
ORMINEX LIMITED

ACN 008 740 672

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am AWST

DATE: 3 August 2020

PLACE: Suite 5, 531 Hay Street, Subiaco Western Australia 6008

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 5.00pm AWST on 1 August 2020.

PURPOSE OF THE MEETING

On 12 June 2020, the Company received a notice to call a general meeting to consider a resolution relating to the removal of Mr Daryl John Henthorn as a Director of the Company (**Requisition Notice**).

The Requisition Notice was issued under section 249D of the *Corporations Act 2001* (Cth) (**Corporations Act**) by Merrysoul Pty Ltd (ACN 127 768 978) ATF Foulds Family Trust and Rolen Pty Ltd (ACN 009 286 088) (**Requisitioning Shareholders**). The Requisition Notice was dated 12 June 2020.

Merrysoul Pty Ltd (ACN 127 768 978) ATF Foulds Family Trust, being one of the Requisitioning Shareholders is controlled by a director of the Company Michael Foulds. The other Requisitioning Shareholder, Rolen Pty Ltd is controlled by Mr Foulds alternate director, Mr Graham.

The Company has confirmed that the Requisitioning Shareholders have properly given notice under sections 203D and 249D of the Corporations Act. Accordingly, the Company is convening the Meeting in response to the Requisition Notice.

Resolution 1 (the sole Resolution) is for the removal of Mr Henthorn as a Director of the Company.

The Notice of Meeting and Explanatory Statement are important documents and should be read in their entirety. The Resolution to be considered at the Meeting is important and has implications for the future of your Company and investment.

If you are unable to attend the Meeting, you are encouraged to complete and return the enclosed Proxy Form by 10.00am (AWST) on 28 July 2020.

Biography of Director proposed to be removed

Biography for Mr Henthorn is set out in Section 1.2 of the Explanatory Statement.

Statement of Director proposed to be removed

Section 203D(4) of the Corporations Act provides that a Director who is the subject of a proposed resolution for their removal from office is entitled to submit a statement for circulation to shareholders.

A statement from Mr Henthorn, the Director who's removal is the subject of Resolution 1, is included in Schedule 1 to the Explanatory Statement.

Statement of Requisitioning Shareholders

Section 249P of the Corporations Act permits the Shareholders who have requisitioned the Meeting to submit a statement for circulation to Shareholders regarding Resolution 1 and any other matter that may be properly considered at the Meeting.

As at the date of this Notice, no statement has been provided to the Company by the Requisitioning Shareholders for dispatch with the Notice.

Undirected proxies

PLEASE NOTE, THE CHAIRPERSON OF THE MEETING INTENDS TO ABSTAIN ALL UNDIRECTED PROXIES IN RESPECT OF RESOLUTION 1.

ACCORDINGLY, IF A SHAREHOLDER LODGES AN UNDIRECTED PROXY FORM THE VOTES OF THAT SHAREHOLDER WILL NOT BE COUNTED TOWARDS THE OUTCOME OF RESOLUTION 1. ON THIS BASIS THE COMPANY ENCOURAGES ALL SHAREHOLDERS TO SUBMIT A PROXY FORM WITH A DIRECTION AS TO VOTING.

The decision for the Chairperson to abstain undirected proxies has been made by the Directors who have no material personal interest in Resolution 1 (being Mr Correia, Mr Hely and Mr McGrath) on the basis that the removal of Mr Henthorn in the current circumstances should be ultimately resolved by the Shareholders, without the effect from the Chairperson's position on Resolution 1 simply as a result of his role as the Chairperson of the Meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – REMOVAL OF DIRECTOR – MR DARYL JOHN HENTHORN

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

“That pursuant to and in accordance with section 203D of the Corporations Act, Mr Daryl John Henthorn be removed as a Director of the Company with effect from conclusion of the Meeting.”

Dated: 30 June 2020

By order of the Board pursuant to requisitions under section 249D of the Corporations Act 2001 (Cth).

**Ms Kelly Moore
Company Secretary
ORMINEX LIMITED**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. In light of the status of the evolving COVID-19 situation and easing of Government restrictions on public gatherings in place at the time of the Notice and the number of Shareholders that normally attend Shareholder meetings for the Company, the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, have arranged an appropriate meeting venue.

If the Government restrictions and corresponding decision of the Director's changes prior to the Meeting the Directors will update Shareholders via the Company's ASX platform.

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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two (2) proxies and the appointment does not specify the proportion or number of the Shareholder'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:

- 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 6149 1550.

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 Resolution.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary. If you have any questions regarding the Explanatory Statement or the Notice, please contact the Company Secretary, your stockbroker or other professional adviser.

1. RESOLUTION 1 – REMOVAL OF DIRECTOR – MR DARYL JOHN HENTHORN

1.1 Background

Under section 203D of the Corporations Act, a company may by resolution remove a Director from office. The Constitution provides that the Company may by resolution remove any Director before the expiration of his period of office.

The Requisitioning Shareholders have given notice of their intentions to move Resolution 1 for the removal of existing Director, Mr Daryl John Henthorn.

1.2 Biography for Mr Henthorn

Mr Henthorn has over 30 years of experience in financial services, advisory and operational management across a number of industry sectors and has broad commercial skills. Mr Henthorn's company, Viridian Equity Group Pty Ltd, holds AFSL 343442 and is authorised to issue and deal in financial products and has acted for a number of public and private companies in mining and property.

Mr Henthorn has experience in equity raising, debt, private equity and the structuring of financial instruments for ASX listed and private companies. He has served on the board of public companies previously and acts as trustee for unlisted investment vehicles.

Mr Henthorn is currently a non-executive director of Redbank Copper Limited (ASX: RCP). Mr Henthorn has not held any other listed directorships in the last 3 years.

1.3 Outcome if Resolution 1 is successful

If Resolution 1 is successful, Mr Henthorn will be removed from his office as Director of the Company with effect following completion of the Meeting.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Chair or **Chairperson** means the chair of the Meeting.

Company means Orminex Limited (ACN 008 740 672).

Constitution means the Company's constitution.

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

Directors means the directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 - STATEMENT OF DIRECTOR PROPOSED TO BE REMOVED

Dear Shareholder

The purpose of this letter is to respond to the s249D notice lodged by Orminex major shareholders Merrysoul Pty Ltd and Rolen Pty Ltd ("**Requisitioning Shareholders**").

I strongly encourage you to read this letter in full and consider the issues raised below, as they are important matters in relation to the performance of your company.

By way of background:

1. The Requisitioning Shareholders are companies associated with Michael Foulds and Ross Graham.
2. As part of Orminex relisting in 2018, Foulds and Graham sold a 51% interest in the Comet Vale mine to Orminex, receiving in return 200M shares @ \$0.03 – a 40% shareholding, with a value of \$6M.
3. Foulds is a director of Orminex (Graham is his alternate).
4. Both are directors of Mineral Ventures P/L ("**MVPL**"), which operates the mine under a Mine Management Agreement ("**MMA**").

No reasons have been given for removing me as a director. However, in my view, the s249D notice is motivated by:

- a desire to take control of Orminex, cover up poor mine performance, avoid accountability, conflict of interest and ongoing compliance obligations;
- the fact that I have consistently agitated for increased transparency, accountability and the enforcement of Orminex's contractual rights regarding its relationship with MVPL.

As an experienced company director and corporate advisor, I fully understand that my obligations are to all shareholders, which means managing conflicts, governance, compliance and protecting shareholder value.

Several critical failings have afflicted Orminex's operations and decision making over a sustained period, requiring urgent remedial action. Many of those failings are directly related to mine underperformance, for which MVPL is responsible.

Foulds and Graham, as major shareholders, directors and contractors, have major conflicts and no previous public company experience.

The key issues that I have constantly raised are:

Comet Vale MMA and underperformance

1. Orminex entered into the MMA based on forecasts prepared by GBF (now MVPL), which showed working capital peaking in month 7 of mining. However, after 24 months of mining, despite more than 10,350 ounces of gold having been produced and sold from Comet Vale (for which MVPL has received the revenue), outstanding working capital remains at approximately \$18M.
2. Mining remnant ore stopes resulted in approximately 4,500 less ounces than forecast, increasing the working capital deficit. The lack of a mobile crusher and ore sorter also resulted in higher haulage and processing costs.
3. In August 2019, MVPL entered into a services contract with Macmahons, without Orminex consent or input, for Macmahons to provide mining services on behalf of MVPL. This was a material change to the basis of the Mineral Ventures model, which was intended to offer low-cost mining expertise and associated funding (both for Comet Vale and future projects) as:

- services are now effectively being provided by a major mining contractor;
 - costs have significantly increased; and
 - detailed “budgets to actuals” reporting has been replaced with a simple spreadsheet summary providing no cost analysis. Orminex has to continuously request information, which is often delayed by months.
4. With ongoing poor mine performance, in November 2019 the Board commissioned independent reviews, which I pushed for strongly. These were heavily resisted by MVPL, taking nearly four months (despite constant requests from consultants), to provide all required data. Foulds believed the review was unnecessary.
 5. The reviews were announced in March 2020 and provided to MVPL to consider. The consistent theme and feedback was that the core resource management disciplines were not suitable to track and manage the project. To date, MVPL has taken no corrective action.
 6. There are now concerns about mine viability, with significant implications for mine carrying value and shareholder’s equity, as well as the viability of the Mineral Ventures model itself.

Working Capital Loan

7. Orminex agreed to lend MVPL \$2.5M to assist with working capital for Comet Vale.
8. Like the MMA, the loan was entered into on the basis of financial forecasts presented by MVPL.
9. 33% of the net gold proceeds were to be repaid to Orminex. The loan was forecast to be repaid by August 2019.
10. Only \$650,000 has been repaid to Orminex. The outstanding loan balance stands at approximately \$3.02M. The loan is now Orminex’s most significant asset.
11. Given the increased working capital requirements for the mine and questions over its viability, in my view it is in the best interests of shareholders that Orminex secures full repayment of the loan.
12. However, despite my having raised the matter many times at Board level over several months, MVPL has not committed to a repayment arrangement for the loan. As previously announced, there is now a risk that the auditors may impair and write down the value of the loan if no repayment arrangement is agreed.
13. Despite committing to negotiate and implement a suitable agreement by 25 June, as at the date of this letter no such agreement exists.

The Orminex Board is composed of five directors. I believe that both Foulds and his alternate Graham are conflicted due to their director positions with both Orminex and MVPL. In addition, I believe that director Wayne McGrath (representing Wyllie Group) is also conflicted in matters involving MVPL, as Wyllie is a secured lender to that company.

I resigned as Executive Chairman as my attempts to grow the company were being stymied by MVPL’s underperformance, but I believe it essential that I remain on the Board as Non-Executive Director. Founding director John Correia and I continue to push for proper governance and I believe that only John and I have the relevant independence, mining and corporate experience to protect shareholders’ interests and properly hold MVPL to account. As a founding shareholder and director, representing approximately 22% of the register, I remain committed to looking after all shareholders’ interests.

For all of these reasons, I encourage you to vote AGAINST the proposed removal resolution.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Name:

Holder Number:

Holder Address:

Vote by Proxy: ONX

Your proxy voting instruction must be received by **10.00am (AWST) on Saturday, 1 August 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE 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 these 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 Voting Form, including where the Resolutions are 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 marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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 should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact	Return your completed form		All enquiries to Automic		
	BY MAIL Automic GPO Box 5193 Sydney NSW 2001	IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000	BY EMAIL meetings@automicgroup.com.au		
			WEBCHAT https://automicgroup.com.au/ PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)		

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online																						
	<p>I/We being a Shareholder entitled to attend and vote at the General Meeting of Orminex Ltd, to be held at 10.00am (AWST) on Monday, 3 August 2020 at Suite 5, 531 Hay Street, Subiaco Western Australia 6008 hereby:</p> <p>Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <table border="1" style="width: 100%; height: 25px;"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table> <p>The Chair intends to abstain all undirected proxies in respect of Resolution 1.</p> <p>Accordingly, if a shareholder lodges an undirected proxy form the votes of that shareholder will not be counted towards the outcome of Resolution 1. On this basis the company encourages all shareholders to submit a proxy form with a direction as to voting.</p>																						

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain			
	<p>1. Removal of Director – Mr Daryl John Henthorn</p> <table style="width: 100%;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> </table>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i>							

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<input style="width: 100%; height: 25px;" type="text"/>		
Email Address:			
<input style="width: 100%; height: 25px;" type="text"/>			
Contact Daytime Telephone			
<input style="width: 100%; height: 25px;" type="text"/>			
Date (DD/MM/YY)			
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By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			

