



ABN 33 087 741 571

NOTICE OF EXTRAORDINARY GENERAL MEETING

and Explanatory Memorandum

TIME: 11.00am AEDT

DATE: 15 October 2019

PLACE: Level 20, 88 Phillip Street, Sydney, New South Wales.

This Notice of Meeting should be read in its entirety. It contains the resolutions which will be voted upon at the Extraordinary General Meeting (EGM) at 11.00am (AEDT) on 15 October 2019 and information in relation to those resolutions for your consideration.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Extraordinary General Meeting of the Shareholders of Po Valley Energy Limited which this Notice of Meeting relates to will be held on 15 October 2019 at 11.00am (AEDT) at Level 20, 88 Phillip St, Sydney, New South Wales, Australia.

Your vote is important

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

Voting Entitlement

For the purposes of the Extraordinary General Meeting, only those persons registered as Shareholders of the Company at 11.00am (AEDT) on 13 October 2019 will be entitled to vote. This means that if you are not a registered Shareholder at that time you will not be entitled to vote in respect of that Share. On a show of hands each Shareholder has one vote. On a poll each Shareholder has one vote for each Share they hold.

Voting in Person

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

Voting by Proxy

To vote by proxy, please send the completed proxy form enclosed (and relevant authorities) to Link Market Services Limited so that it is received no later than 11.00am (AEDT) on 13 October 2019. **Proxy forms received later than this time will be invalid.**

To do this, you may:

- fax to +61 2 9287 0309; or
- mail to Locked Bag A14, Sydney South NSW 1235 Australia; or
- deliver in person to 1A Homebush Bay Drive, Rhodes NSW 2138 Australia; or
- lodge online at www.linkmarketservices.com.au in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website). You will need your Holder Identification Number (HIN) or Securityholder Reference Number (SRN), which can be found on the front of the Proxy Form.

If you require further information on how to complete the proxy form, telephone Link Market Services Limited on 1300 554 474.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting (**Meeting**) of shareholders of Po Valley Energy Limited will be held at Level 20, 88 Phillip St, Sydney, New South Wales on 15 October 2019 commencing at 11.00am (AEDT).

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

1: Ratification of Issue of Tranche One Placement Shares – ASX Listing Rule 7.1A

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

“That, for all purposes including ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 14,545,456 Shares at an issue price of \$0.055 per Share to sophisticated and professional investors under the first tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the first tranche of the Placement and any of their associates. However, the Company need not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (a) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

2: Approval of Director Participation in the Placement - Mr Michael Masterman

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 4,545,455 Shares to Mr Michael Masterman or his nominee(s) at an issue price of \$0.055 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Masterman or his nominees or any associate of those persons. However, the Company need not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

3. Approval of Director Participation in the Placement – Dr Byron Pirola

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 909,091 Shares to Dr Byron Pirola or his nominee(s) at an issue price of \$0.055 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Pirola or his nominees or any associate of those persons. However, the Company need not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (c) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

4. Approval of Director Participation in the Placement – Mr Kevin Bailey

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

“That, for all purposes including for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act, Shareholders approve the issue of 5,454,545 Shares to Mr Kevin Bailey or his nominee(s) at an issue price of \$0.055 under the second tranche of the Placement on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Bailey or his nominees or any associate of those persons. However, the Company need not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Dated: 11 September 2019

BY ORDER OF THE BOARD

KEVIN HART
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum, which is included in and forms part of this Notice of Meeting, is to provide Shareholders with information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

On 31 July 2019, the Company announced a placement of up to 25,454,547 ordinary fully paid shares to raise approximately \$1,400,000 (**Placement**). The Placement is to be completed in two tranches, the first tranche of 14,545,456 Shares (**Tranche One Shares**) was completed on 8 August 2019, with the Tranche One Shares issued to a small group of sophisticated and institutional investors (**Tranche One**). The Company seeks ratification of the issue of the Tranche One Shares in Resolution 1.

The second tranche, being 10,909,091 Shares (**Tranche Two Shares**) to be issued to Participating Directors on equal terms as those investors who subscribed for Shares under Tranche One of the Placement, is subject to Shareholder approval which is sought under Resolutions 2, 3 and 4 (**Tranche Two**).

Resolution 1 – Ratification of Issue of Shares under Tranche One of the Placement – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that, in addition to issues permitted without Shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of quoted equity securities constituting 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then the ordinary securities issued under that additional placement capacity:

- a) will not be counted in variable 'A' in the formula in ASX Listing Rule 7.1A; and
- b) are counted in variable 'E'

until their issue has been ratified under ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

ASX Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company's existing Placement Capacity.

By ratifying the issue of the Shares the subject of Resolutions 1, 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, and the 10% placement capacity under ASX Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

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

- (a) 14,545,456 Shares were issued under Tranche One of the Placement;
- (b) the issue price was \$0.055 per Share;
- (c) the Tranche One Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche One Shares were issued to sophisticated and institutional investors some of whom are existing shareholders, none of whom were related parties of the Company; and

- (e) the funds raised from this issue of the Tranche One Shares will be used towards the development of the Company's high value development assets (Selva and Teoderico) and for general working capital.

Directors' Recommendation

The directors consider that Resolution 1 is in the best interests of the Company as it will provide the Company with greater flexibility when considering future capital raising opportunities. Accordingly, all directors recommend that Shareholders vote in favour of Resolution 1.

Resolutions 2, 3 and 4: Participation in the Placement by Directors

Resolutions 2, 3 and 4 relate to the proposed participation of the Participating Directors, being Michael Masterman, Kevin Bailey and Byron Pirola (or their respective nominee(s)), in Tranche Two of the Placement.

Chapter 2E of the Corporations Act

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

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

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

It is the view of the Company that the issue of the Tranche Two Shares to Participating Directors under Resolutions 2, 3 and 4 falls under the arm's length exception in section 210 of the Corporations Act because the Tranche Two Shares will be issued to the Participating Directors on the same terms as the Tranche One Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms. Accordingly, the Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Tranche Two Shares.

Section 195 of the Corporations Act

Shareholder approval is being sought under section 195 of the Corporations Act, which provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain circumstances or unless non-interested directors pass a resolution approving the interested director's participation.

Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting to pass a resolution to deal with the matter. The Participating Directors have a material personal interest in the outcome of Resolutions 2 to 4, and accordingly a quorum could not be formed for the Board to consider the matters contemplated by Resolutions 2 to 4. For the avoidance of any doubt, the Directors have elected in accordance with section 195(4) of the Corporations Act to seek Shareholder approval of this matter as outlined in Resolutions 2 to 4.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with

the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

If Resolutions 2, 3 and 4 are passed, the Participating Directors may be issued Shares under Tranche Two of the Placement, which would constitute the issuing of securities to related parties of the Company. Accordingly, approval for the issue of the Tranche Two Shares to the Participating Directors is sought under ASX Listing Rule 10.11. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

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

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

- a) the number of Tranche Two Shares to be issued to the Participating Directors is as follows:
 - i. Michael Masterman (or his nominee) 4,545,455 Shares;
 - ii. Byron Pirola (or his nominee) 909,091 Shares; and
 - iii. Kevin Bailey (or his nominee) 5,454,545 Shares
- b) the Tranche Two Shares will be issued no later than one month 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) and it is anticipated that allotment will occur on the same date;
- c) the issue price is \$0.055 per Share, being the same as all other Shares issued under the Placement;
- d) the Tranche Two Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- e) the funds raised from this issue will be used towards the same purposes as all other funds raised under the Placement, being the development of the Company's high value development assets (Selva and Teoderico), and for general working capital; and
- f) a voting exclusion statement is included in this Notice of Meeting.

Directors' Recommendation

The Directors consider that Resolutions 2-4 are in the best interests of the Company as passing these Resolutions will ensure that the Company receives the full amount of funds under the Tranche Two of the Placement.

All the directors, other than Mr Masterman, recommend that Shareholders vote in favour of Resolution 2. Mr Masterman has abstained from making a recommendation to Shareholders in respect of Resolution 2 due to his material personal interest in the issue of the Placement Shares the subject of Resolution 2.

All the directors, other than Dr Pirola, recommend that Shareholders vote in favour of Resolution 3. Dr Pirola has abstained from making a recommendation to Shareholders in respect of Resolution 3 due to his material personal interest in the issue of the Placement Shares the subject of Resolution 3.

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

GLOSSARY

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales

ASX Listing Rules means the listing rules of ASX Limited.

Board means the current board of directors of the Company.

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

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum which accompanies and is incorporated as part of this Notice;

Meeting means the extraordinary general meeting of the Company to be held on 15 October 2019 at 11.00am (AEDT)

Notice and **Notice of Meeting** means this notice of extraordinary general meeting.

Participating Directors means Michael Masterman, Kevin Bailey and Byron Pirola.

Placement means the placement announced by the Company on 31 July 2019 to raise approximately \$1,400,000 through the issue of Shares at an issue price of \$0.055 in two tranches, the first tranche being 14,545,456 Shares issued to sophisticated and institutional investors on 8 August 2019 and the second tranche being 10,909,091 Shares proposed to be issued to Participating Directors.

Resolutions means the resolutions set out in the Notice, 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.

Tranche One Shares means the first tranche of 14,545,456 Shares issued under the Placement to sophisticated and institutional investors which was completed on 8 August 2019

Tranche Two Shares means the second tranche of 10,909,091 Shares to be issued to Participating Directors under the Placement if Shareholder approval is obtained for Resolutions 2-4 as set out in this Notice of Meeting.



PO VALLEY ENERGY LIMITED

ABN 33 087 741 571

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Po Valley Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Po Valley Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (AEDT) on Tuesday, 15 October 2019 at Level 20, 88 Phillip Street, Sydney, New South Wales** (the Meeting) and at any postponement or adjournment of the Meeting.

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*
1 Ratification of Issue of Tranche One Placement Shares – ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Director Participation in the Placement - Mr Michael Masterman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Director Participation in the Placement – Dr Byron Pirola	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Director Participation in the Placement – Mr Kevin Bailey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

PVE PRX1903A

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Sunday, 13 October 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

Po Valley Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

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

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



COMMUNICATION PREFERENCE

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



ONLINE

www.linkmarketservices.com.au

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

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