

**AVENIRA LIMITED**

ABN 48 116 296 541

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY STATEMENT**

**AND**

**PROXY FORM**

in respect of the

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

to be held at 10:00 AM (WST) on 14 November 2017  
at The Celtic Club, 48 Ord Street, West Perth, Western Australia

As at and dated 10 October 2017

The **2017 Annual Report** may be viewed on the Company's  
website at

*[www.avenira.com](http://www.avenira.com)*

**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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**AVENIRA LIMITED**

**ABN 48 116 296 541**

**NOTICE OF ANNUAL GENERAL  
MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (**Annual General Meeting** or **Meeting**) of holders of ordinary shares (**Shareholders**) of Avenir Limited ABN 48 116 296 541 (**Company** or **Avenir**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 14 November 2017 at 10:00 AM (WST) for the purpose of transacting the following business, in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

**A. ORDINARY BUSINESS**

**Annual Report**

To receive and consider the Annual Report of the Company for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report.

**Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2017.”*

**Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such member; or
- (ii) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

**Resolution 2 – Re-election of Mr Farouk Chaouni as a Director**

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

*“That, pursuant to and in accordance with articles 6.3(c) and 6.3(f) of the Constitution and for all other purposes, Mr Farouk Chaouni retires and being eligible and having offered himself for re-election, be re-elected as a Director on the terms and conditions in the Explanatory Statement.”*

### **Resolution 3 – Re-election of Mr Ian McCubbing as a Director**

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

*“That, pursuant to and in accordance with articles 6.3(c) and 6.3(f) of the Constitution and for all other purposes, Mr Ian McCubbing retires and being eligible and having offered himself for re-election, be re-elected as a Director on the terms and conditions in the Explanatory Statement.”*

### **Resolution 4 – Ratification of Issue of Shares**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 22,512,506 Shares to Agrifields DMCC on the terms and conditions in the Explanatory Statement.”*

#### **Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Agrifields DMCC and any of its associates.

However, the Company need not disregard a 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 Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Resolution 5 – Approval of the grant of Performance Rights to Mr Louis Calvarin and potential termination benefits under the Performance Rights Plan**

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

*“That, for the purpose of Listing Rules 10.14 and 10.19, section 200E of the Corporations Act and for all other purposes, Shareholders approve:*

- (a) *the grant of 5,000,000 Performance Rights for nil consideration to Mr Louis Calvarin (or his nominee);*
- (b) *the issue of, and acquisition by Mr Louis Calvarin (or his nominee) of Shares in respect of those Performance Rights; and*
- (c) *the giving of benefits in connection with any future retirement of Mr Calvarin ceasing to hold a managerial or executive office with the Company,*

*under the Performance Rights Plan, on the terms and conditions (including performance conditions) in the Explanatory Statement.”*

#### **Voting Exclusion:**

The Company will, in accordance with the Listing Rules, disregard any votes cast on this Resolution by Mr Calvarin and a Director (except one who is ineligible to participate in the Performance Rights Plan) and any of their associates.

However, the Company need not disregard a 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 Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting prohibition statement:**

A vote on this Resolution must not be cast by or on behalf of Mr Calvarin and any associate of Mr Calvarin.

The above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Mr Calvarin and any associate of Mr Calvarin.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 6 – Approval of the Issue of Shares to Mr Louis Calvarin**

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

*“That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of Shares to the value of \$20,000 to Mr Louis Calvarin on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:**

The Company will, in accordance with the Listing Rules, disregard any votes cast on this Resolution by Mr Calvarin and any associate of Mr Calvarin.

However, the Company need not disregard a 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 a direction on the Proxy Form to vote as the proxy decides.

**Resolution 7 – Approval of proportional takeover provisions**

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

*“That, for the purposes of section 648G of the Corporations Act and for all other purposes, Shareholders approve the renewal of the Proportional Takeover Provisions in the Constitution on the terms in the Explanatory Statement.”*

**Resolution 8 – Approval of additional 10% share issue capacity**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula set out in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

**Voting exclusion statement:**

The Company will disregard any votes cast on this Resolution by:

- (a) a person (and any associates of such a person) who may participate in the proposed issue; and
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company need not disregard a 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 a direction on the Proxy Form to vote as the proxy decides.

**Important Note:** At the date of this Notice, the proposed allottees of the securities are not as yet known or identified. For a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

**By order of the Board**

**Louis Calvarin**  
**Managing Director**  
**Dated: 10 October 2017**

## NOTES

### Voting entitlement

In accordance with regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the persons eligible to vote at the Meeting will be the registered holders at 4:00pm (WST) on 12 November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If you are in doubt as to how you should vote, you should seek independent advice from your accountant, solicitor or other professional adviser prior to voting.

You may vote by attending the Annual General Meeting in person, by proxy or attorney, or by an authorised representative (if you are a body corporate).

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

### Proxies

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A Proxy Form is enclosed with this Notice of Annual General Meeting.

A Shareholder that is entitled to cast two or more votes at the Annual General Meeting may appoint not more than two proxies to attend and act for the Shareholder at the Meeting and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of those votes.

A Shareholder can direct its proxy to vote for, against or abstain from voting on each Resolution by marking the appropriate box in the voting directions section of the Proxy Form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairperson of the Meeting, who must vote the proxies as directed.

The Chairperson intends to vote all undirected proxies in favour of all Resolutions.

If you appoint the Chairperson as your proxy (whether intentionally or by default), unless you indicate otherwise by directing the Chairperson to vote for, against or abstain from voting on a Resolution by marking the appropriate box on the Proxy Form, under the heading 'Voting on Business of the Annual General Meeting', you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on the Resolutions, even if that Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

An appointment of a proxy or power of attorney is not effective for the Meeting unless:

- (a) in the case of a proxy, the Proxy Form and, if it is executed by an attorney, the relevant power of attorney or a certified copy of it; and
- (b) in the case of an attorney, the power of attorney or a certified copy of it, is received by the Company by one of the following means of delivery, in respect of Shareholders registered on the Company's Australian share register, prior to 10:00 AM WST on 12 November 2017 by:
  - (i) facsimile, to Computershare Investor Services Pty Ltd at 1 800 783 447 (International: +61 3 9473 2555);
  - (ii) delivery, to Computershare Investor Services Pty Ltd at Level 11, 172 St George's Terrace, Perth, Western Australia 6000;
  - (iii) mail, to Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria, 3001;
  - (iv) electronically, submit proxy voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the enclosed Voting Form for more information about submitting proxy voting instructions online; or
  - (v) for intermediary online subscribers only (custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

### **Important information concerning proxy votes**

Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chairperson as their proxy (including an appointment by default) are encouraged to direct the Chairperson as to how to vote on all Resolutions.

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and Resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel are Directors and all other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 30 June 2017. "Closely related party" is defined in the Corporations Act and includes certain family members, dependants and companies controlled by Key Management Personnel.

### ***Voting Prohibition by Proxy holders - Resolutions 1, 5 and 6***

A vote on Resolutions 1, 5 and 6 must not be cast:

- (a) 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 member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution, but expressly authorises the Chairperson to exercise the proxy even if Resolutions 1, 5 and 6 are connected with the remuneration of a member of the Key Management Personnel.

### **Corporate Representative**

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the Annual General Meeting in accordance with section 250D of the Corporations Act.

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should provide that person with:

- (a) a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative; or
- (b) a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

A Certificate of Appointment of Corporate Representative form is available from the Company on request.

## GLOSSARY

Capitalised terms in this Notice of Annual General Meeting and in the Explanatory Statement have the following meanings:

<b>Agrifields DMCC</b>	Agrifields DMCC, Dubai (UAE) (Reg No. 67512)
<b>Annual General Meeting or Meeting</b>	The annual general meeting of Shareholders convened by this Notice of Annual General Meeting.
<b>Annual Report</b>	The Directors' Report, the Financial Report and the Auditor's Report in respect of the financial year ended 30 June 2017.
<b>Approving Resolution</b>	A resolution to approve a proportional takeover bid.
<b>ASX</b>	ASX Limited and, where applicable, the Australian Securities Exchange operated by ASX Limited.
<b>Avenira or Company</b>	Avenira Limited ABN 48 116 296 541.
<b>Board</b>	The board of Directors of the Company.
<b>Chairperson</b>	The person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.
<b>Closely Related Party</b>	(a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
<b>Constitution</b>	The Company's constitution.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Directors' Report</b>	The annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.
<b>Explanatory Statement</b>	The explanatory statement and management information circular accompanying this Notice of Meeting.
<b>Financial Report</b>	The annual financial report prepared under chapter 2M of the corporations Act of the Company and its controlled entities.
<b>Key Management Personnel</b>	Persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
<b>Listing Rules</b>	The listing rules of the ASX.
<b>Managing Director</b>	The managing director of the Company.
<b>Notice or Notice of Meeting</b>	The notice of meeting relating to the Annual General Meeting of Shareholders to be held at 10:00 AM (WST) on 14 November 2017 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.



<b>Option</b>	An option to acquire a Share.
<b>Ordinary Resolution</b>	A resolution passed by a simple majority of Shareholders on a show of hands or by a simple majority of votes given on a poll.
<b>Performance Rights</b>	Has the meaning given in Resolution 5.
<b>Performance Rights Plan</b>	Avenira Limited Performance Rights Plan, as adopted by Shareholders at the Company's 2015 annual general meeting.
<b>Proportional Takeover Provisions</b>	Has the meaning given in Resolution 8.
<b>Proxy Form</b>	The proxy form accompanying this Notice of Meeting.
<b>Remuneration Report</b>	The remuneration report of the Company contained in the Directors' Report.
<b>Resolutions</b>	The resolutions set out in this Notice of Meeting, or any of them as the context requires.
<b>Special Resolution</b>	A resolution passed by at least 75% of Shareholders on a show of hands or by 75% of votes given on a poll.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	The holder of a Share.
<b>TFR</b>	Total fixed remuneration.
<b>TSR</b>	Total shareholder return.
<b>VWAP</b>	Has the meaning given to the term 'volume weighted average market price' in the Listing Rules.
<b>WST</b>	Australian Western Standard Time.

## **AVENIRA LIMITED**

**ABN 48 116 296 541**

### **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared in connection with the business to be conducted at the Company's Annual General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 14 November 2017 at 10:00 AM(WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Directors and believed to be material to Shareholders in deciding whether or not to approve the Resolutions in the Notice of Meeting. This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

Words which are defined in the Notice of Meeting have the same meaning when used in this Explanatory Statement unless the context requires otherwise.

#### **Annual Report**

The Corporations Act requires that the Annual Report be laid before the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on these reports.

As a Shareholder, you are entitled to submit written questions to the auditor prior to the Annual General Meeting provided that the questions relate to:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit in relation to the Financial Report;
- (c) accounting policies of 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.

All written questions must be received by the Company no later than 5 business days before the Meeting.

All questions must be sent to the Company and may not be sent direct to the auditor. The Company will then forward all questions to the auditor.

The Company's auditor will be present at the Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

#### **Resolution 1 – Adoption of Remuneration Report**

##### **General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the company's remuneration arrangements for the directors and senior management of the company. The Remuneration Report is part of the directors' report contained in the annual financial report of the company for a financial year.

##### **Voting consequences**

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

Resolution 1 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **Resolution 2 – Re-Election of Mr Farouk Chaouni as a Director**

In accordance with article 6.3(c) of the Constitution, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting of the Company. Mr Farouk Chaouni retires in accordance with article 6.3(c) of the Constitution and, being eligible, has offered himself for re-election as a Director pursuant to article 6.3(f) of the Constitution.

Mr Chaouni is a principal and the Chairman of the Agrifos Group. From 1987 to 1993, Mr Chaouni was involved in numerous transactions in the U.S. phosphate fertilizer industry including the acquisition of the fertilizer assets of W.R. Grace (Seminole Fertilizer), the acquisition of the Wingate Creek Mine, and the re-commissioning of the Mississippi Chemical Pascagoula phosphate fertilizer plant. Mr Chaouni served as the Chairman of Seminole Fertilizer until its sale to Tosco in 1989.

In 1998, Mr Chaouni was instrumental in Agrifos' acquisition of ExxonMobil's Pasadena phosphate fertilizer plant, which was converted to an ammonium sulfate plant in 2011 and sold to Rentech Nitrogen Partners in 2012. Prior to launching his entrepreneurial activities in the U.S., Mr. Chaouni was the Commercial Director of Office Chérifien des Phosphates (OCP), the large Moroccan phosphate company, where he was responsible for worldwide phosphate rock and fertilizer sales and raw material purchases.

Further details in relation to Mr Chaouni background and experience are set out in the Annual Report. The Board considers Mr Chaouni not to be an independent Director.

Resolution 2 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Directors (other than Mr Chaouni, who has an interest in the Resolution) unanimously recommend that Shareholders vote in favour of the election of Mr Chaouni.

### **Resolution 3 – Re-Election of Mr Ian McCubbing as a Director**

In accordance with article 6.3(c) of the Constitution, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting of the Company. Mr Ian McCubbing retires in accordance with article 6.3(c) of the Constitution and, being eligible, has offered himself for re-election as a Director pursuant to article 6.3(f) of the Constitution.

Mr McCubbing is a Chartered Accountant with more than 25 years' corporate experience, principally in the areas of corporate finance and M&A. He has spent more than 13 years working with ASX-listed companies in senior finance roles, including positions as Finance Director and Chief Financial Officer in industrial and mining companies. Mr McCubbing is a non-executive director of Swick Mining Services Limited, Rimfire Pacific Mining NL and Sun Resources NL. Mr McCubbing has served as a Director of the Company since December 2012.

Further details in relation to Mr McCubbing's background and experience are set out in the Annual Report. The Board considers Mr McCubbing to be an independent Director.

Resolution 3 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Directors (other than Mr McCubbing, who has an interest in the Resolution) unanimously recommend that Shareholders vote in favour of the election of Mr McCubbing.

## **Resolution 4 – Ratification of Issue of Shares**

### **General**

On 3 July 2017 the Company issued 22,512,506 Shares at \$0.084 per Share to Agrifields DMCC in accordance with a shortfall placement agreement dated 15 May 2017 using its existing placement capacity under Listing Rule 7.1. The Shares were issued in connection with the placing of shortfall Shares under the share purchase plan which completed on 16 June 2017. Pursuant to Resolution 4 of the Notice, the Company now seeks shareholder approval to ratify the allotment and issue of those Shares.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

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

Resolution 4 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

### **Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 22,512,506 Shares were allotted and issued by the Company.
- (b) The issue price per Share was \$0.084 raising approximately \$1,891,050 before costs.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (d) The Shares were allotted to Agrifields DMCC, who is not a related party of the Company.
- (e) The funds raised from the issue of Shares were applied as follows:
  - (i) towards ramping up production and further enhancements from the Baobab Phosphate Project in Senegal; and
  - (ii) as general working capital.
- (f) A voting exclusion statement is included in the Notice.

### **Directors' Recommendation**

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

## **Resolution 5 – Approval of the grant of Performance Rights to Mr Louis Calvarin and potential termination benefits under the Performance Rights Plan**

### **Background**

In accordance with Listing Rules 10.14 and 10.19, and section 200E of the Corporations Act, Shareholder approval is required for the issue of 5,000,000 performance rights under the Performance Rights Plan to Mr Calvarin (or his nominee) (**Performance Rights**) and the issue of, and acquisition by, Mr Calvarin (or his nominee) of Shares in respect of those Performance Rights, as part of his remuneration package. The Performance Rights Plan was approved by Shareholders at the annual general meeting of the Company in 2015.

The Board have set the performance conditions of the Performance Rights in a manner designed to incentivise and reward a high level of performance. The vesting of the Performance Rights will only occur if the Company outperforms against its peers as described below.

Mr Calvarin was appointed as Managing Director and Chief Executive Officer of the Company effective from 29 March 2017. In accordance with Mr Calvarin's engagement, up to 80% of Mr Calvarin's annual "Total Fixed Remuneration" (**TFR**) of A\$450,000 is available to be paid in equity under the long-term incentive component of his remuneration package.

The Board considers that the grant of Performance Rights to Mr Calvarin would be a cost effective and efficient reward for the Company to make to appropriately incentivise his continued performance. The provision of incentives which do not require any cash outlay and is consistent with the strategic goals and targets of the Company.

The Company proposes to issue Performance Rights to Mr Calvarin in order to:

- (a) link a portion of Mr Calvarin's remuneration with the strategic goals and performance of the Company;
- (b) align Mr Calvarin's financial interests with those of the Shareholders; and
- (c) provide incentives for Mr Calvarin to participate on superior performance that creates Shareholder value.

### **Terms of Performance Rights**

The number of Performance Rights granted has been calculated by reference to the quantum of Mr Calvarin's remuneration that is available to be paid in equity, (i.e. 80% of A\$450,000), divided by the face value of one Performance Right (equal to the 30-day VWAP of a Share leading up to 1 July 2017 which is quantified the face value as \$0.072 as follows:

$$\text{Number of Performance Rights} = \frac{80\% \text{ of TFR}}{\text{Face value of one Performance Right}}$$

The Performance Rights will expire five years from their date of issue, are excisable for nil consideration and subject to the following performance conditions:

- (a) Mr Calvarin remaining in the employment of the Company at the relevant testing date; and
- (b) the Company's relative "Total Shareholder Return" (**TSR**) is:
  - (i) greater than zero; and
  - (ii) when ranked amongst the TSR achieved by other companies of the S&P ASX 300 Metals and Mining Index is equal to, or greater than, the returns of 50% of those companies.

Broadly, TSR measures the return received by Shareholders from holding Shares in the Company over a particular period. It is calculated by taking into account the change in the Company's Share price over the relevant measurement period as well as the dividends received during that period.

Subject to satisfaction of the above performance conditions, at the end of the 3 year performance period, the Board will determine the number of Performance Rights that will vest based on the performance of the Company's relative TSR compared to the S&P ASX 300 Metals and Mining Index as follows:

- (a) Relative TSR less than the 50th percentile - 0% of Performance Rights will vest;
- (b) Relative TSR between the 50th - 75th percentile - Between 50% and 100% of Performance Rights will vest, determined on a straight-line basis;

(c) Relative TSR equal to the 75th percentile or above - 100% of Performance Rights will vest.

The Performance Rights are subject to the terms of the Performance Rights Plan, a summary of which is included in the Company's 2015 notice of annual general meeting.

Resolution 5 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

If the Chairperson of the Annual General Meeting is appointed, or taken to be appointed, as your proxy and you do not direct the Chairperson how to vote in respect of Resolution 5 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chairperson to vote your proxy in favour of Resolution 5 even if the Resolution is connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel for the Company.

### **Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act. Mr Calvarin is a related party of the Company.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Performance Rights under Resolution 5 as the exception in section 211 of the Corporations Act applies. The Performance Rights and the underlying Shares to be issued to Mr Calvarin are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### **Section 200B of Corporations Act**

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office or position of employment from a Managerial or Executive Office in the Company, or its related bodies corporate, it must be approved by shareholders in the manner set out in section 200E of the Corporations Act or an exemption applies.

The term "benefit" is given open to a wide interpretation and includes automatic, or accelerated, vesting of share-based payments for a person on, or as a result of, retirement from office, or position of employment in the Company. Accordingly, the Shareholder approval of Resolution 5 will permit the Board, where appropriate, to deal with the Performance Rights, including the exercise of the Board's discretion to:

- (a) allow Mr Calvarin to retain and not forfeit any unvested Performance Rights when he ceases to be an Eligible Person (as defined under the Performance Rights Plan); or
- (b) determine that some or all of the unvested Performance Rights may vest in certain circumstances after the termination of Mr Calvarin's employment.

The Board has formed the view that should this occur, it may constitute a benefit in connection with Mr Calvarin's retirement from office. Therefore, the Company seeks Shareholder approval for the issue of Performance Rights to Mr Calvarin.

### **Listing Rule 10.14**

In accordance with Listing Rule 10.14, the Company must not permit a director and any of his associates to acquire securities under an employee incentive scheme unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 5 will be to allow the Company to issue the Performance Rights to Mr Calvarin (or his nominee) without using up the company's 15% placement capacity under Listing Rule 7.1.

### **Specific information required by Listing Rule 10.15**

Listing Rule 10.15 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14 as follows:

- (a) The Performance Rights will be issued to Mr Calvarin (or his nominee) who is a Director.
- (b) The maximum number of Performance Rights to be issued to Mr Calvarin (or his nominees) is 5,000,000 based on a 80% conversion of Mr Calvarin's annual TFR at a Share price of A\$0.072, being the 30-day VWAP of Shares prior to 1 July 2017. The actual number of Performance Rights that will vest and convert into Shares is dependent on the satisfaction of the relevant vesting conditions described above.

- (c) The Performance Rights will be granted for no consideration and no funds will be raised from the issue of the Performance Rights. Following exercise of the Performance Rights, the Company must issue Mr Calvarin one Share for every vested Performance Right. The Shares will be issued for no consideration.
- (d) No Directors have received Performance Rights under the Performance Rights Plan since its adoption in 2015
- (e) Pursuant to the rules of the Performance Rights Plan, only eligible persons are entitled to participate in the Performance Rights Plan which includes executive Directors, employees and contractors. Mr Calvarin is the only person referred to in Listing Rule 10.14 that is entitled to participate in the Performance Rights Plan.
- (f) A voting exclusion statement is included in the Notice for Resolution 5.
- (g) No loan will be made to Mr Calvarin in relation to the acquisition of Performance Rights or Shares under the Performance Rights Plan.
- (h) The Performance Rights will be issued no later than 12 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

### **Specific information required by section 200E of the Corporations Act**

Information be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The value of any benefit relating to any Performance Rights held by Mr Calvarin arising from his retirement from office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
  - (i) the number of Performance Rights held by Mr Calvarin prior to his retirement from office, or position of employment;
  - (ii) reasons for Mr Calvarin's cessation of employment;
  - (iii) the length of service with the Company and the performance of Mr Calvarin over that period of time;
  - (iv) the remaining performance conditions of the Performance Rights
  - (v) the extent to which any vesting conditions or other performance or exercise hurdles have been satisfied;
  - (vi) the market price of the Company's Shares on ASX at the relevant time;
  - (vii) the risk free rate of return in Australia and he estimated volatility of the Company's Shares on ASX at the relevant time; and
  - (viii) any other factors that the Board determines to be relevant when exercising its discretion.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes pricing model to value the Performance Rights.

### **Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to Mr Calvarin depends on a number of factors, including the Board exercising its discretion to allow the Performance Rights to vest in certain circumstances after the termination of Mr Calvarin's employment. It also depends on the value of the Company's equity interests which vary over time. Accordingly, it is possible that the provision of the benefit associated with the acceleration of the vesting of Performance Rights may exceed 5% of the equity interests of the Company at the relevant time.

### **Directors' recommendation**

The Directors (other than Mr Calvarin, who has an interest in the Resolution) unanimously recommend that Shareholders vote in favour of Resolution 5.

## **Resolution 6 – Approval of the Issue of Shares to Mr Louis Calvarin**

Mr Calvarin was appointed as Managing Director and Chief Executive Officer of the Company, effective from 29 March 2017. As announced by the Company on 23 March 2017, Mr Calvarin is entitled to, subject to Shareholder approval, a sign on bonus of Shares to the value of \$20,000. Mr Calvarin does not currently have a relevant interest in any of the Company's Shares.

The Company proposes to issue Mr Calvarin (or his nominee) Shares in the capital of the Company, calculated in accordance with the formula below:

$$\text{Number of Shares} = \frac{\$20,000}{\text{Issue Price}}$$

Issue Price = 30 day VWAP of the Company's Shares prior to the date of the Meeting.

The following table shows the number of Shares that may be issued to Mr Calvarin, based on various 30 day VWAP values of the Company's Shares prior to the date of the Meeting:

	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
<b>30 day VWAP</b>	\$0.06	\$0.07	\$0.08
<b>Shares to be issued</b>	333,333	285,714	250,000

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Shares to a related party. Mr Calvarin, a Director, is a related party of the Company.

The Company has been granted a waiver from Listing Rule 10.13.5 from ASX in order to permit the Company to include a formula for calculating the issue price of the Shares which is based on a future average market price, rather than state the actual issue price in this Notice.

Resolution 6 is an Ordinary Resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

If the Chairperson of the Annual General Meeting is appointed, or taken to be appointed, as your proxy and you do not direct the Chairperson how to vote in respect of Resolution 6 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chairperson to vote your proxy in favour of Resolution 6 even if the Resolution is connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel for the Company.

### **Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act. Mr Calvarin is a related party of the Company.

The Board considers that shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Shares under Resolution 6 as the exception in section 210 of the Corporations Act applies. The Shares to be issued to Mr Calvarin (or his nominee) were negotiated on arm's length terms for the purposes of section 210 of the Corporations Act.

### **Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue equity securities to a related party of the Company without Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 6 will be to allow the Company to issue the Shares to Mr Calvarin (or his nominee) without using up the company's 15% placement capacity under Listing Rule 7.1.



### **Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Shares will be issued to Mr Calvarin (or his nominees)
- (b) The maximum number of Shares that will be issued to Mr Calvarin (or his nominees) will be calculated as follows:

$$\text{Number of Shares} = \frac{\$20,000}{\text{Issue Price}}$$

Issue Price = 30 day VWAP of the Company's Shares prior to the date of the Meeting.

- (c) The Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The issue price of the Shares will be based on the 30 day VWAP of the Company's Shares prior to the date of the Meeting.
- (e) A voting exclusion statement is included in the Notice of Meeting.
- (f) No funds will be raised from the issue of the Shares as they are being issued for nil cash consideration.

### **Directors' recommendation**

The Directors (other than Mr Calvarin who has an interest in the Resolution) recommend Shareholders vote in favour of Resolution 6.

### **Resolution 7 - Adoption of proportional takeover provisions**

#### **General**

Resolution 7 seeks Shareholder approval to renew the proportional takeover provisions in the Constitution. The Constitution includes Schedule 5 "Proportional Takeover Bid Approval" (as set out in Annexure A) (**Proportional Takeover Provisions**). The Proportional Takeover Provisions provide that the Company can refuse to register Shares acquired under a proportional takeover bid unless an Approving Resolution is passed by Shareholders.

The Proportional Takeover Provisions was previously adopted by Shareholders on 19 November 2014. In accordance with section 648G of the Corporations Act and the Constitution, the Company seeks to renew the Proportional Takeover Provisions by a Special Resolution of Shareholders. Accordingly, the Directors request that Shareholders approve the renewal of the Proportional Takeover Provisions for a further three years from the date of the Meeting.

The renewal of these provisions in the Constitution is taken to be a modification of the Constitution. Accordingly, Resolution 7 must be approved by Special Resolution.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

#### **Proportional takeover bid**

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares (i.e. less than 100%). Accordingly, shareholders who accept such a proportional takeover offer in full will only dispose of that specified proportion and retain the balance of their shares in that class.

In order to deal with this possibility, a company may provide in its constitution that:

- (a) in the event of a proportional takeover bid being made for shares in the company, members are required to vote and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the company's members will be binding on all members.

## **Effects of the proportional takeover provisions**

The effects of the proportional takeover provisions are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that Approving Resolution;
- (b) the meeting and the vote on the Approving Resolution must take place more than 14 days before the last day of the bid period;
- (c) if the Approving Resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- (d) if the Approving Resolution is not voted on, the bid will be taken to have been approved; and
- (e) if the Approving Resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution).

The Proportional Takeover Provisions only apply for three years from the date of their renewal (after that, the provisions may again be renewed by a Special Resolution of Shareholders). The provisions do not apply to full takeover bids.

## **Reasons for the proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their shares in the bid class. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

The Proportional Takeover Provisions deal with this possibility by providing that if a proportional takeover bid is made in respect of the Company, Shareholders must vote on whether or not the bid should be permitted to proceed.

The benefit of renewing the Proportional Takeover Provisions is that Shareholders are able to decide collectively whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur for the Company during the three year life of the Proportional Takeover Provisions.

## **Potential advantages and disadvantages**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that proposed the Proportional Takeover Provisions is an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that this argument ignores the basic object of the Proportional Takeover Provisions, which is to empower Shareholders, not the Board.

The potential advantages for Shareholders of the Proportional Takeover Provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders and protect them from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and

- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) the inclusion of the provisions may make proportional takeover bids more difficult, such that proportional takeover bids may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that the Proportional Takeover Provisions would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

On balance, the Directors consider that the possible advantages for Shareholders outweigh the possible disadvantages for Shareholders, such that renewing the Proportional Takeover Provisions is in the interests of Shareholders.

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid.

### **Knowledge of any acquisition proposals**

As at the date on which this Explanatory Statement is prepared, no Director is aware of any proposal to acquire, or to increase the extent of, a substantial interest in the Company.

### **Directors' recommendation**

The Board believes that the Proportional Takeover Provisions, as set out in Annexure A, are in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 7.

### **Resolution 8 – Approval of additional 10% share issue capacity Background**

Listing Rule 7.1 requires Shareholder approval for an issue of securities in the Company if that issue will, when aggregated with all other issues during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

In accordance with Listing Rule 7.1A, eligible entities may seek Shareholder approval at their annual general meeting to issue a further 10% of their issued share capital in addition to the 15% placement capacity set out in Listing Rule 7.1 (**10% Share Issue Capacity**).

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.

Any issue of securities under Listing Rule 7.1A:

- (a) must be in the same class as an existing quoted class of the Company's equity securities;
- (b) may be issued at a maximum of 25% discount to the current market price; and
- (c) must be calculated in accordance with the formula prescribed by Listing Rule 7.1A.2.

The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue equity securities under the 10% Share Issue Capacity. The approval of Resolution 8 will provide the Company with even greater flexibility to issue securities under the 10% Share Issue Capacity in addition to the 15% placement capacity set out in Listing Rule 7.1 without a further requirement to obtain prior Shareholder approval.

Resolution 8 is a Special Resolution and therefore requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by Proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

### **Formula for calculating 10% Share Issue Capacity**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

**(A x D) – E**

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

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

**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 the approval of Shareholders under Listing Rule 7.1 or 7.4.

### **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided for the purpose of obtaining Shareholder approval of Resolution 8:

(a) Capacity

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

At the date of the Notice, the Company has on issue 601,613,373 Shares and will have, subject to the approval of Resolution 4, a capacity to issue:

- (i) 90,242,006 equity securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 8, 60,161,337 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 (see above).

(b) Minimum price

The minimum price at which securities may be issued under the 10% Share Issue Capacity is 75% of the volume weighted average price of securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price of the securities to be issued is agreed; or
- (ii) if they are not issued within 5 ASX trading days of the date in paragraph (i), the date on which the securities are issued.

(c) Potential risk of economic and voting dilution

If this Resolution 8 is approved by Shareholders and securities are issued under the 10% Share Issue Capacity, the interests of Shareholders who do not receive any securities under the issue would be diluted. Shareholders should note that in such circumstances:

- (i) the voting power of Shareholders who do not receive securities under the 10% Share Issue Capacity as a proportion of the voting power of all Shareholders will be diluted. The extent of that dilution will depend on the number of equity securities issued; and

- (ii) the value of the interests of Shareholders who do not receive securities under the 10% Share Issue Capacity may be diluted if shares are issued at a price which represents a discount to their value before the issue is made. However, there are a range of other factors which may impact value of shares including, for instance, the impact of any capital raising on the Company and the purpose for which the funds are used may affect the value of a company and so its shares. The extent of any dilution in the value of the shareholding will primarily be impacted by the price at which the securities are issued and the number of securities issued.

There is also 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; and
- (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 or the equity securities are 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.

As required by the Listing Rules, the table below shows a hypothetical example of the potential dilution of Shareholders of the Company where the full 10% Share Issue Capacity is utilised, on the basis of three different assumed issue prices and numbers of equity securities on issue.

	Dilution when compared with the current issued share capital	Hypothetical issue price of shares issued under the 10% Share Issue Capacity		
		\$0.03 50% decrease in Issue Price	\$0.06 Issue Price	\$0.12 100% increase in Issue Price
Current issued share capital 601,613,373 Shares	10% Voting dilution	60,161,337 Shares	60,161,337 Shares	60,161,337 Shares
	Funds raised	\$1,804,840	\$3,609,680	\$7,219,360
50% increase in issued share Capital 902,420,060 Shares	10% voting dilution	90,242,006 Shares	90,242,006 Shares	90,242,006 Shares
	Funds raised	\$2,707,260	\$5,414,520	\$10,829,041
100% increase in issued share capital 1,203,226,746 Shares	10% voting dilution	120,322,675 Shares	120,322,675 Shares	120,322,675 Shares
	Funds raised	\$3,609,680	\$7,219,360	\$14,438,721

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of equity securities available under the 10% Share Issue Capacity.
- (ii) The Issue Price is \$0.06 based on the closing price of shares on 10 October 2017.
- (iii) The current issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A(2). The Company issues the maximum number of securities available under the 10% Share Issue Capacity.
- (iv) No Options are exercised or Performance Rights vested prior to the date of issue of any shares under the 10% Share Issue Capacity.

- (v) The table shows the effect of issues of the Company's equity securities under the 10% Share Issue Capacity, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (vi) The table does not show an example of dilution that may be caused to any particular Shareholder due to any placements under the 10% Share Issue Capacity.
- (vii) The table assumes that Resolution 4 of this Notice is approved by Shareholders.

(d) Timing of potential issues

If Shareholder approval of Resolution 8 is obtained, securities may be issued under the 10% Share Issue Capacity during the period commencing on the date of the Meeting and ending on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

(e) Purpose of potential issue

Any Shares issued under the 10% Share Issue Capacity are likely to be issued for the following purposes:

- (i) Non-cash consideration for the acquisition of new resources assets and other investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; and/or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the acquisition of new assets or investments (including expenses associated with such acquisition), further development of the Company's projects and/or for general working capital purposes.

The reasons for undertaking any particular issue under the 10% Share Issue Capacity would be announced at the time the Company sought to issue shares under that 10% Share Issue Capacity.

(f) Allocation policy under the 10% Share Issue Capacity

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Issue Capacity.

The identity of allottees of securities under the 10% Share Issue Capacity will be determined on a case-by-case basis having regard to factors which may include:

- (i) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- (ii) the effect of any such issue on the control of the Company;
- (iii) the financial situation of the Company; and
- (iv) advice from corporate, financial and broking advisers.

It is not possible to determine at this time whether any existing Shareholders, or class of Shareholders, would be invited to apply for any equity securities that may be issued under the 10% Share Issue Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising. Prior to undertaking any such fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing Shareholders at that time.

(g) The allottees under the 10% Share Issue Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

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

- (h) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2016 annual general meeting on 10 October 2016.

In accordance with Listing Rule 7.3A.6 the total number of equity securities issued in the 12 months preceding the date of this notice of meeting is 74,786,905 representing 14.39% of the equity securities on issue at the commencement of the 12 month period.

The Company has issued the following equity securities in the 12 months preceding the date of this Notice:

Date of Issue / Grant	Number of Securities	Class	Issue Price	Discount / Premium to Market price	Issued to	Consideration	
20/03/2017	40,000,000	Ordinary Shares	\$0.105 (deemed)	5% premium	Baobab Partners	Non-cash consideration:	Issued on satisfaction of Class B Contingent Share Rights
						Current value of non-cash consideration	\$2,400,000*
23/03/2017	875,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Richardson	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$52,500*
23/03/2017	825,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Wheatley	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$49,500*
23/03/2017	700,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Fulton	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$42,000*
23/03/2017	875,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Ba	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$52,500*
23/03/2017	500,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Gaye	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$30,000*
23/03/2017	625,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mrs Grandio	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$37,500*
23/03/2017	625,000	Ordinary Shares	\$0.099 (deemed)	Same as closing price of Shares	Mr Bajeddoub	Non-cash consideration:	Issued as incentive to employees
						Current value of non-cash consideration	\$37,500*
16/6/2017	7,249,399	Ordinary Shares	\$0.084	35.5% premium	Issued to eligible shareholders in accordance with the share purchase plan	Total consideration	\$608,949
						Amount of consideration spent	\$608,949
						What consideration was spent on	Ramp-up and enhancements of Baobab Phosphate Project, and general working capital
						Intended use for remaining consideration	N/A
3/07/2017	22,512,506	Ordinary Shares	\$0.084	14.3% premium	Agrifields DMCC	Total consideration	\$1,891,050
						Amount of	\$1,891,050

Date of Issue / Grant	Number of Securities	Class	Issue Price	Discount / Premium to Market price	Issued to	Consideration	
						consideration spent	
						What consideration was spent on	Ramp-up and enhancements of Baobab Phosphate Project, and general working capital
						Intended use for remaining consideration	N/A

*\*Value of Shares based on closing price of Shares on ASX on 6 October 2017, being \$0.06*

- (i) A voting exclusion statement is included in the Notice.
- (j) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### **Directors' Recommendation**

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 8.

### **Other Business**

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.



## ANNEXURE A - SCHEDULE 5 - PROPORTIONAL TAKEOVER BID APPROVAL

### Definitions

In this Schedule:

**"Approving Resolution"** means a resolution to approve a proportional takeover bid in accordance with this Schedule.

**"Deadline"** means the 14th day before the last day of the bid period for a proportional takeover bid.

**"Voter"** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

### Refusal of Transfers


#### Requirement for an Approving Resolution


- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

#### Voting on an Approving Resolution

- (a) Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph (a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph (a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

## Lodge your vote:

 **Online:**  
www.investorvote.com.au

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 181029**

**SRN/HIN:**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (WST) Sunday, 12 November 2017**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Avenira Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Avenira Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 14 November 2017 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Farouk Chaouni as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Ian McCubbing as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of the grant of Performance Rights to Mr Louis Calvarin and potential termination benefits under the Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the Issue of Shares to Mr Louis Calvarin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of additional 10% share issue capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /