation date	3/10/2018	3/10/2018	3/10/2018
Market price of Shares	\$0.027	\$0.027	\$0.027
Expected expiry date (length of time from issue)	3 years	3 years	3 years
Indicative value per Related Party Performance Right	\$0.027	\$0.027	\$0.027
Total Value of Related Party Performance Right	\$16,200	\$16,200	\$16,200

Note: The valuation noted above is not necessarily the market price that the Related Party Performance Rights could be traded at and is not automatically the market price for taxation purposes.





+	ORINOCO GOLD LIMITED	REGISTERED OFF PO BOX 150 INNALOO WA 6918	•
«EFT_REFERENCE_NUMBER»	«Company_code» «Sequence_number»  «Holder_name»  «Address_line_1»  «Address_line_2»  «Address_line_3»	SHARE REGISTRY Security Transfer At All Correspondence PO BOX 52 Collins Street West Suite 913, Exchange 530 Little Collins Str Melbourne VIC 3000 T: 1300 992 916 F: E: registrar@securit W: www.securitytrar	ustralia Pty Ltd  ie to:  VIC 8007 e Tower reet 0 +61 8 9315 2233 rytransfer.com.au
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	Lodge your proxy vote securely at <a href="https://www.securitytransfer.com.au">www.securitytransfer.com.au</a> 1. Log into the Investor Centre using your holding details. 2. Click on "Proxy Voting" and provide your Online Proxy ID to access	ss the voting area.	«ONLINE
	CTION A: Appointment of Proxy		
or failin	The meeting chairperson  OR  In the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act any directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting thouse, 1176 Hay Street, West Perth, Western Australia and at any adjournment of that meeting.	t generally at the meeting on my/our behalf and	
	CTION B: Voting Directions		
Please	mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting in		
	eptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any res DLUTION		rill be made. gainst Abstain*
1. R	atification of prior Issue - Magna Commitment Fee Shares		
2. R	latification of Issue of Tranche A Convertible Notes		
3. A <sub>l</sub>	pproval to Issue Convertible Notes to MEF I, L.P		
4. A	pproval to Issue Commitment Fee Shares		
5. R	latification of Prior Issues - Unlisted Advisor Options - ASX Listing Rule 7.1		
6. Is	ssue of Performance Rights to Related Party ~ Francisco Barreto		
behalf o	irections are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the A on a show of hands or on a poll and your votes will not be counted in computing the required majority of CTION C: Signature of Security Holder(s)	Abstain box for a particular item, you are directing on a poll.	g your Proxy not to vote on your
This se	ection must be signed in accordance with the instructions overleaf to enable your directions to be imple Individual or Security Holder Security Holder 2		urity Holder 3
	Sound Holder E		
	Sole Director & Sole Company Secretary  Proxies must be received by Security Transfer Australia Pty Ltd no later		Company Secretary  November 2018.

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My/Our contact details in case of enquiries are:



#### 1. NAME AND ADDRESS

Name:

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

#### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

#### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities 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 of your votes; and
- b) Return both forms in the same envelope.

#### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign. **Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

#### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52

Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower

530 Little Collins Street Melbourne VIC 3000

**Telephone** 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.