



ABN 24 147 917 299

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## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

**The Annual General Meeting of the Company will be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Monday 26 November 2018 at 9:30am (AWST).**

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***This document is important and requires your immediate attention.***

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 (8) 9381 9997.***

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# ORECORP LIMITED

ABN 24 147 917 299

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## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the Annual General Meeting of Shareholders of OreCorp Limited (**Company**) will be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Monday 26 November 2018 at 9:30am (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice. Terms and abbreviations used in this Notice, the Explanatory Memorandum and the Proxy Form are defined in Schedule 1 of the Explanatory Memorandum.

The Directors have determined for the purposes of the Corporations Act that the persons eligible to vote at the Meeting are those who are registered as a Shareholder on Saturday 24 November 2018 at 9.30am (AWST).

## AGENDA

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### 1. Financial Statements and Reports

To consider the financial statements, Directors' Report and Auditor's Report of the Company and its controlled entities for the year ended 30 June 2018. While no resolution is required for this item, Shareholders will be given an opportunity to ask questions and make comments on the financial statements and reports.

### 2. Resolution 1 – Remuneration Report

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

*"That the Remuneration Report for the financial year ended 30 June 2018 be adopted."*

The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member. However, a vote may be cast on Resolution 1 by such a person if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 (as set out above), and either:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; but
  - (ii) expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 1.

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### 3. Resolution 2 – Re-election of Director – Craig Williams

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

*"That Mr Craig Williams, who retires in accordance with clause 13.2 of the Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director."*

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 2.

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### 4. Resolution 3 – Re-election of Director – Robert Rigo

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

*"That Mr Robert Rigo, who retires in accordance with clause 13.2 of the Constitution and Listing Rule 14.14 and, being eligible, offers himself for re-election, be re-elected as a Director."*

The Chairman intends to vote available proxies **IN FAVOUR** of Resolution 3.

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### 5. Resolution 4 – Approval of 10% Placement Facility

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**, with or without amendment:

*"That, in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person (and any associates of such a person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of Shares) and any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 4.

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### 6. Resolution 5 – Approval of the Employee Option Acquisition Plan

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

*"That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the Employee Option Plan, the terms of which are summarised in the Explanatory Memorandum, and authorise the issue of securities under the Employee Option Plan from time to time (including the grant of options and issue of Shares pursuant to the terms of the Options)."*

#### **Voting Prohibition and Exclusion**

The Company will disregard any votes cast in favour of Resolution 5 by, or on behalf of, a Director (except a Director who is ineligible to participate in the Employee Option Plan) and any associate of such a Director. However, the Company need not disregard a vote on Resolution 5 if:

- (a) it is cast by a person identified 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 5 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the Company need not disregard a vote on Resolution 5 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

## 7. Resolution 6 – Grant of Employee Options to Matthew Yates under the Employee Option Acquisition Plan

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

*“That, subject to the passing of Resolution 5, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve and authorise the grant of up to 500,000 Employee Options to Matthew Yates, the Company’s CEO and Managing Director, (or his nominee) under the Employee Option Plan and the issue of Shares on the valid exercise of those options, on the terms and conditions set out in the Explanatory Memorandum.”*

### Voting Prohibition and Exclusion

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any director who is eligible to participate in the Employee Option Acquisition Plan or any of their associates. However, the Company need not disregard a vote on Resolution 6 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 6 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the Company need not disregard a vote on Resolution 6 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

## 8. Resolution 7 – Grant of NED Options to Craig Williams

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

*“That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 500,000 NED Options to Craig Williams (or his nominee) and the issue of Shares on valid exercise of those options in accordance with the terms of the options and otherwise on the terms and conditions set out in the Explanatory Memorandum”.*

### **Voting Prohibition and Exclusion**

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Craig Williams or his associates. However, the Company need not disregard a vote on Resolution 7 if:

- (a) it is cast by a person identified 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 7 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the Company need not disregard a vote on Resolution 7 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

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## **9. Resolution 8 – Grant of NED Options to Michael Klessens**

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

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 500,000 NED Options to Michael Klessens (or his nominee) and the issue of Shares on valid exercise of those options in accordance with the terms of the options and otherwise on the terms and conditions set out in the Explanatory Memorandum".*

### **Voting Prohibition and Exclusion**

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Michael Klessens or his associates. However, the Company need not disregard a vote on Resolution 8 if:

- (a) it is cast by a person identified 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 8 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 8.

However, the Company need not disregard a vote on Resolution 8 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

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## **10. Resolution 9 – Grant of NED Options to Alastair Morrison**

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

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 500,000 NED Options to Alastair Morrison (or his nominee) and the issue of Shares on valid exercise of those options in accordance with the terms of the options and otherwise on the terms and conditions set out in the Explanatory Memorandum".*

### **Voting Prohibition and Exclusion**

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Alastair Morrison or his associates. However, the Company need not disregard a vote on Resolution 9 if:

- (a) it is cast by a person identified 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 9 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 9.

However, the Company need not disregard a vote on Resolution 9 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

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## **11. Resolution 10 – Grant of NED Options to Robert Rigo**

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

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 500,000 NED Options to Robert Rigo (or his nominee) and the issue of Shares on valid exercise of those options in accordance with the terms of the options and otherwise on the terms and conditions set out in the Explanatory Memorandum".*

### **Voting Prohibition and Exclusion**

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of Robert Rigo or his associates. However, the Company need not disregard a vote on Resolution 10 if:

- (a) it is cast by a person identified 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 a direction on the proxy form to vote as the proxy decides.

Further, a vote on Resolution 10 must not be cast by a person appointed as a proxy if:

- (a) the proxy is either:
  - i. a member of Key Management Personnel; or
  - ii. a Closely Related Party of a member of Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 10.

However, the Company need not disregard a vote on Resolution 10 if it is cast by the Chairman (who may be a member of Key Management Personnel) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of a member of Key Management Personnel.

### **BY ORDER OF THE BOARD**



Luke Watson  
CFO & Company Secretary  
Dated: 9 October 2018

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# ORECORP LIMITED

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## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting to be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Monday 26 November 2018 at 9:30am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information relevant to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is attached to the Notice.

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### 1. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 1.1 Voting in Person

All Shareholders are invited and encouraged to attend the Meeting at the time, date and place set out above and vote in person.

#### 1.2 Proxies

You have the right to appoint a proxy of your choice. A Proxy Form is attached to the Notice and may be used by Shareholders if they wish to appoint a representative (a "proxy") to attend and vote at the Meeting in their place. Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person. However, it should be noted that a member's presence at the Meeting will, in accordance with the Corporations Act, suspend the proxy's authority to speak and vote for the member while the member is present at the Meeting. The attached Proxy Form provides further details on appointing proxies and lodging Proxy Forms. Completed and signed Proxy Forms must be received by the Company not later than **9.30am (AWST) on Saturday 24 November 2018. Proxy Forms received later than this time will be invalid.**

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### 2. Financial Statements and Directors' and Auditor's Reports

There is no requirement for Shareholders to approve the Financial Statements and Reports of the Company.

Shareholders will be offered the following opportunities at the Meeting:

- (a) Discuss the Annual Report (which is available online at [www.orecorp.com.au](http://www.orecorp.com.au)).
- (b) Ask questions or make comment on the management of the Company.
- (c) Ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five Business Days before the Meeting to the Company Secretary at the Company's registered office.

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### 3. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to a non-binding vote of Shareholders at the Meeting. The Directors' Report contains the Remuneration Report (on pages 22 to 27) which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Board recognises that the Shareholder vote on Resolution 1 is an indication of Shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the remuneration practices of the Company.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask questions about, or make comments on, the Remuneration Report.

Resolution 1 is an **Ordinary Resolution**.

**The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 1.**

The Chairman intends to exercise all available proxies **IN FAVOUR** of Resolution 1.

#### **Voting restriction where proxy is member of Key Management Personnel**

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel of the Company or any Closely Related Party as your proxy to vote on Resolution 1, you must direct the proxy how to vote. Where you do not direct the member of Key Management Personnel of the Company or Closely Related Party on how to vote on Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote which will not be counted in relation to Resolution 1. However, if the Chairman is appointed as your proxy and you have not directed the way the Chairman is to vote on Resolution 1, by ticking either the 'for', 'against' or 'abstain' box, by signing and returning the Proxy Form, you are considered to have provided the Chairman with express authorisation to vote the proxy in accordance with the Chairman's intention, even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

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### 4. Resolutions 2 and 3 – Re-election of Directors

#### 4.1 Background

Clause 13.2 of the Constitution requires that at each annual general meeting of the Company one-third of the Directors or, if their number is not a multiple of three, the number nearest one-third, must retire from office. The Managing Director is not subject to retirement by rotation. Further, Listing Rule 14.4 provides that no director of a publicly listed company may hold office, without re-election, past (a) the third annual general meeting following that director's appointment, or (b) three years (whichever is longer). A Director who retires in accordance with clause 13.2 of the Constitution and Listing Rule 14.4 is eligible for re-election.



Pursuant to clause 13.2 of the Constitution and Listing Rule 14.4, each of Messrs Williams and Rigo retire by rotation at the Meeting and, each being eligible, have offered themselves for re-election as Directors.

#### **Candidate Director's Profile – Mr Craig Williams**

Mr Williams is a geologist with over 40 years' experience in mineral exploration and mine development. He was the President and CEO of Equinox Minerals Limited, a dual listed TSX - ASX resources company which he co-founded in 1993 with the late Dr Bruce Nisbet. He was instrumental in the financing and development of the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers.

Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for \$1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation for \$7 billion, bringing to an end a challenging and exciting 18-year history at Equinox.

Mr Williams joined the Board of OreCorp as Chairman in December 2011.

Mr Williams has an interest in Resolution 2 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. **The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 2.**

#### **Candidate Director's Profile – Mr Robert Rigo**

An engineer with over 35 years' experience, Mr Rigo has previously held a number of executive and senior management positions with publicly listed mining companies. He was Vice President - Project Development at Equinox Minerals Limited (Equinox), where he managed the feasibility study, related technical studies and engineering design and construction contracts for the Lumwana Copper Mine in Zambia, which commenced production in 2008. He also established Lumwana's copper concentrate off-take and logistics contracts. Following Lumwana, Robert managed the construction of Equinox's Jabal Sayid (underground) Copper Mine in Saudi Arabia.

Amongst Mr Rigo's earlier job roles, he was the Mill Manager at Boddington Gold Mine, at the time Australia's largest gold mine. He then became General Manager - Technical Services for Newcrest Mining Ltd, Australia's major gold producer. His particular expertise lies in the management of mining operations, feasibility studies and construction of mining and mineral processing projects.

Mr Rigo became a non-executive director of OreCorp in April 2016.

Mr Rigo has an interest in Resolution 3 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. **The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 3.**

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolutions 2 & 3.

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## **5. Resolution 4 – Approval of 10% Placement Facility**

### **5.1 General**

Listing Rule 7.1A enables "eligible entities" to seek Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as defined in Section 5.2(f)) without using the Company's 15% placement capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

While the Company currently has no intention to use the 10% Placement Facility, the Company is now seeking Shareholder approval by way of a Special Resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2).

Resolution 4 is a **Special Resolution**.

**The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 4.**

The Chairman intends to exercise all available proxies **IN FAVOUR** of Resolution 4.

## 5.2 Listing Rule 7.1A

### (a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, Shares.

### (c) Formula for Calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting under Listing Rule 7.1A may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval; and
- (iv) less the number of Shares cancelled in the 12 months.

*Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

### (d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company has on issue 216,412,820 Shares and therefore:

- (i) has capacity to issue 32,461,923 Equity Securities under Listing Rule 7.1; and
- (ii) subject to shareholder approval being sought under Resolution 4, will have capacity to issue 21,641,282 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph 5.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

### 5.3 Specific Information Required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The minimum issue price is as set out in Section 5.2(e).
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting;
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date; and
  - (iii) the Equity Securities may be issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A (2) as at the date of this Notice.
- (d) The table also shows:
  - (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price of \$0.265 (as at 8 October 2018).

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.133 50% decrease in Issue Price	\$0.265 Issue Price	\$0.53 100% increase in Issue Price
<b>Current variable "A"</b> 216,412,820 Shares	<b>10% Voting Dilution</b>	21,641,282	21,641,282	21,641,282
	<b>Funds raised</b>	2,867,470	\$5,734,940	\$11,469,879
<b>50% increase in current variable "A"</b> 324,619,230 Shares	<b>10% Voting Dilution</b>	32,461,923	32,461,923	32,461,923
	<b>Funds raised</b>	\$4,301,205	\$8,602,410	\$17,204,819
<b>100% increase in current variable "A"</b> 432,825,640 Shares	<b>10% Voting Dilution</b>	43,282,564	43,282,564	43,282,564
	<b>Funds raised</b>	\$5,734,940	\$11,469,879	\$22,939,759

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The issue price is \$0.265 being the closing price of Shares on the ASX on 8 October 2018.

- (e) The Company will only issue the Equity Securities during the 10% Placement Period.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration in relation to costs associated with the acquisition of resource assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company may use the funds raised towards an acquisition of resource assets or investments (which may include costs associated with due diligence and engagement of advisers in assessing new resource assets) and/or continued exploration and development of the Company's existing resource assets in Tanzania and Mauritania.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to, the following:
  - (i) the methods of raising funds that are available to the Company including, but not limited to, rights issues or other issues in which existing holders of Equity Securities can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).

- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new resource assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (j) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meetings of the Company held on 28 November 2016 and 27 November 2017. In the 12 months preceding the date of the Meeting, the Company issued a total of 1,850,000 Equity Securities (being unlisted options, each exercisable at \$0.44) which, if exercised, represents approximately 0.85% of the total number of Shares on issue in the Company as at 8 October 2018, being 216,412,820.

Further details of the issues of all Equity Securities made by the Company during the 12-month period preceding the date of the Meeting are contained in Schedule 2.

- (k) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing security holder of Equity Securities or an identifiable class of existing holder of Equity Securities to participate in the issue of new Equity Securities. On this basis, no existing Shareholder's votes will therefore be excluded from voting on Resolution 4 under the voting exclusion in the Notice.

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## **6. Resolution 5 – Approval of the Employee Option Acquisition Plan**

### **6.1 Background**

The Company's Employee Option Plan requires a renewal of Shareholders' approval so that options issued by the Company under the plan do not count towards the Company's 15% annual limit on issuing securities without Shareholder approval.

The Employee Option Acquisition Plan is the Company's primary long term incentive plan and is intended to:

- a) reward employees, contractors and executive directors of the Group;
- b) assist in the retention and motivation of employees, contractors and executive directors of the Group;
- c) provide a long-term incentive for employees, contractors and executive directors of the Company to participate in the Group's future growth by providing them with an opportunity to receive an ownership interest in the Company; and
- d) align the interests of the Group's employees and Shareholders by linking the remuneration of the employees of the Group to the long-term success of the Company.

The Board believes that it is in the best interests of the Company to align the interests of Employee Option Plan participants with the performance of the Company, to incentivise those participants, and to minimise cash expenditure on incentive based remuneration.

### **6.2 Listing Rule 7.2 (Exception 9)**

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval.

Listing Rule 7.2 provides certain exceptions to Listing Rule 7.1, allowing certain issues of securities to be excluded from the calculation of the number of securities to be excluded from the calculation of the number of securities issued during the 12 month period. Exception 9 of Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to an issue under an employee incentive plan if, within three years before the date of issue, shareholders have approved the issue of securities under the Employee Option Plan.

The Board last sought and obtained the approval of Shareholders for the issue of securities under the Employee Option Plan at a General Meeting of the Company held on 22 June 2016 – that is, at the time the Employee Option Plan was introduced.

The following information is provided in line with the requirements under Exception 9 of Listing Rule 7.2:

- a) The terms of the Employee Option Plan are the same as those approved by Shareholders at the 2016 EGM. A summary of the Employee Option Plan is set out at Schedule 3 to this Explanatory Memorandum. A copy of the Employee Option Plan will be made available to any Shareholder upon request.
- b) Since the date of last approval of the Employee Option Plan in 2016, 11,885,000 Options have been issued under the Employee Option Plan to eligible participants. Of these, 9,385,000 Options have vested, 2,200,000 have lapsed and none are yet to meet and be assessed against rigorous long term performance conditions.
- c) A voting exclusion statement is included in the Notice.

Further, the Company intends, subject to Shareholder approval at this AGM, to issue 500,000 Employee Options to its CEO and Managing Director, Matthew Yates, under the Employee Option Plan (refer to Resolution 6).

### 6.3 Directors' Recommendation

Matthew Yates, the CEO and Managing Director of the Company, will participate in the Employee Option Plan and so has an interest in Resolution 5. Accordingly, Matthew Yates refrains from making any recommendation as to how Shareholders should vote on Resolution 5.

The Company's remaining Directors consider that the Employee Option Plan is an appropriate mechanism to assist in the recruitment, retention, reward and motivation of employees, contractors and executive directors of the Group, and therefore recommend that Shareholders vote **IN FAVOUR** of Resolution 5.

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 5.

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## 7. Resolution 6 – Grant of Employee Options to Matthew Yates under the Employee Option Plan

### 7.1 Details of the proposed grant to Matthew Yates

Subject to obtaining Shareholder approval in respect of Resolution 5, the Company proposes to grant to Matthew Yates (or his nominee) in accordance with the terms of the Employee Option Plan, 500,000 Employee Options.

As set out above, the Employee Option Plan will be used as part of the remuneration planning for executive directors and employees. For further information in respect of the aim and purpose of the Employee Option Plan, please refer to section 6.1 above. The key terms of the Employee Option Plan are summarised in Schedule 3 to this Explanatory Memorandum.

The Board considers that Matthew Yates plays a key role in the successful development of OreCorp and the overall growth of the Company. Accordingly, the Board considers that the grant of Options to Mr Yates under the Employee Option Plan is an appropriate form of long term incentive based remuneration.

### 7.2 Approval for the purposes of the Listing Rules and Corporations Act

Resolution 6 seeks Shareholder approval for the grant of options and subsequent issue of Shares on exercise of those options to Matthew Yates for the purposes of:

- a) Listing Rule 10.14, which broadly provides that Shareholder approval is required before a director, or an associate of a director, may acquire securities under an employee incentive scheme; and
- b) Chapter 2E of the Corporations Act, which prohibits a public company from giving a financial benefit to a related party of a public company unless the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit.

Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.14. Accordingly, provided Resolution 5 is approved by Shareholders, the grant of Employee Options to Matthew Yates (and any subsequent acquisition of Shares upon exercise of those options) will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of Listing Rule 7.1.

### 7.3 Information required by Listing Rules

For the purpose of the approval sought under Listing Rule 10.14, and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed grant of Employee Options to Matthew Yates:

- a) The Employee Options are proposed to be issued to Matthew Yates, CEO and Managing Director of the Company.
- b) The maximum number of Employee Options that may be granted to Matthew Yates pursuant to Resolution 6 is 500,000 Options.
- c) The Employee Options are being granted under the Employee Option Plan for nil cash consideration and otherwise on the terms and conditions set out in Schedule 3.
- d) 11,885,000 Options have previously been issued under the Employee Option Plan.
- e) Mr Yates is the only person referred to in ASX Listing Rule 10.14 who is eligible to participate in the Employee Option Plan. Since the Employee Option Plan was approved by Shareholders in June 2016, Mr Yates has been granted 1,500,000 Options for nil consideration. No other person under Listing Rule 10.14 has received Options since the Employee Option Plan was approved by Shareholders in June 2016.
- f) Executive directors, employees and contractors of the Company are entitled to participate in the Employee Option Plan.
- g) A voting exclusion statement is included in the Notice.
- h) No loans are being provided by the Company for the acquisition of securities under the Employee Option Plan.
- i) It is anticipated that the Employee Options will be granted to Matthew Yates on or about 26 November 2018. The Company contemplates that Shares issued upon vesting and exercise of Options may be issued in more than one tranche.

### 7.4 Information required by the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition. A "related party" for the purposes of the Corporations Act is defined widely and includes a Director of the Company. "Financial Benefit" has a wide meaning and includes the issue of securities by a public company.

The proposed offer of Employee Options to Mr Yates will form part of Mr Yates's remuneration package. Given the circumstances of the Company the Non-Executive Directors consider that the proposed grant of Options would constitute reasonable remuneration and accordingly may fall within an exception to the related party provisions in Chapter 2E of the Corporations Act. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies. Nevertheless, they have resolved, as a matter of good corporate governance, that the Company also seek shareholder pursuant to Chapter 2E of the Corporations Act.

Pursuant to, and in accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolution 6:

- a) The related party to whom a financial benefit will be given is Matthew Yates (or his nominee) who is CEO and Managing Director of the Company.
- b) The nature of the financial benefit proposed to be given to Matthew Yates is the grant of up to 500,000 Employee Options.

- c) The Employee Options will be granted under the Employee Option Plan, on the terms and conditions set out in Schedule 3 of this Explanatory Memorandum, and with the exercise price, vesting period and expiry date set out in the table below:

<b>Exercise Price – the greater of:</b>	<b>Vesting Period</b>	<b>Expiry Date</b>
\$0.44 or a 43% premium to the closing share price on the date of the Meeting	7 months	30 July 2021

- d) The Employee Options will be granted for no cash consideration and accordingly, no funds will be raised from the grant of the Employee Options. The funds raised, from time to time, as a result of the issue of Shares upon exercise of the Employee Options will be used for working capital purposes, as the Board thinks fit.
- e) Mr Yates is the proposed recipient of Employee Options and has an interest in the outcome of Resolution 6.

- f) Director's remuneration package

<b>Executive Director</b>	<b>2017/2018 Financial Year</b>	<b>2018/2019 Financial Year</b>
Matthew Yates	\$350,000	\$400,000

- g) Director's current interest in Shares and Options:

<b>Director</b>	<b>Shares</b>	<b>Existing Options</b>
Matthew Yates	10,495,578	1,500,000

- h) The dilution effect if all Employee Options the subject of Resolution 6 are exercised and no other options are exercised and no other Shares are issued will be 0.23% on Shareholders as set out below.

	<b>Shares (ASX:ORR)</b>
Shares currently on issue	216,412,820
Resolution 6 – Employee Options issued to Matthew Yates	500,000
Expanded Capital if Employee Options issued to Matthew Yates are exercised	216,912,820
Dilutionary effect	0.23%

- i) Trading History - In the last 12 months before the date of this Notice, the highest, lowest and latest trading price (as at 8 October 2018) of the Shares on ASX are as set out below:

<b>Trading History</b>	<b>Shares (ASX:ORR)</b>
Highest (31 July 2018)	\$0.34
Lowest (10 October 2017)	\$0.125
Latest (8 October 2018)	\$0.265

- j) The value of the financial benefit to be provided to Matthew Yates is \$49,500. The value per Option has been calculated by BDO Australia as \$0.099

The valuation assumes the following:

1. The Options are granted for nil consideration.
2. The valuation date was 21 September 2018.
3. The Binomial option valuation methodology was used as the basis for the calculation.
4. The underlying Share price is \$0.245
5. The exercise price and expiry date used was:
  - \$0.44 – 30 July 2021



6. The risk-free interest rate used was 2.15%.
  7. A volatility factor of 85% was used.
  8. The expected dividend yield is nil.
- k) Directors' recommendation and basis of recommendation
- Matthew Yates has a material personal interest in Resolution 6 and abstains from making a recommendation in respect of Resolution 6. The Non-Executive Directors have carefully considered the proposed grant of Options to Mr Yates, as well his remuneration package generally. The Non-Executive Directors consider the grant to be an important component of Mr Yates' remuneration package and all recommend that Shareholders vote **IN FAVOUR** of Resolution 6.

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 6.

## 7.5 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in granting the Options to Mr Yates.

The Directors are not aware of any information, other than the information set out in this Explanatory Memorandum that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolution 6.

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## 8. Resolutions 7 to 10 – Grant of NED Options to the Non-Executive Directors

### 8.1 Details of the proposed grant to the Non-Executive Directors

The Company proposes to grant Options to each of Craig Williams, Michael Klessens, Alastair Morrison and Robert Rigo (the **Non-Executive Directors**) (or their nominees).

The grant of the NED Options will form part of the remuneration planning for Non-Executive Directors. The Board acknowledges that this is not in accordance with the Guidelines for Non-Executive Director Remuneration set out in the Corporate Governance Principles and Recommendations 2014 (3rd Edition) as published by the ASX Corporate Governance Council. However, the Board considers that it is reasonable in the circumstances for the Non-Executive Directors to be offered the NED Options as part of their remuneration, given the primary purpose of the grant of the Options to the Non-Executive Directors is to motivate and reward their performance in their respective roles as Non-Executive Directors and not to raise capital.

### 8.2 Approval for the purposes of the Listing Rules and Corporations Act

Resolutions 7 – 10 seek Shareholder approval for the grant of NED Options and subsequent issue of Shares on exercise of those options to the Non-Executive Directors for the purposes of:

- a) Listing Rule 10.11, which requires shareholder approval for the issue of securities (including options) to a related party of the Company; and
- b) Chapter 2E of the Corporations Act, which prohibits a public company from giving a financial benefit to a related party of a public company unless the giving of the financial benefit falls within one of the nominated exceptions or shareholder approval is obtained prior to the giving of the financial benefit.

Shareholder approval under Listing Rule 7.1 is not required for issues that have been approved under Listing Rule 10.11. Accordingly, provided Resolutions 7 – 10 are approved by Shareholders, the grant of Options to the Non-Executive Directors (and any subsequent acquisition of Shares upon exercise of such Options) will not be included in the calculation of the Company's 15% annual placement capacity for the purposes of Listing Rule 7.1.

### 8.3 Information required by Listing Rule 10.13

For the purpose of the approval sought under Listing Rule 10.11, and in accordance with the requirements of Listing Rule 10.13 the following information is provided in relation to the proposed grant of Options to the Non-Executive Directors:

- a) The NED Options are proposed to be issued to the Non-Executive Directors, Craig Williams, Michael Klessens, Alastair Morrison and Robert Rigo, each a Director and, as such, a related party of the Company.

- b) The maximum number of NED Options that may be granted to each Non-Executive Director pursuant to Resolutions 7 – 10 are as follows:

<b>Non-Executive Director</b>	<b>Maximum number of Options</b>
Craig Williams	500,000
Michael Klessens	500,000
Alastair Morrison	500,000
Robert Rigo	500,000
<b>Total</b>	<b>2,000,000</b>

- c) The NED Options will be granted no later than one month after the date of the Meeting (or such other later date as permitted by any ASX waiver of the Listing Rules). The Company expects to grant all of the Options on the same date, however the exact date of the issue is unknown at this stage.
- d) The NED Options are being granted to the Non-Executive Directors for nil cash consideration and otherwise on the terms set out in Schedule 4.
- e) Voting exclusion statements for Resolutions 7 – 10 are included in the Notice.
- f) The NED Options will be granted for no cash consideration and accordingly, no funds will be raised from the grant of the NED Options to the Non-Executive Directors. The funds raised, from time to time, as a result of the purchase of Shares issued upon exercise of the NED Options will be used for working capital purposes, as the Board thinks fit.

#### 8.4 Information required by the Corporations Act

Pursuant to, and in accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided for the purposes of obtaining Shareholder approval for Resolutions 7 – 10:

- a) The related parties to whom a financial benefit will be given are Craig Williams, Michael Klessens, Alastair Morrison and Robert Rigo (or their nominees), each of whom is a Non-Executive Director of the Company.
- b) The nature of the financial benefit proposed to be given to each Non-Executive Director is the grant of NED Options up to the maximum number set out in the table below:

<b>Related Party</b>	<b>Number of NED Options</b>
Craig Williams	500,000
Michael Klessens	500,000
Alastair Morrison	500,000
Robert Rigo	500,000

- c) the NED Options will be granted on the terms and conditions set out in Schedule 4 of this Explanatory Memorandum, and with the exercise price, vesting period and expiry date set out in the table below:

<b>Exercise Price – the greater of:</b>	<b>Vesting Period</b>	<b>Expiry Date</b>
\$0.44 or a 43% premium to the closing share price on the date of the Meeting	7 months	30 July 2021

- d) The NED Options will be granted for no cash consideration and accordingly, no funds will be raised from the grant of the NED Options to the Non-Executive Directors. The funds raised, from time to time, as a result of the issue of Shares upon exercise of the NED Options will be used for working capital purposes, as the Board thinks fit.

- e) Directors' interest in the outcome

Each Non-Executive Director is a proposed recipient of NED Options and has an interest in the outcome of the Resolution relevant to him.

- f) Non-Executive Directors' fees

<b>Non-Executive Director</b>	<b>2017/2018 Financial Year</b>	<b>2018/2019 Financial Year</b>
Craig Williams	\$75,000	\$100,000
Michael Klessens	\$50,000	\$55,000
Alastair Morrison	\$44,000	\$50,000
Robert Rigo	\$44,000	\$50,000

- g) The securities currently held by the Non-Executive Directors and those that may be issued subject to Shareholder approvals at this meeting are set out in the table below:

<b>Director</b>	<b>Existing Shares</b>	<b>Options exercisable at \$0.41 on or before 23 June 2019</b>	<b>Options exercisable at \$0.45 on or before 23 June 2019</b>	<b>Options exercisable at \$0.50 on or before 31 May 2020</b>	<b>NED Options (subject to shareholder approval under Resolutions 7 – 10)</b>
Craig Williams	2,910,370	350,000	350,000	300,000	500,000
Michael Klessens	1,995,370	250,000	250,000	250,000	500,000
Alastair Morrison	5,124,874	250,000	250,000	250,000	500,000
Robert Rigo	570,370	250,000	250,000	250,000	500,000

- h) Dilution

The dilution effect if all NED Options the subject of Resolutions 7 – 10 are exercised and the Employee Options proposed to be granted to Mr Yates under Resolution 6 are exercised, but no other options are exercised and no other Shares are issued will be 1.16% on Shareholders as set out below.

	<b>Shares (ASX:ORR)</b>
Shares currently on issue	216,412,820
Resolution 6 – Employee Options to be granted to M Yates	500,000
Resolutions 7 – 10 – NED Options to be granted to the Non-Executive Directors	2,000,000
Expanded Capital if NED Options are exercised	218,912,820
Dilutionary effect	1.16%

- i) Trading History

In the last 12 months before the date of this Notice, the highest, lowest and latest trading price (as at 8 October 2018) of the listed Shares on ASX are as set out below:

<b>Trading History</b>	<b>Shares (ASX:ORR)</b>
Highest (31 July 2018)	\$0.34
Lowest (10 October 2017)	\$0.125
Latest (8 October 2018)	\$0.265

- j) The value of the financial benefits to be provided to the Non-Executive Director is set out in the table below. The value has been calculated by BDO Australia as follows:

Value per Option – A\$0.099

Director	Value of Financial Benefit
Craig Williams	\$49,500
Michael Klessens	\$49,500
Alastair Morrison	\$49,500
Robert Rigo	\$49,500

The valuation assumes the following:

1. The Options are granted for nil consideration.
  2. The valuation date was 21 September 2018.
  3. The Binomial option valuation methodology was used as the basis for the calculation.
  4. The underlying Share price is \$0.245.
  5. The exercise price and expiry date used was:
    - \$0.44 – 30 July 2021
  6. The risk-free interest rate used was 2.15%.
  7. A volatility factor of 85% was used.
  8. The expected divided yield is nil.
- k) Directors' recommendation and basis of recommendation
- The Non-Executive Directors each have a material personal interest in their respective Resolution because it relates to the grant of options to them. Accordingly, the Non-Executive Directors decline to make a recommendation to Shareholders in relation to Resolutions 7 – 10, given their material personal interest in the outcome of their respective Resolutions and potential perceived interest in relation to the other Resolutions in respect of the grant of options. Mr Yates recommends that Shareholders vote **IN FAVOUR** of Resolutions 7 – 10.

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolutions 7 – 10.

## 8.5 Other information

There are no material opportunity costs to the Company, no taxation consequences to the Company and no material benefits foregone by the Company in granting the NED Options.

The Directors are not aware of any information, other than the information set out in this Explanatory Memorandum that would reasonably be required by Shareholders in order to decide whether or not it is in the Company's interests to pass Resolutions 7 – 10.

## Schedule 1 – Definitions

In the Notice, this Explanatory Memorandum and the Proxy Form:

**\$** means Australian dollars.

**10% Placement Facility** has the meaning in Section 5.1.

**10% Placement Period** has the meaning in Section 5.2.

**2016 EGM** means the Extraordinary General Meeting of Shareholders held at Exchange Tower Function Centre, Level 8, Exchange Tower, 2 The Esplanade, Perth WA 6000 on Wednesday, 22 June 2016.

**Annual General Meeting or Meeting** means the Annual General Meeting of Shareholders to be held at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia on Monday 26 November 2018 at 9:30am (AWST).

**Annual Report** means the Directors' Report, the Company's financial statements, and Auditor's Report thereon, in respect to the financial year ended 30 June 2018.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**AWST** means Australian Western Standard Time.

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

**Business Day** has the meaning in the Listing Rules.

**Chairman** means the persons appointed to chair the meeting of the Company convened by this Notice.

**Closely Related Party** has the meaning in section 9 of the Corporations Act.

**Company** or **OreCorp** means OreCorp Limited ABN 24 147 917 299.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Directors** mean the directors of the Company.

**Equity Securities** has the same meaning as in the Listing Rules.

**Employee Option** means an Option issued in accordance with the Employee Option Plan.

**Employee Option Plan** means the OreCorp Limited Employee Option Acquisition Plan.

**Explanatory Memorandum** means this explanatory memorandum.

**Group** means the Company and a related body corporate of the Company as defined in section 50 of the Corporations Act and any company in respect of which the Company has voting power of not less than 20%.

**Key Management Personnel** or **KMP** means a person 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.

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

**NED Options** means the options to be offered to the Non-Executive Directors under Resolutions 7 – 10 on the NED Option Terms.

**NED Option Terms** means the terms and conditions of the NED Options, as set out in Schedule 4.

**Non-Executive Directors** has the meaning given in section 8.1 of this Explanatory Memorandum.

**Notice of Meeting** or **Notice** means the Notice of Meeting which this Explanatory Memorandum accompanies.

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

**Ordinary Resolution** means a Resolution to be passed by a simple majority of Shareholders entitled to vote on the Resolution (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company for year ended 30 June 2018 contained in the Director's Report.

**Resolution** means a resolution referred to in this Notice.

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

**Shareholder** means a person or company registered in the Company's Register of Shareholders as the holder of one or more Shares and includes any person who is a member of the Company in accordance with or for the purposes of the Corporations Act.

**Special Resolution** means a Resolution to be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Trading Days** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average price.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**Schedule 2 – Issues of Equity Securities made by the Company during the 12-month period preceding the date of the Meeting**

No.	Date of Issue	Number of Equity Securities	Class	Persons to whom the securities were issued	Issue price	Discount to market price <sup>1</sup>	Consideration
1	30 July 2018	1,850,000	\$0.44 unlisted options expiring 30 July 2021	Employees and consultants	\$0.44	N/A	Nil

<sup>1</sup>Based on ASX closing price on date of issue

## Schedule 3 – Summary of Employee Option Acquisition Plan

The terms and conditions of the Employee Option Plan are summarised below.

### 1. Board

The Board or a duly appointed committee of the Board is responsible for the operation of the Employee Option Plan.

### 2. Eligibility

The Board has an absolute discretion to determine the eligibility of participants. The factors the Board will have regard to in determining eligibility are:

- (a) the contribution that has been made by the participant to the Group;
- (b) the length of service of the participant with the Group;
- (c) the potential contribution of the participant to the Group; and
- (d) any other matters which the Board considers relevant.

### 3. Offer

The Board, from time to time, may make a written invitation to any eligible person to take up a specified number of options, upon the terms set out in the Employee Option Plan rules and on such further terms and conditions as the Board decides.

### 4. Issue Price

Options will be granted under the Employee Option Plan for nil consideration.

### 5. Plan Limit

The number of Shares that have been or may be issued in any of the circumstances listed below must not exceed 5% of the total number of Shares on issue:

- (a) Shares that may be issued on the exercise of Options granted under the Employee Option Plan; and
- (b) Shares issued or that may be issued as a result of invitations or offers made at any time during the previous 3 year period under any employee incentive scheme.

### 6. Exercise of Options

Unless an invitation provides otherwise, upon exercise, each Option entitles the holder to subscribe for and be issued, one fully paid Share. An Option may be exercised not later than its expiry date, and may only be exercised after the Option has vested and all conditions associated with the exercise of the Option (if any) have been satisfied. The exercise price shall be as determined by the Board and specified in the invitation.

### 7. Lapse of Options

An Option held by a participant will lapse upon the first to occur of:

- (a) its expiry date; or
- (b) the Board making a determination that the participant has acted fraudulently, dishonestly or in breach of the participant's obligations to the Company or any member of the Group.

### 8. Transfer

Options cannot be transferred prior to vesting without the approval of the Board.



## **9. Cessation of Employment**

If at any time prior to the expiry date of any Options, a participant ceases to work for any member of the Group as a result of, or in connection with, any fraud, dishonesty, wilful misconduct, gross negligence or breach of the participant's obligations to the Company or any member of the Group, all Options held by the participant immediately lapse. If a participant ceases to work for any member of the Group for any other reason, the participant will be entitled to keep any Options which have vested and the Board, in its absolute discretion, shall determine the number of unvested Options which will vest.

## **10. Change of Control**

On a change of control event (which includes a takeover, merger, any person acquiring a relevant interest in more than 20% of the issued Shares in the Company and other similar events) the Board may determine (in its discretion):

- (a) that the Options will vest and may be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in the change of control; and/or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the change of control event.

## **11. Participation in new and bonus issues**

The Options will not entitle the holder to participate in new issues of capital offered to Shareholders. Subject to the Listing Rules, if the Company makes a bonus issue, each holder of Options at the time of the record date for determining entitlements to the bonus issue shall be entitled (upon exercise of those Options) to be issued the number of Shares which would have been issued had the Options been exercised on the record date for the bonus issue.

## **12. Pro rata issues**

If, prior to the expiry of an Option, the Company makes a pro rata issue, the exercise price (if any) of each Option will be reduced and the new exercise price of the Option will be calculated in accordance with the formula provided in the Listing Rules. No change will be made to the number of Shares to which the Participant is entitled.

## **13. Capital reorganisation**

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules.

## **14. Listing**

The Options will not be listed for quotation on ASX. However, the Company will make application for official quotation of Shares issued on the exercise of Options to ASX in accordance with the Listing Rules.

## **15. Amendments**

Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time amend the Plan.

## Schedule 4 – Terms of NED Options

The terms and conditions of the NED Options are summarised below.

- (a) Each NED Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- (b) The Exercise Price, Vesting Period and Expiry Date of the NED Options is as follows:
  - i. **Exercise price** – the greater of \$0.44 or a 43% premium to the closing share price on the date of the Meeting;
  - ii. **Vesting Period** – 7 months; and
  - iii. **Expiry Date** – 30 July 2021.
- (c) Any NED Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) Each NED Option may be exercised in accordance with the vesting period and prior to the Expiry Date by lodging with the Company Secretary a Notice of Exercise, duly completed together with payment for the Exercise Price multiplied by the number of NED Options being exercised.
- (e) The NED Options may not be transferred prior to vesting, other than with the approval of the Board.
- (f) Vesting of the NED Options may be accelerated on a change of control, in the same way as Employee Options under the Employee Option Plan, subject to the ASX Listing Rules and Corporations Act.
- (g) The Company will not apply for quotation of the NED Options on ASX, but will apply for quotation of Shares issued on exercise of the NED Options.
- (h) There are no participating rights or entitlements inherent in the NED Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the NED Options. However, the Company will give the holders of NED Options notice of proposed issue prior to the date for determining entitlements to participate in any such issue.
- (i) If the Company completes a Bonus Issue during the term of a NED Option, the number of Shares the holder is entitled to will be increased by the number of shares which the holder would have been issued in respect of NED Options if they were exercised immediately prior to the record date of the Bonus Issue.
- (j) In the event that a Pro Rata Issue (except a Bonus Issue) is made to the holders of the underlying securities of the Company, the Exercise Price of the NED Options may be adjusted in accordance with Listing Rule 6.22.
- (k) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the NED Option holder will be changed to the extent necessary to comply with the Listing Rules.

**ORECORP LIMITED**  
**ABN 2 4 1 4 7 9 1 7 2 9 9**

**PROXY FORM**

The Company Secretary  
OreCorp Limited

**By delivery:**  
Suite 20, Level 1, 513 Hay Street  
SUBIACO WA 6008

**By post:**  
PO Box 2152  
SUBIACO WA 6904

**By facsimile:**  
+61 8 9381 9996

**Step 1 – Appoint a Proxy to Vote on Your Behalf**

I/We<sup>1</sup> \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to \_\_\_\_\_

votes in the Company, hereby appoint:

**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 and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

or failing the person so named or, if no person is named, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Company to be held at 9:30am on Monday 26 November 2018 (AWST) at Level 12, Exchange Tower, 2 The Esplanade, Perth, Western Australia and at any adjournment thereof in the manner directed below or, in the absence of such direction, as he thinks fit (except as provided below). If two proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is \* % of the Shareholder's votes\*/ of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request.)

**The Chairman of the Meeting intends to vote all undirected proxies IN FAVOUR of all Resolutions.**

**Important for Resolution 1**

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel or any Closely Related Party as your proxy to vote on Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the member of Key Management Personnel or Closely Related Party on how to vote in relation to those Resolutions, the proxy is prevented by the Corporations Act from exercising your vote which will not be counted in relation to those Resolutions.

If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you direct otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on those Resolutions even if they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Suite 20, Level 1, 513 Hay Street, Subiaco, WA 6008), or by post to PO Box 2152, Subiaco, WA 6904 or facsimile (08) 9381 9996 if faxed from within Australia or +618 9381 9996 if faxed from outside Australia.

**Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 9.30am (AWST) on Saturday 24 November 2018.**

**Please read the voting instructions overleaf before marking any boxes with a ☒.**

### Step 2 – Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Craig Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Robert Rigo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of the Employee Option Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Employee Options to Matthew Yates under the Employee Option Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of NED Options to Craig Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of NED Options to Michael Klessens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Grant of NED Options to Alastair Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Grant of NED Options to Robert Rigo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, 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.

### Authorised signature/s

This section must be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup>Insert name and address of Shareholder

### Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast two or more votes at the Meeting the Shareholder may appoint not more than two proxies (the appointment of a second proxy must be completed on a separate and additional Proxy Form which is available from the Company upon request). Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder.

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company Secretary.

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

Joint Holding:

where the holding is in more than one name all of the holders must sign.

Power of Attorney:

if signed under a Power of Attorney, you must have already lodged it with the Company, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:

a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.