

# Oro Verde Limited

(to be renamed "Ionic Rare Earths Limited")

ABN 84 083 646 477

## Share Purchase Plan

Including the Terms and Conditions

**Opening date: Thursday, 5 March 2020**

This is an important document and should be read in its entirety. The Share Purchase Plan does not take into account the individual investment objectives, financial situation or particular needs of any Eligible Shareholder. If you are in any doubt about the action you should take or the contents of this document, please seek independent financial advice from your broker, accountant or other professional adviser without delay. The contents of this document have not been reviewed by any regulatory authority. You are advised to exercise caution in relation to the Share Purchase Plan.

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

Dear Shareholder

## Opportunity to participate in the Company's Share Purchase Plan

On behalf of the board of directors (**Board**) of Oro Verde Limited (to be renamed "Ionic Rare Earths Limited") ABN 84 083 646 477 (**Company**), I am pleased to offer Eligible Shareholders (defined below) the opportunity to participate in the Company's share purchase plan (**SPP** or **Share Purchase Plan**).

The SPP follows the Company's recently completed and successful institutional placement under which the Company raised gross proceeds of \$1.15 million from professional and sophisticated investors (**Institutional Placement**<sup>1</sup>).

The Share Purchase Plan gives Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of new fully paid ordinary shares in the Company (**New Shares**), without incurring any brokerage or transaction costs. The SPP aims to raise gross proceeds of up to \$500,000 and is not underwritten.

The Company is proposing to use the funds raised under the SPP, together with the funds raised under its recently completed Institutional Placement, to fund the next stage of its expenditure commitments to acquire a further interest in the Makuutu Rare Earths Project, for working capital and to pay the costs of the capital raising.

## Issue Price

Eligible Shareholders may subscribe for up to \$30,000 worth of New Shares under the SPP at an issue price of \$0.008 per share (**Issue Price**).

The Issue Price represents a:

- 11.1% discount to the last traded closing price of the Company's existing shares (**Shares**) on ASX on Tuesday, 25 February 2020 (ie of \$0.009); and
- 11.9% discount to the volume weighted average price (**VWAP**) of Shares calculated over the last 5 days in which trades in Shares were recorded on ASX preceding the date the SPP was announced (ie of \$0.0091).

The Issue Price for New Shares under the SPP is also the same price per New Share that investors paid for their New Shares under the Institutional Placement.

## Participation

Participation in the SPP is optional and open to Eligible Shareholders, including Eligible Shareholders who are custodians on behalf of "**participating beneficiaries**"<sup>2</sup> on the terms and subject to the conditions of the SPP.

## Other key terms and conditions

The Company reserves the right to increase the size of the SPP or scale back or refuse applications under the SPP at its absolute discretion. Any determination will be final.

If the Company scales back applications, you may be allocated less New Shares than you applied for. However, the excess application money which was not applied by the Company to purchase New Shares will be refunded to you (without interest). As detailed in the Terms and Conditions, the Company may take into account a number of factors in determining an applicant's final allocation of New Shares.

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<sup>1</sup> For further information in relation to the Institutional Placement, please see the Company's ASX announcement dated Monday, 2 March 2020.

<sup>2</sup> As that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC SPP Instrument)*.

If the total subscriptions under the SPP exceed an aggregate amount of \$500,000, the Company reserves the right to accept oversubscriptions (subject to compliance with the ASX Listing Rules). If total subscriptions under the SPP are less than the targeted \$500,000, the Company may seek to place the shortfall to investors identified by it at a price not less than the Issue Price, subject to being permitted to do so under the ASX Listing Rules.

All New Shares issued under the SPP will rank equally with the Company's existing Shares (including the New Shares the Company has now issued under the Institutional Placement) from the SPP Issue Date (defined below).

The right to participate in the SPP is not transferable.

### How to apply

The SPP opens on Thursday, 5 March 2020 and, unless closed earlier or withdrawn by the Company, is expected to close at 5pm (AWST time) on Thursday, 26 March 2020.

New Shares are expected to be issued on Thursday, 2 April 2020 and commence trading on ASX on a normal settlement basis on Friday, 3 April 2020.

Applications for New Shares can only be made in \$1,000 increments and must be for a minimum of \$1,000 and a maximum of \$30,000.

To apply for New Shares, you must either:

- complete your personalised "**SPP Application Form**" and send it to the Share Registry (details below) along with your payment for New Shares by cheque, bank draft or money order; or
- simply make your payment for New Shares via BPAY® in accordance with the instructions on your personalised SPP Application Form<sup>3</sup>.

In deciding whether to participate in the SPP, please take time to read the enclosed Terms and Conditions and seek your own investment or taxation advice if applicable to you.

If you have any questions regarding the SPP, please contact the Company Secretary, Mr Brett Dickson during business hours on +61 8 9481 2555.

On behalf of the Board, I thank you for your continued support of the Company and invite you to consider participating in the SPP.

Yours sincerely,



**Anthony Rovira**  
Chairman

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<sup>3</sup> If you make your payment for New Shares via BPAY® you do not also need to submit your personalised SPP Application Form.

## SPP Terms and Conditions

This SPP offer booklet (**SPP Offer Booklet**) and the accompanying SPP Application Form set out the terms and conditions of the SPP (**Terms and Conditions**). By accepting the offer to subscribe for New Shares under the SPP you agree to be bound by these Terms and Conditions and to the Company's constitution.

### Key dates for the SPP:

<b>Record Date</b>	7pm (AEDT time), Friday, 28 February 2020
<b>Announcement Date</b>	Monday, 2 March 2020
<b>Opening Date</b>	Thursday, 5 March 2020
<b>Institutional Placement Issue Date</b>	Friday, 6 March 2020
<b>Closing Date</b>	5pm (AWST time), Thursday, 26 March 2020
<b>Results Announcement</b>	Monday, 30 March 2020
<b>SPP Share Issue Date</b>	Thursday, 2 April 2020
<b>New Shares quoted on ASX</b>	Friday, 3 April 2020

**Note:** The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules and other applicable rules, the Company reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

### 1. What is the SPP?

The SPP gives Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of New Shares at the Issue Price without incurring brokerage or other transaction costs.

New Shares issued under the SPP will rank equally with all other fully paid ordinary shares on issue in the capital of the Company from the SPP Issue Date.

### 2. How much will be raised under the SPP and how will the funds be used?

The Company is seeking to raise up to approximately \$500,000 (before costs) under the SPP. The Company is proposing to use the funds raised under the SPP, together with the funds raised under its recently completed Institutional Placement, to fund the next stage of its expenditure commitments to acquire a further interest in the Makuutu Rare Earths Project, for working capital and to pay the costs of the capital raising.

### 3. Am I eligible to participate in the SPP?

You will be considered an “**Eligible Shareholder**” (and therefore you will be eligible to participate in the SPP) if you were a registered holder of Shares at 7pm (AEDT time) on Friday, 28 February 2020 (**Record Date**) with a registered address either in Australia or New Zealand (provided that any such Shareholder is not acting for the account or benefit of a person in the United States). The Board has determined that it is not practical for holders of Shares with registered addresses outside of Australia or New Zealand to participate in the SPP.

Shareholders who hold Shares on behalf of persons who reside outside of Australia or New Zealand or who are “**US persons**” as defined in Regulation S under the United States Securities Act of 1933 (as amended) (**Securities Act**) or who act for the account or benefit of a US Person are not entitled to participate in the SPP. The New Shares to be issued under the SPP have not been and will not be registered under the Securities Act (or any other act). Accordingly, shareholders who are located in the United States or who are acting for the account or benefit of, US Persons are not Eligible Shareholders and are therefore not entitled to participate in the SPP.

#### **4. Do I have to participate?**

No. Participation in the SPP is entirely voluntary. If you do not wish to participate in the SPP, do nothing.

#### **5. How much can I invest and how many New Shares will be issued to me?**

Under the SPP, you may apply for a parcel of New Shares in \$1,000 increments from a minimum of \$1,000 up to a maximum of \$30,000. The \$30,000 limit applies irrespective of the number of Shares you hold on the Record Date.

The number of New Shares to be issued to each applicant will be calculated by dividing the dollar value provided by the applicant by the Issue Price (subject to any scale back implemented at the discretion of the Company).

No fractions of New Shares will be issued by the Company. Any fraction of a New Share will be rounded up to the nearest whole number of New Shares.

Applications may be scaled back by the Company as described in section 14.

#### **6. Can I transfer my right to purchase New Shares?**

No. The offer under the SPP is non-renounceable. This means that you cannot transfer your right to acquire New Shares under the SPP to anyone else.

#### **7. Will New Shares issued under the SPP rank equally with my existing Shares?**

Yes. New Shares issued under the SPP will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Issue Date.

#### **8. What is the Issue Price of the Shares?**

Eligible Shareholders may subscribe for New Shares under the SPP at the Issue Price. The Issue Price represents a:

- 11.1% discount to the last traded closing price of Shares on ASX on Tuesday, 25 February 2020 (ie of \$0.009); and
- 11.9% discount to the VWAP of Shares calculated over the last 5 days in which trades in Shares were recorded on ASX preceding the date the SPP was announced (ie of \$0.0091).

An investment in Shares is a highly speculative investment, and the market price of Shares might rise or fall between the date of this SPP offer and the date the New Shares are issued to you (ie on the SPP Issue Date). This means that the price you pay for a New Share may be greater or less than the market price of Shares at the time those New Shares are issued.

The current Share price can be obtained from ASX at [www.asx.com.au](http://www.asx.com.au).

Your application for New Shares, once made, is irrevocable and may not be withdrawn even if the market price of Shares falls below the Issue Price.

The offer to acquire New Shares under the SPP is not a recommendation. Before you decide whether to participate in the SPP, the Company recommends that you seek independent financial advice from your broker, accountant or other professional adviser without delay.

## 9. How do I apply for New Shares under the SPP?

To apply for New Shares under the SPP, Eligible Shareholders must:

- complete their personalised SPP Application Form and send it to Computershare Investor Services Pty Limited (**Share Registry**) at GPO Box 505, Melbourne, VIC 3001 along with payment for the total number of New Shares that they wish to subscribe for by cheque<sup>4</sup>, bank draft or money order, in each case such that their application and payment is received by no later than 5pm (AWST time) on Thursday, 26 March 2020 (**Closing Date**); or
- make a BPAY® payment by using the reference number shown on their personalised SPP Application Form, which is required to identify your holding. Payment must be received in cleared funds by 5pm (AWST time) on the Closing Date. If an Eligible Shareholder chooses to pay for New Shares by BPAY®, they do not also need to submit their personalised SPP Application Form.

Applications received after 5pm (AWST time) on the Closing Date will not be accepted.

Applications and any payments received under the SPP may not be withdrawn once they have been received. Application money will not bear interest in any circumstances.

By applying for New Shares under the SPP (and regardless of whether you apply for New Shares by making your payment by BPAY® or by completing your personalised SPP Application Form and providing it to the Share Registry along with your application money), you:

- (a) are deemed to have accepted the offer under the SPP and irrevocably and unconditionally agree to the Terms and Conditions;
- (b) warrant that all details and statements in your completed SPP Application Form are true and complete and not misleading;
- (c) acknowledge that no interest will be paid on any application money held pending the issue of New Shares or subsequently refunded to you for any reason;
- (d) confirm that you are lawfully permitted to apply for New Shares and that you are not applying for New Shares on behalf of any person not so permitted;
- (e) acknowledge and agree that:
  - (i) you are not in the United States and are not acting for the account or benefit of any US Person;
  - (ii) the New Shares have not been, and will not be, registered under the Securities Act or any other Act;
  - (iii) you have not, and will not, send this SPP Offer Booklet or any materials relating to the SPP to any person who is not a resident of Australia or New Zealand;
  - (iv) if in the future you decide to sell New Shares issued to you, you will only do so in the regular way for transactions on ASX where neither you nor the person acting

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<sup>4</sup> If you are paying for New Shares by cheque, you should ensure that sufficient funds are held in the relevant account to cover your payment. If the amount of your cheque is insufficient to pay in full for the number of New Shares you have applied for on your personalised SPP Application Form, you will be taken to have applied for such lower number of New Shares as your cleared funds will pay for (and taken to have specified that number of New Shares on your personalised SPP Application Form). Alternatively, your application will not be accepted. All cheques must be made payable to Oro Verde Limited, crossed "not negotiable" and drawn in Australian dollars.

on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a US Person; and

- (v) if you are acting as a trustee, nominee or custodian, each beneficial holder on whose behalf you are participating for New Shares is a resident in Australia or New Zealand, and you have not sent this SPP Offer Booklet or any materials relating to the SPP to any person outside of Australia or New Zealand;
- (f) agree to be bound by the Company's constitution (as in force from time to time);
- (g) acknowledge that none of the Company, its officers, employees, advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (h) authorise the Company and its officers and agents to do anything on your behalf necessary or desirable for New Shares to be issued to you in accordance with the Terms and Conditions;
- (i) without limiting clause 9(h), authorise the Company and its officers and agents to correct minor or easily rectified errors in, or omissions from, your SPP Application Form and to complete the SPP Application Form by the insertion of any missing minor detail; and
- (j) acknowledge that the Company may at any time determine that your application for New Shares is valid, in accordance with the Terms and Conditions, even if your SPP Application Form is incomplete, contains errors or is otherwise defective.

#### **10. What are the participation costs of the SPP?**

No brokerage or other transaction costs are payable by participants in the SPP. These costs will be paid by the Company.

#### **11. When will I receive the New Shares?**

The Company intends to issue the New Shares as soon as reasonably practicable after the Closing Date and will apply for quotation of these shares on ASX.

It is expected that New Shares will be issued on Thursday, 2 April 2020 and will be quoted on ASX on a normal settlement basis on Friday, 3 April 2020.

You should receive your updated holding statement shortly after the Issue Date.

#### **12. I have several holdings. Can I purchase a separate parcel of New Shares for each holding?**

If you receive more than one offer to participate in the SPP (for example, because you hold more than one shareholding under separate share accounts), the maximum you may invest under the SPP in all capacities is \$30,000. If you are a custodian however, see section 13 below.

If two or more persons are registered on the Company's register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder.

#### **13. What do I do if I am a custodian?**

If you are a custodian holding Shares as at the Record Date on behalf of one or more persons who reside in Australia or New Zealand (each, a participating beneficiary), you may apply for up to a maximum of \$30,000 worth of New Shares for each participating beneficiary.

You must submit a Custodian Certificate that contains further certifications and details as required by the ASIC SPP Instrument before your SPP Application Form will be accepted. Applications by custodians that are not accompanied by a Custodian Certificate will be rejected.

By applying as a custodian on behalf of participating beneficiaries to purchase New Shares, you certify (amongst other things) that each participating beneficiary has not exceeded the \$30,000 limit as required by the ASIC SPP Instrument.

To request a Custodian Certificate or to obtain further information about the custodian application process, please contact the Share Registry during business hours on business days on 1300 850 505 (if calling from within Australia) or +61 3 9415 4000 (if calling from New Zealand).

Custodians must not participate in the SPP on behalf of, and must not distribute this SPP Offer Booklet or any documents relating to the SPP to, any US Person.

A custodian will be ineligible to participate in the SPP if their participation would be in breach of the ASIC SPP Instrument.

For the purposes of the SPP, a custodian is a “**custodian**” as that term is defined in the ASIC SPP Instrument.

Custodians should request a “**Custodian Certificate**” from the Share Registry when making an application on behalf of a participating beneficiary.

If you hold Shares as a trustee or nominee for another person, but are not a custodian, you cannot participate for beneficiaries in the manner described in this section 13.

#### **14. Oversubscription and scale back**

The Company aims to raise gross proceeds of up to approximately \$500,000 under the SPP. The Company reserves the right to increase the size if the SPP or scale back or refuse applications under the SPP at its absolute discretion. Any determination will be final.

If the Company scales back applications, you may be allocated less New Shares than you applied for. However, the excess application money which was not applied by the Company to purchase New Shares will be refunded to you either by direct credit (if the Company has your bank account details) or by cheque as soon as practicable and without interest. When determining any scale back or rejection of applications, the Company may take into account a number of factors, including the size of the applicant's shareholding, the extent to which Eligible Shareholders have sold or purchased additional Shares after the Record Date, whether the applicant has multiple registered holdings and the date on which an application was made. As such, Eligible Shareholders are encouraged to submit their applications early.

If the total subscriptions under the SPP exceed an aggregate amount of \$500,000, the Company reserves the right to accept oversubscriptions (subject to compliance with the ASX Listing Rules). If total subscriptions under the SPP are less than the targeted \$500,000, the Company may seek to place the shortfall to investors identified by it at a price not less than the Issue Price, subject to being permitted to do so under the ASX Listing Rules.

#### **15. Changes and Termination**

The Company may change or terminate the SPP or the Terms and Conditions at any time, whether because of a change of law, ASIC requirements, ASX requirements or policy or any other circumstance relevant to the SPP or the Company. If the Company terminates the SPP, it will notify ASX and refund any application moneys received (without interest).



## 16. Refusal of applications and refunds

The Company reserves the right to reject any application for New Shares or issue a fewer number of New Shares subscribed for under the SPP by any applicant at the Company's complete and unfettered discretion, including if:

- the Company believes that the Terms and Conditions have not been complied with;
- the applicant is not an Eligible Shareholder; or
- the application might otherwise breach applicable law or the ASX Listing Rules.

If the amount of a BPAY® payment is not equal to the amount of an application, the Company may at its absolute discretion either refund in full the application money and not issue any New Shares to the applicant, or issue to the applicant the number of New Shares which may be issued based on the payment made, and refund the excess to the applicant (without interest).

## 17. Discretion and Disputes

The Company reserves the right to waive strict compliance with the Terms and Conditions including incorrect completion of a SPP Application Form. Any powers or discretions of the Company may be exercised by the directors of the Company or any delegate of them. The Company may determine, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. A determination made by the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

## 18. Privacy

By applying for New Shares under the SPP, you acknowledge that you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry may collect personal information to process your application for New Shares, implement the SPP and administer your shareholding. The personal information held by the Share Registry is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Chapter 2C of the Corporations Act requires information about you as securityholder (including your name, address and details of the securities you hold) to be included in the Company's public register (which is maintained by the Share Registry). This information must continue to be included in the public register even if you cease to be a securityholder.

Your personal information may be disclosed to joint investors, the Share Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of the Company and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

A copy of the Company's privacy policy is available by contacting the Company Secretary, Mr Brett Dickson during business hours on +61 8 9481 2555.

## 19. Currency

Any reference to "\$" is a reference to the lawful currency of Australia.

## 20. Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and capital invested. The Company does not guarantee any particular rate of return or the performance of the Company and nor does it guarantee the repayment of capital from the Company or any particular tax treatment. This SPP Offer Booklet should also be read in conjunction with the Company's continuous and periodic disclosures given to ASX which are available on ASX's website at [www.asx.com.au](http://www.asx.com.au). Past performance should not be relied upon as (and is not) an indication of future performance.

## 21. Not a prospectus or disclosure document

This SPP Offer Booklet is not a prospectus or disclosure document under the Corporations Act and has not (and will not) be lodged with ASIC or any other regulatory authority.

A cooling-off regime does not apply in relation to the acquisition of New Shares. This means that you cannot withdraw your application once it has been submitted.

## 22. New Zealand

The New Shares are not being offered or sold to the public in New Zealand other than to registered holders of Shares as at 7pm (AEDT time) on the Record Date. The SPP is being made in reliance on and pursuant to the Financial Markets Conduct Act 2013 (NZ) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (NZ). This SPP Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and does not, contain all the information that a product disclosure statement is required to contain under New Zealand law.

## 23. Governing Law

The SPP is governed by the laws in force in Western Australia. By participating in the SPP, you submit to the non-exclusive jurisdiction of the courts of that jurisdiction.

## 24. Where can I obtain further information in relation to the SPP?

If you have any questions about the Terms and Conditions, how to make an application or the SPP generally, please contact the Company Secretary, Mr Brett Dickson during business hours on +61 8 9481 2555 or the Share Registry on 1300 850 505 (if calling from within Australia) or +61 3 9415 4000 (if calling from New Zealand), in each case during business hours.

None of the Company, the Share Registry nor any of their respective officers, employees, agents or professional advisers are or are to be taken to be, giving any securities recommendation or investment advice in relation to the SPP and nor do any of them have any obligation to do so.

Before you decide whether to participate in the SPP, the Company recommends that you seek independent financial advice from your broker, accountant or other professional adviser and that you do so without delay.