



EnviroMission Limited ACN 094 963 238

**NOTICE OF ANNUAL GENERAL MEETING  
INCORPORATING EXPLANATORY MEMORANDUM AND PROXY FORM**

**Date of Meeting:** 25 November 2016  
**Time of Meeting:** 10.30 am  
**Place of Meeting:** Morgans, 401 Collins Street Melbourne

Notice is hereby given that an Annual General Meeting (**Meeting**) of EnviroMission Limited's (**Company**) shareholders (**Shareholders**) will be held at Morgans, 401 Collins Street Melbourne on 25 November 2016 at 10.30 am for the purpose of transacting the business set out below.

The explanatory memorandum (**Explanatory Memorandum**) that accompanies and forms part of this Notice of Meeting (**Notice**), describes in more detail the matters to be considered.

In accordance with section 249HA of the *Corporations Act 2001* (Cth) (**Corporations Act**) for each of the Items numbered 1 to 9 set out below to be effective, each resolution must be passed at a meeting of Shareholders of which not less than 28 days written notice specifying the intention to propose the resolutions has been given. Please note the relevant voting exclusion statements set out below.

For the purposes of determining voting entitlements at the Meeting, Ordinary Shares in the Company ("**Shares**") will be taken to be held by Shareholders as at 5.00 pm on 24 November 2016 ("**Effective Time**"). Accordingly, transactions registered after the Effective Time will be disregarded in determining entitlements to attend and vote at the Meeting.

**This Is An Important Document**

This Notice of Meeting and Explanatory Memorandum and any annexures enclosed (**Documents**) are important documents and should be read carefully. The Documents, both individually or collectively, do not constitute financial product advice and have been prepared without reference to the investment objectives, financial situation, taxation position or particular needs of any existing or prospective shareholder(s) of EnviroMission Limited ACN 094 963 238 Albert Rd South Melbourne (**Shareholders**). Shareholders should not construe the Documents as investment, tax or legal advice. Shareholders should seek expert professional advice from their investment, tax, legal and/or other advisers in respect to the Documents before the date of the Meeting.

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Following the Chairman's address, the agenda for the Meeting will be as follows

**Ordinary Business**

**1. Item 1 - Financial Statements and Reports**

To receive and consider the accounts of the Company, the annual Financial Report, Directors' Report and Auditor's Report prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) for the financial year of the Company ending on 30 June 2016.

**2. Item 2 – Re-election of Director**

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

*"That Mr Andrew Draffin who retires in accordance with Article 6.3(c) of the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director"*

**3. Item 3 – (non-binding) Adoption of Remuneration Report**

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

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (being pages 4 to 6 of the Company's Annual Report) for the financial year ended 30 June 2016 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 the *Corporations Act 2001* (Cth) the Company will disregard any votes cast in relation to this resolution (in any capacity) by or on behalf of the Key Management Personnel, which includes the Directors and the five highest paid executives in the consolidated group whose remuneration is included in the Remuneration Report (**Excluded Persons**) and closely related parties of an Excluded Person.

However, the Company need not disregard a vote if 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 it is cast by the Chairman 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.

For full details in relation to the votes which are to be disregarded for this resolution, see the Explanatory Memorandum relating to Item 3.

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**Special Business**

**4. Item 4 - Approval of Additional Placement Capacity**

To consider, and, if thought fit, pass the following resolution as a special resolution:

*"That, for the purposes of the ASX Listing Rules, including ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to an additional 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (**Additional Placement Capacity**) and on the terms and conditions set out in the Explanatory Memorandum (accompanying and forming part of this Notice of Meeting) be approved."*

**Voting Exclusion Statement for Item 4**

In accordance with ASX Listing Rules 7.3A.7, 14.11 and 14.11.1, the Company will disregard any votes cast by a person who may participate in an issue of equity securities under the Additional Placement Capacity (and any associate of that person) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Item 4 is passed (and any associate of that person).

However, the Company need not disregard a vote if 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 it is cast by the Chairman 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.

Note: The meaning of "associate" for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a "child entity" of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A "child entity" for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

**5. Item 5 - Ratification of Issue of Shares and Granting of Options to Puget Resources Pty Ltd (Less than 15% of Capital)**

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

*"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:*

- issue and allotment of 1,000,000 Shares to Puget Resources Pty Ltd at an issue price of A\$0.10 (10 cents) per Share; and*
- granting of 500,000 Unlisted Options to Puget Resources Pty Ltd on a one for one basis, with an exercise price of A\$0.20 (20 cents) for each Option."*

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**Voting Exclusion Statement for Item 5**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution by Puget Resources Pty Ltd, or an associate of Puget Resources Pty Ltd. However, the Company need not disregard a vote if 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 it is cast by a 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.

Note: The meaning of “associate” for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a “child entity” of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A “child entity” for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

**6. Item 6 - Ratification of Issue of Shares and Granting of Options to James Kenny (Less than 15% of Capital)**

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

*“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:*

- *issue and allotment of 2,500,000 Shares to James Kenny at an issue price of A\$0.10 (10 cents) per Share; and*
- *granting of 1,250,000 Unlisted Options to James Kenny on a one for one basis, with an exercise price of A\$0.20 (20 cents) for each Option.”*

**Voting Exclusion Statement for Item 6**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution by James Kenny, or an associate of James Kenny. However the Company need not disregard a vote if 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 it is cast by a 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.

Note: The meaning of “associate” for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a “child entity” of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A “child entity” for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

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**7. Item 7 – Issuance of Unlisted Options**

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

*“That for the purposes of compliance with ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the:*

- *issue of 2,000,000 Unlisted Options with an exercise price of A\$0.055 (5.5 cents) per Option; and*
- *issue of 60,005,770 Unlisted Options with an exercise price of A\$0.10 (10 cents) per Option,*

*to the following entities and individuals:*

*Maureen F.B Nixon Pty Ltd, Ian K Nixon Pty Ltd, Ian Nixon, Eric Jones Stairbuilding Group Pty Ltd, Rustic Court Pty Ltd, R M Fletcher Investments Pty Ltd, Carmes Holding Pty Ltd, Terstan Nominees Pty Ltd, DLK Wade Super Fund Pty Ltd, Mr John & Anna Norgard, Kim Forte, David Rosenberg, Lee Tanner, Douglas Fant, Karen Nally, Andrew Forte, Sartori S/F ATF Marks S/F, Tbilisi Pty Ltd ATF Ransford S/F, Tim Sproat, Hamish Sproat, Lee Family Investments Pty Ltd and David Harris,*

*as is more particularly described in the Explanatory Memorandum (accompanying and forming part of this Notice of Meeting).”*

**Voting Exclusion Statement for Item 7**

In accordance with ASX Listing Rules 7.3.8, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution by the following entities and individuals, or an associate of any such entity or individual:

Maureen F.B Nixon Pty Ltd, Ian K Nixon Pty Ltd, Ian Nixon, Eric Jones Stairbuilding Group Pty Ltd, Rustic Court Pty Ltd, R M Fletcher Investments Pty Ltd, Carmes Holding Pty Ltd, Terstan Nominees Pty Ltd, DLK Wade Super Fund Pty Ltd, Mr John & Anna Norgard, Kim Forte, David Rosenberg, Lee Tanner, Douglas Fant, Karen Nally, Andrew Forte, Sartori S/F ATF Marks S/F, Tbilisi Pty Ltd ATF Ransford S/F, Tim Sproat, Hamish Sproat, Lee Family Investments Pty Ltd and David Harris,

and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed. However the Company need not disregard a vote if 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 it is cast by a 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.

Note: The meaning of “associate” for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a “child entity” of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A “child entity” for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

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**8. Item 8 – Issuance of Unlisted Options to Andrew Draffin (Related Party)**

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

*“That for the purposes of compliance with ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 7,500,000 Unlisted Options to Andrew Draffin, a director of the Company, at an exercise price of A\$0.10 (10 cents) per Option on the terms and conditions set out in the Explanatory Memorandum (accompanying and forming part of this Notice of Meeting).”*

**Voting Exclusion Statement for Item 8**

In accordance with ASX Listing Rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on the resolution in Item 8 by Andrew Draffin, or any associate of Andrew Draffin. However, the Company need not disregard a vote if 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 it is cast by a 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.

Note: The meaning of “associate” for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a “child entity” of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A “child entity” for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

Further, an Excluded Person or any closely related party of such an Excluded Person who is appointed as a proxy will not vote on the resolution in Item 8 unless:

- the appointment specifies the way the proxy is to vote on the resolution; or
- the proxy is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you are an Excluded Person or a closely related party of any such person, you may be held liable for breaching the voting restrictions that apply to you under the *Corporations Act 2001* (Cth) if you cast a vote that the Company will disregard.

*The Chairman intends to vote in favour of this resolution for any Shareholders that appoint the Chairman as their proxy and that tick the box on the proxy form authorising the Chairman to vote according to its stated voting intention. For more information about voting restrictions in relation to this resolution please see the Proxy Form.*

**9. Item 9 – Issuance of Unlisted Options to Roger Davey (Related Party)**

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

*“That for the purposes of compliance with ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue and allotment of 20,000,000 Unlisted Options to Roger Davey, a director of the Company, at an exercise price of A\$0.10 (10 cents) per Option on the terms and conditions set out in the Explanatory Memorandum (accompanying and forming part of this Notice of Meeting).”*

**Voting Exclusion Statement for Item 9**

In accordance with ASX Listing Rule 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on the resolution in Item 9 by Roger Davey, or any associate of Roger Davey. However, the Company need not disregard a vote if 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 it is cast by a 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.

Note: The meaning of “associate” for the purposes of this voting exclusion is as given in sections 12 to 16 of the *Corporations Act 2001* (Cth). Section 12 is to be applied as if paragraph 12(1)(a) reference included a reference to the ASX Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a “child entity” of the Company is to be taken to be an associate of the director or officer unless the contrary is established. A “child entity” for these purposes means an entity which is controlled by the Company within the meaning of section 50AA of the *Corporations Act 2001* (Cth) or an entity which is a subsidiary of the Company.

Further, an Excluded Person or any closely related party of such an Excluded Person who is appointed as a proxy will not vote on the resolution in Item 9 unless:

- the appointment specifies the way the proxy is to vote on the resolution; or
- the proxy is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you are an Excluded Person or a closely related party of any such person, you may be held liable for breaching the voting restrictions that apply to you under the *Corporations Act 2001* (Cth) if you cast a vote that the Company will disregard.

*The Chairman intends to vote in favour of this resolution for any Shareholders that appoint the Chairman as their proxy and that tick the box on the proxy form authorising the Chairman to vote according to its stated voting intention. For more information about voting restrictions in relation to this resolution please see the Proxy Form.*

## EXPLANATORY MEMORANDUM

**THIS EXPLANATORY MEMORANDUM** has been prepared to assist Shareholders of EnviroMission Limited (**the Company**) in their consideration of the resolutions proposed for the General Meeting (**Meeting**) to be held at Morgans, 401 Collins Street, Melbourne on 25 November 2016 at 10.30 am (AEDST). It should be read in conjunction with the Notice to which this Explanatory Memorandum is enclosed and forms part of.

The Directors of the Company recommend that Shareholders read this document carefully and in its entirety before making any decision in relation to the proposed resolutions.

The following matters should be noted in relation to the items of business set out in the attached Notice.

### 1. **Item 1 – Financial Statements and Reports**

This item gives shareholders an opportunity to raise questions on the annual Financial Report, Directors' Report and Auditor's Report (contained in the Company's 2016 Annual Report) and on the performance of the Company generally. A copy of the 2016 Annual Report may be accessed on the Company's website at [www.enviromission.com.au/EVM/content/investor\\_annualreports](http://www.enviromission.com.au/EVM/content/investor_annualreports). A printed copy of the 2016 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. To receive a printed copy of the 2016 Annual Report, please contact the Company's share registry.

This item does not require a formal resolution and, accordingly, no vote will be held on this item. Members will, however, be given a reasonable opportunity to ask questions about, and comment on, the 2016 Annual Report and the management of the Company during discussions on this item.

In addition, the auditor (in person or by representative) is required under the *Corporations Act 2001* (Cth) to attend the meeting to take questions on the conduct of the audit of the Financial Report and the content of the Auditor's Report.

Members who are entitled to cast a vote at the meeting may submit written questions to the auditor by submitting any questions to the Company. These must be received by the Company no later than 5 business days before the meeting.

The Company is required to forward all questions to the auditor and the auditor is required to prepare a list of questions that the auditor considers are relevant. The auditor may omit questions as permitted by the *Corporations Act 2001*(Cth) and therefore not necessarily all questions submitted will be responded to at the meeting.

### 2. **Item 2 – Re-election of Director**

Mr Andrew Draffin is retiring in accordance with the Constitution of the Company and being eligible, offers himself for re-election. A full summary of Mr Draffin's experience and qualifications is detailed below.

#### **Andrew Draffin B.Bus, CA (Appointed 27 June 2011)**

Andrew Draffin is a partner of the accounting firm Draffin Walker & Co. He holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia. Mr Draffin has been a director and Chief Financial Officer of both listed and private companies across a broad range of industries. His focus is on financial reporting, treasury management, management accounting and corporate services, areas where he has over 15 years' experience. Mr Draffin is currently a non-executive director of Gladiator Resources Limited and Global Petroleum Limited.

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Mr Draffin is also the Company Secretary and Chief Financial Officer.

The Directors (other than Mr Draffin) unanimously recommend that you vote in favour of this resolution.

**3. Item 3 – (non-binding) Adoption of Remuneration Report**

The Company is required to include in its Directors Report a detailed Remuneration Report relating to Directors' and Executives remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. A copy of the report appears on pages 4 to 6 of the Company's Annual Report.

Section 250R(2) of the *Corporations Act 2001* (Cth) requires a resolution that the Remuneration Report be adopted be put to a vote of Shareholders at the Company's Annual General Meeting. The vote on this resolution is advisory to the Company only and does not bind the board of the Company.

Under section 250SA of the *Corporations Act 2001* (Cth), Shareholders must be given a reasonable opportunity to ask questions about, or make comments on, the report. This is in addition to any questions or comments that Shareholders may have in relation to the management of the Company.

Under Item 3, the Company is seeking member approval of the adoption of the Remuneration Report by the Company. The outcome of this resolution is not binding on the Company nor the Board. However, under sections 250U to 250Y of *Corporations Act 2001* (Cth) a 'two strikes and re-election' process applies in relation to the shareholder vote on the Remuneration Report:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's 2017 Remuneration Report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2017 Annual General Meeting of the Company also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

**Voting Exclusion Statement**

In accordance with the *Corporations Act 2001* (Cth), the Company will disregard any votes cast in relation to this resolution (in any capacity) by or on behalf of the Key Management Personnel, which includes the Directors and the five highest paid executives in the consolidated group whose remuneration is included in the Remuneration Report (**Excluded Persons**) and closely related parties of an Excluded Person.

However, an Excluded Person or a closely related party of an Excluded Person (**Voter**) may cast a vote on the resolution as a proxy if the vote is not cast on behalf of an Excluded Person or a closely related party of an Excluded Person and either:

- the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- the Voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A closely related party is defined in the *Corporations Act 2001* (Cth) as:

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- (a) a spouse or child of the Excluded Person; or
- (b) a child of the Excluded Person's spouse; or
- (c) a dependant of the Excluded Person or of the Excluded Person's spouse; or
- (d) anyone else who is one of the Excluded Person's family and may be expected to influence the Excluded Person, or be influenced by the Excluded Person, in the Excluded Person's dealings with the entity; or
- (e) a company the Excluded Person controls; or
- (f) a person prescribed by the regulations for the purposes this definition in section 9 of the *Corporations Act 2001* (Cth).

Further, an Excluded Person or any closely related party of such an Excluded Person who is appointed as a proxy will not vote on the resolution in Item 3 unless:

- the appointment specifies the way the proxy is to vote on the resolution in Item 3; or
- the proxy is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you are an Excluded Person or a closely related party of any such person, you may be held liable for breaching the voting restrictions that apply to you under the *Corporations Act 2001* (Cth) if you cast a vote that the Company will disregard.

*The Chairman intends to vote in favour of this resolution for any Shareholders that appoint the Chairman as their proxy and that tick the box on the proxy form authorising the Chairman to vote according to its stated voting intention. For more information about voting restrictions in relation to this resolution please see the Proxy Form.*

The Directors unanimously recommend that you vote in favour of adopting the Remuneration Report.

#### **4. Item 4 - Approval of Additional Placement Capacity**

##### **Background**

Under ASX Listing Rule 7.1A, certain 'eligible entities' are permitted to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (**Additional Placement Capacity**), if Shareholders approve the Additional Placement Capacity by special resolution at the annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' 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'.

The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital.

While the Company does not have current plans to undertake a capital raising, the Company seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise. The resolution in Item 4 is a special resolution,

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requiring 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) in order to be passed.

Importantly:

- ASX 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:

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

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

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 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;
- less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in ASX 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 ASX 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 ASX Listing Rule 7.1 or 7.4.

- Pursuant to ASX Listing Rule 7.1A.3 the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:
  - the date on which the price at which the securities are to be issued is agreed; or
  - if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.
- The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:
  - the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
  - the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.
- Equity securities under the Additional Placement Capacity may be issued until the earlier of:
  - 27 November 2017; and

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- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

- The Company may issue equity securities under the Additional Placement Capacity for the following purposes:
  - non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3); or
  - cash consideration: to raise funds for the acquisition of new assets or investments (including assets associated with such acquisition) or to repay debt.
- The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
  - the effect of the issue of the equity securities on the control of the Company;
  - the financial situation and solvency of the Company; and
  - advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and or new shareholders who are not related parties or associates of a related party of the Company.

- The Company previously obtained approval for the Additional Placement Capacity at the 2015 Annual General Meeting held on 27 November 2015. In the 12 months preceding the date of this meeting, the Company has issued a total of 80,769,230 equity securities, representing 7.20510751% of the total number of equity securities on issue at 27 November 2015.
- Details of all issued of equity securities by the Company during the 12 months preceding the date of this meeting for the purposes of Listing Rule 7.3A.6(b) are as follows:

| <b>Date</b>     | <b>Recipient</b> | <b>Purpose</b>  | <b>Shares Issued</b>  | <b>Options granted</b>   |
|-----------------|------------------|-----------------|---|--|
| 1 December 2015 | David Galbally   | Debt conversion | 3,000,000 at an issue price of A\$0.05 (5 cents) for each Share | 1,500,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option |
| 1 December 2015 | Andrew Draffin   | Debt conversion | 3,000,000 at an issue price of A\$0.05 (5 cents) for each Share | 1,500,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option |

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|  |                         |   |  |   |
|--|-------------------------|---|--|---|
| 1 December 2015  | Roger Davey             | Debt conversion   | 4,000,000 at an issue price of A\$0.05 (5 cents) for each Share  | 2,000,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option  |
| 1 December 2015  | Related parties         | Issued for nil consideration under share option plan issued       | -  | 25,000,000 (nil consideration) at an exercise price of A\$0.15 (15 cents) for each Option |
|  | Other participants      | Issued for nil consideration under share option plan issued       | -  | 35,000,000 (nil consideration) at an exercise price of A\$0.15 (15 cents) for each Option |
| 31 December 2015   | Puget Resources Pty Ltd | Issued to fund future operations and working capital requirements | 1,000,000 at an issue price of A\$0.10 (10 cents) for each Share | 500,000 (nil consideration) at an exercise price of A\$0.20 (20 cents) for each Option    |
| 31 December 2015   | James Kenny             | Issued to fund future operations and working capital requirements | 2,500,000 at an issue price of A\$0.10 (10 cents) for each Share | 1,250,000 (nil consideration) at an exercise price of A\$0.20 (20 cents) for each Option  |
| 16 May 2016  | Mary Luckhurst          | Options exercise  | 150,000 at an issue price of A\$0.20 (20 cents) for each Share   | -   |
| 26 August 2016   | Chris Davey             | Options exercise  | 269,230 at an issue price of A\$0.10 (10 cents) for each Share   | -   |
| 7 September 2016   | Mary Luckhurst          | Options exercise  | 100,000 at an issue price of A\$0.20 (20 cents) for each Share   | -   |
| <b>Total equity securities issued since 27 November 2015</b> |                         |   |  | <b>80,769,230</b>   |

- A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing shareholder to participate in the issue of equity securities under the Additional Placement Capacity. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
- The Directors unanimously recommend that you vote in favour of adopting this resolution.

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**Table 1**

| Variable A<br>ASX LR 7.1A2  | Dilution                                   |                        |   |
|---|--|------------------------|---|
|   | \$0.05<br>50% decrease<br>in Issue Price   | \$0.10<br>Issue Price  | \$0.20<br>100% Increase<br>in Issue Price |
| <b>Current Variable A</b><br>563,422,681 Shares                           | 10% Voting Dilution:<br>56,342,268 Shares  |                        |   |
|   | \$2,8,17,113<br>raised                     | \$5,634,226<br>raised  | \$11,268,453<br>raised                    |
| <b>50% Increase in<br/>Current Variable A</b><br>845,134,021 Shares       | 10% Voting Dilution:<br>84,513,402 Shares  |                        |   |
|   | \$4,225,670<br>raised                      | \$8,451,340<br>raised  | \$16,902,680<br>raised                    |
| <b>100% Increase in<br/>Current Variable A</b><br>1,126,845,362<br>Shares | 10% Voting Dilution:<br>112,684,536 Shares |                        |   |
|   | \$5,634,226<br>raised                      | \$11,268,453<br>raised | \$22,536,907<br>raised                    |

Table 1 has been prepared based on the following assumptions:

- Current Variable A is calculated as at 24 October 2016.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only shares.
- An issue price of \$0.10, being the closing price of Shares on ASX on 10 May 2016, being the last date that the shares in the Company traded on ASX before suspension.

**5 & 6. Items 5 and 6 - Ratification of Issue of Shares and Granting of Options (Less than 15% of Capital)**

**Background**

Items 5 and 6 relate to the ratification of issues of shares and granting of options. On 31 December 2015, two parties made investments in the Company in consideration for the Company issuing to them a number of Shares in the Company (**Shares**) and granting of options to subscribe for Shares. The parties that made investments and the relevant terms are outlined below. For each of the Items:

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- the share price is based on the closing price of the Shares on the previous trading day as quoted on the Australian Securities Exchange (ASX);
- the Shares issued are fully-paid and rank equally in all respects with all other ordinary Shares in the Company on issue;
- the options are unlisted and exercisable at any time after the date of issue and on or prior to 15 September 2018. The terms and conditions in respect of the exercise price and granting of these options are set out in further detail in Annexure 1 to this Explanatory Memorandum;
- the securities the subject of the resolution in Item 5 were issued to fund the future operations and working capital requirements of the Company;
- the securities the subject of the resolution in Item 6 were issued to fund the future operations and working capital requirements of the Company; and
- the issue of securities referred to in Item 5 and 6 did not breach ASX Listing Rule 7.1.

| <b>Date</b>      | <b>Recipient</b>        | <b>Purpose</b>  | <b>Shares Issued</b>   | <b>Options granted</b>  |
|------------------|-------------------------|---|--|---|
| 1 December 2015  | David Galbally          | Debt conversion   | 3,000,000 at an issue price of A\$0.05 (5 cents) for each Share  | 1,500,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option  |
| 1 December 2015  | Andrew Draffin          | Debt conversion   | 3,000,000 at an issue price of A\$0.05 (5 cents) for each Share  | 1,500,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option  |
| 1 December 2015  | Roger Davey             | Debt conversion   | 4,000,000 at an issue price of A\$0.05 (5 cents) for each Share  | 2,000,000 (nil consideration) at an exercise price of A\$0.10 (10 cents) for each Option  |
| 1 December 2015  | Related parties         | Issued for nil consideration under share option plan issued       | -  | 20,000,000 (nil consideration) at an exercise price of A\$0.15 (15 cents) for each Option |
|                  | Other participants      | Issued for nil consideration under share option plan issued       | -  | 35,000,000 (nil consideration) at an exercise price of A\$0.15 (15 cents) for each Option |
| 31 December 2015 | Puget Resources Pty Ltd | Issued to fund future operations and working capital requirements | 1,000,000 at an issue price of A\$0.10 (10 cents) for each Share | 500,000 (nil consideration) at an exercise price of A\$0.20 (20 cents) for each Option    |
| 31 December 2015 | James Kenny             | Issued to fund future operations and working capital requirements | 2,500,000 at an issue price of A\$0.10 (10 cents) for each Share | 1,250,000 (nil consideration) at an exercise price of A\$0.20 (20 cents) for each Option  |
| 16 May 2016      | Mary Luckhurst          | Options exercise  | 150,000 at an issue price of A\$0.20 (20 cents) for each Share   |   |

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|  |                |                  |   |                   |
|--|----------------|------------------|---|-------------------|
| 26 August 2016   | Chris Davey    | Options exercise | 269,230 at an issue price of-<br>A\$0.10 (10 cents) for each<br>Share |                   |
| 7 September 2016   | Mary Luckhurst | Options exercise | 100,000 at an issue price of-<br>A\$0.20 (20 cents) for each<br>Share |                   |
| <b>Total equity securities issued since 27 November 2015</b> |                |                  |   | <b>80,769,230</b> |

#### **ASX Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company in general meetings to subsequently approve an issue of securities made without prior approval under ASX Listing Rule 7.1. Items 5 and 6 have been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

In summary, ASX Listing Rule 7.1 provides that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approve it.

Accordingly, the Company seeks approval from the Shareholders for the issue and allot Shares and the grant of options to the parties listed in the table above for the purposes of ASX Listing Rule 7.4.

A voting exclusion statement has been included in this Notice in respect of each of Items 5 and 6.

The Directors unanimously recommend that you vote in favour of adopting the resolutions in Items 5 and 6.

#### **7. Item 7 – Issuance of Unlisted Options**

The Company proposes to issue 45,275,000 Unlisted Options of which 2,000,000 are at an exercise price of, \$0.055 (5.5 cents) and 43,275,000 at an exercise price of \$0.10 (10 cents) to subscribe for Shares on a one for one basis, for each Share to the following entities and individuals:

Maureen F.B Nixon Pty Ltd, Ian K Nixon Pty Ltd, Ian Nixon, Eric Jones Stairbuilding Group Pty Ltd, Rustic Court Pty Ltd, R M Fletcher Investments Pty Ltd, Carmes Holding Pty Ltd, Terstan Nominees Pty Ltd, DLK Wade Super Fund Pty Ltd, Mr John & Anna Norgard, Kim Forte, David Rosenberg, Lee Tanner, Douglas Fant, Karen Nally, Andrew Forte, Sartori S/F ATF Marks S/F, Tbilisi Pty Ltd ATF Ransford S/F, Tim Sproat, Hamish Sproat, Lee Family Investments Pty Ltd and David Harris.

The aforementioned entities and individuals previously held Unlisted Options in the Company to subscribe for Shares on a one for one basis which expired while trading in the Company's Shares on ASX has been suspended since 13 May 2016 pending completion of Valentia Development Co. proposed investment in the Company the subject of the Company's announcement on 3 October 2016.

The Company has determined to issue a number of new Unlisted Options to the aforementioned entities and individuals equal to the number of Unlisted Options that expired during the suspension period and

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which were subject to an exercise price at or below \$0.10 cents (10 cents) being the closing price of Shares on ASX on 10 May 2016, being the last date that the shares in the Company traded on ASX before suspension. The expiry date of the new Unlisted Options will be 15 September 2017.

**ASX Listing Rule 7.1**

In summary, ASX Listing Rule 7.1 provides that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue. Accordingly, the Company seeks approval from Shareholders for the issue of Unlisted Options to the individuals and entities listed in the table below for the purposes of ASX Listing Rule 7.1. If Shareholders approve the resolution in Item 7, the issue of Unlisted Options set out in this Item 7 will not count toward the 15% placement capacity under ASX Listing Rule 7.1.

While the Company does not have current plans to undertake a capital raising, the Company seeks shareholder approval to preserve its ability to issue equity securities under the 15% placement capacity under ASX Listing Rule 7.1 should the need arise.

The Company also wishes to advise that none of the entities and individuals listed in the table below are related parties for the purposes of ASX Listing Rule 10.11 or Chapter 2E of the *Corporations Act 2001* (Cth).

**Specific information required by ASX Listing Rule 7.3**

The following additional information is provided to shareholders to assist in consideration of this resolution for the purposes of ASX Listing Rule 7.3:

- the maximum number of Unlisted Options to be issued pursuant to this resolution is 62,005,770 Options;
- the number of Unlisted Options proposed to be issued to each participant pursuant to this resolution and names of each participant are set out in the following table:

| Name of Recipient                      | Number of Unlisted Options proposed to be issued | Exercise Price | Expiry date       |
|--|--|----------------|-------------------|
| Maureen F.B Nixon Pty Ltd              | 500,000  | \$0.055        | 15 September 2017 |
| Ian K Nixon Pty Ltd                    | 500,000  | \$0.055        | 15 September 2017 |
| Ian Nixon                              | 1,000,000  | \$0.055        | 15 September 2017 |
| Maureen F.B Nixon Pty Ltd              | 500,000  | \$0.10         | 15 September 2017 |
| Maureen F.B Nixon Pty Ltd              | 150,000  | \$0.10         | 15 September 2017 |
| Ian K Nixon Pty Ltd                    | 1,000,000  | \$0.10         | 15 September 2017 |
| Ian K Nixon Pty Ltd                    | 300,000  | \$0.10         | 15 September 2017 |
| R M Fletcher Investments Pty Ltd       | 100,000  | \$0.10         | 15 September 2017 |
| Eric Jones Stairbuilding Group Pty Ltd | 250,000  | \$0.10         | 15 September 2017 |

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|                                  |            |        |                   |
|----------------------------------|------------|--------|-------------------|
| Rustic Court Pty Ltd             | 250,000    | \$0.10 | 15 September 2017 |
| R M Fletcher Investments Pty Ltd | 250,000    | \$0.10 | 15 September 2017 |
| Carmes Holding Pty Ltd           | 250,000    | \$0.10 | 15 September 2017 |
| Terstan Nominees Pty Ltd         | 250,000    | \$0.10 | 15 September 2017 |
| DLK Wade Super Fund Pty Ltd      | 250,000    | \$0.10 | 15 September 2017 |
| Mr John & Anna Norgard           | 300,000    | \$0.10 | 15 September 2017 |
| Kim Forte                        | 15,000,000 | \$0.10 | 15 September 2017 |
| David Rosenberg                  | 7,500,000  | \$0.10 | 15 September 2017 |
| Lee Tanner                       | 5,000,000  | \$0.10 | 15 September 2017 |
| Douglas Fant                     | 5,000,000  | \$0.10 | 15 September 2017 |
| Karen Nally                      | 1,000,000  | \$0.10 | 15 September 2017 |
| Andrew Forte                     | 5,000,000  | \$0.10 | 15 September 2017 |
| Sartori S/F ATF Marks S/F        | 500,000    | \$0.10 | 15 September 2017 |
| Tbilisi Pty Ltd ATF Ransford S/F | 100,000    | \$0.10 | 15 September 2017 |
| Tim Sproat                       | 100,000    | \$0.10 | 15 September 2017 |
| Hamish Sproat                    | 50,000     | \$0.10 | 15 September 2017 |
| Lee Family Investments Pty Ltd   | 100,000    | \$0.10 | 15 September 2017 |
| David Harris                     | 75,000     | \$0.10 | 15 September 2017 |

- the Company will issue Unlisted Options the subject of this resolution within 3 months after the date of the Meeting;
- the Unlisted Options the subject of this resolution will be issued for nil consideration and will be subject to an exercise price equal to the exercise price of the corresponding options held by the relevant participant which expired during the suspension period as set out in the table above;
- Unlisted Options issued pursuant to this resolution will be to subscribe for Shares on a one for one basis, exercisable at any time after the date of issue until to 15 September 2017. The exercise price for the Unlisted Options is as set out in the table above. The Shares to be issued upon exercise of the Unlisted Options will rank equally in all respects with all other ordinary Shares in the Company on issue. The terms and conditions of the Unlisted Options are set out in further detail in Annexure 2;
- no funds will be raised through the issue of the Unlisted Options as nil cash consideration will be payable for the issue of the Unlisted Options;
- all Unlisted Options the subject of this resolution will be issued on one date;

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- a voting exclusion statement applies to this resolution and is set out in Item 7 of the Notice of Meeting.

The Directors unanimously recommend that you vote in favour of adopting this resolution.

**8. Item 8 – Issuance of Unlisted Options to Andrew Draffin (Related Party)**

---

The Company proposes to issue 7,500,000 Unlisted Options with a nil issue price to subscribe for Shares on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Option to Andrew Draffin, who is a director of the Company.

Mr Draffin previously held Unlisted Options in the Company to subscribe for Shares on a one for one basis which were issued under the EnviroMission Limited Share Option Plan which expired while trading in the Company's Shares on ASX has been suspended since 13 May 2016 pending completion of Valentia Development Co. proposed investment in the Company the subject of the Company's announcement on 3 October 2016.

The Company has determined to issue 7,500,000 new Unlisted Options to Mr Draffin being equal to the number of Unlisted Options that expired during the suspension period and which were subject to an exercise price at or below \$0.10 cents (10 cents) being the closing price of Shares on ASX on 10 May 2016, being the last date that the shares in the Company traded on ASX before suspension. The expiry date of the Unlisted Options the subject of this resolution will be 15 September 2017. The Company has determined that the issue of the Unlisted Options pursuant to this resolution will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the *Corporations Act 2001* (Cth).

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without the approval of the holders of ordinary securities in the company, unless an exception applies. For these purposes, a "related party" includes a director of the Company. Accordingly, the Company seeks approval from Shareholders to issue Unlisted Options to subscribe for Shares to Mr Draffin.

Further, in accordance with ASX Listing Rule 7.2, Exception 14 if approval is given under ASX Listing Rule 10.11, approval for the issue is not required under the ASX Listing Rule 7.1. Accordingly, if approval is given by Shareholders under ASX Listing Rule 10.11 in accordance with the resolution in Item 8, approval will not be required under ASX Listing Rule 7.1 in respect of the issue.

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

The following additional information is provided to shareholders to assist in consideration of this resolution for the purposes of ASX Listing Rule 10.13:

|   |   |
|---|---|
| Name of the person  | Andrew Draffin  |
| Maximum number of securities to be issued   | 7,500,000 Unlisted Options to subscribe for Shares on a one for one basis |
| Date by which the entity will issue the securities  | On or before 23 December 2016   |
| If the person is not a director, the relationship between the person and the director that required the approval to be obtained | Andrew Draffin is a director  |

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|   |  |
|---|--|
| The issue price of the securities and a statement of the terms of the issue | The Unlisted Options will be issued for nil consideration and will be subject to an exercise price of A\$0.10 (10 cents) per Option. The Shares to be issued upon exercise of the Unlisted Options will rank equally in all respects with all other ordinary Shares in the Company on issue. The terms and conditions of the Unlisted Options are set out in further detail in Annexure 2. |
| Voting exclusion statement  | A voting exclusion statement applies to this resolution and is set out in Item 8 of the Notice of Meeting  |
| The intended use of funds raised  | No funds will be raised from the issue.  |

The Directors (other than Mr Draffin who has a material personal interest in the outcome of this resolution) unanimously recommend that you vote in favour of adopting this resolution.

**9. Item 9 – Issuance of Unlisted Options to Roger Davey (Related Party)**

---

The Company proposes to issue 20,000,000 Unlisted Options with a nil issue price to subscribe for Shares on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Option to Roger Davey, who is a director of the Company.

Mr Davey previously held Unlisted Options in the Company to subscribe for Shares on a one for one basis which were issued under the EnviroMission Limited Share Option Plan which expired while trading in the Company's Shares on ASX has been suspended since 13 May 2016 pending completion of Valentia Development Co. proposed investment in the Company the subject of the Company's announcement on 3 October 2016.

The Company has determined to issue 20,000,000 new Unlisted Options to Mr Davey being equal to the number of Unlisted Options that expired during the suspension period and which were subject to an exercise price at or below \$0.10 cents (10 cents) being the closing price of Shares on ASX on 10 May 2016, being the last date that the shares in the Company traded on ASX before suspension. The expiry date of the Unlisted Options the subject of this resolution will be 15 September 2017. The Company has determined that the issue of the Unlisted Options pursuant to this resolution will constitute the giving of reasonable remuneration for the purposes of Chapter 2E of the *Corporations Act 2001* (Cth).

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without the approval of the holders of ordinary securities in the company, unless an exception applies. For these purposes, a "related party" includes a director of the Company. Accordingly, the Company seeks approval from Shareholders to issue Unlisted Options to subscribe for Shares to Mr Davey.

Further, in accordance with ASX Listing Rule 7.2, Exception 14 if approval is given under ASX Listing Rule 10.11, approval for the issue is not required under the ASX Listing Rule 7.1. Accordingly, if approval is given by Shareholders under ASX Listing Rule 10.11 in accordance with the resolution in Item 9, approval will not be required under ASX Listing Rule 7.1 in respect of the issue.

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

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The following additional information is provided to shareholders to assist in consideration of this resolution for the purposes of ASX Listing Rule 10.13:

|   |  |
|---|--|
| Name of the person  | Roger Davey  |
| Maximum number of securities to be issued   | 20,000,000 Unlisted Options to subscribe for Shares on a one for one basis   |
| Date by which the entity will issue the securities  | On or before 23 December 2016  |
| If the person is not a director, the relationship between the person and the director that required the approval to be obtained | Roger Davey is a director  |
| The issue price of the securities and a statement of the terms of the issue   | The Unlisted Options will be issued for nil consideration and will be subject to an exercise price of A\$0.10 (10 cents) per Option. The Shares to be issued upon exercise of the Unlisted Options will rank equally in all respects with all other ordinary Shares in the Company on issue. The terms and conditions of the Unlisted Options are set out in further detail in Annexure 2. |
| Voting exclusion statement  | A voting exclusion statement applies to this resolution and is set out in Item 9 of the Notice of Meeting  |
| The intended use of funds raised  | No funds will be raised from the issue.  |

The Directors (other than Mr Davey who has a material personal interest in the outcome of this resolution) unanimously recommend that you vote in favour of adopting this resolution.

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**Annexure 1**

**Terms and Conditions of Options (Items 5–6)**

The options to subscribe for Shares (**Options**) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Any capitalised term in this Terms and Conditions that is not defined has the same meaning as in the Explanatory Memorandum to this Notice of Extraordinary Meeting.
- (b) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (c) The Options will expire at 5:00 pm (AEST) on 15 September 2018 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options (Exercise Notice) specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (g) Within ten Business Days of receipt of the Exercise Notice accompanied by the exercise price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within ten Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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**Annexure 2**

**Terms and Conditions of Options (Items 7-9)**

The options to subscribe for Shares (**Options**) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Any capitalised term in this Terms and Conditions that is not defined has the same meaning as in the Explanatory Memorandum to this Notice of Extraordinary Meeting.
- (b) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (c) The Options will expire at 5:00 pm (AEST) on 15 September 2017 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options (Exercise Notice) specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (g) Within ten Business Days of receipt of the Exercise Notice accompanied by the exercise price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within ten Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## PROXY FORM

The Company Secretary  
 EnviroMission Limited  
 238 Albert Rd,  
 SOUTH MELBOURNE VIC 3205  
 Facsimile Transmission No. +61 3 9699 7566

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/(s) of EnviroMission Limited (**EnviroMission**) hereby appoint of \_\_\_\_\_

or failing him/or of \_\_\_\_\_

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Morgans, 401 Collins Street, Melbourne, on 25 November 2016, at 10.30am (AEDST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as the Chairman thinks fit.

A Shareholder is entitled to appoint up to 2 proxies. If 2 proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ] % of the Shareholder's votes (an additional Proxy Form will be supplied by EnviroMission on request).

### INSTRUCTIONS AS TO VOTING ON ITEMS

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on an Item, the proxy may abstain or vote at the proxy's discretion.

#### **Important for Items 3, 8 and 9. If the Chairman of the Meeting is your proxy or is appointed as your proxy by default**

By marking this box, you are expressly authorising the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 3, 8 and 9 as set out below and in the Notice of Meeting, even though the Resolutions are connected directly or indirectly with the remuneration of a member of EnviroMission's key management personnel. If you do not mark this box, and you have not directed your proxy how to vote on Items 3, 8 and 9, the Chairman of the Meeting will not cast your votes on Items 3, 8 and 9 and your votes will not be counted in computing the required majority if a poll is called on these resolutions 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 Items 3, 8 and 9 by marking the appropriate box below.

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

I/We expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 3, 8 and 9 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 3, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

I/We direct my/our proxy to vote as indicated below:

|   | FOR                      | AGAINST                  | ABSTAIN                  |
|---|--------------------------|--------------------------|--------------------------|
| 1. Financial Statements and Reports   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Re-election of Director  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Adoption of Remuneration Report (Non-Binding)  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Approval of Additional Placement Capacity  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Ratification of Issue of Shares and Grant of Options to Puget Resources Pty Ltd (Less than 15% of Capital) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

|   | <b>FOR</b>               | <b>AGAINST</b>           | <b>ABSTAIN</b>           |
|---|--------------------------|--------------------------|--------------------------|
| 6. Ratification of Issue of Shares and Grant of Options to James Kenny (Less than 15% of Capital) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Issuance of Unlisted Options   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Issuance of Unlisted Options to Andrew Draffin (Related Party)                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Issuance of Unlisted Options to Roger Davey (Related Party)                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Proxies given by a natural person must be signed by each appointing Shareholder or the Shareholder's attorney duly authorised in writing, Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointer's attorney duly authorised in writing.

As witness my/our hand/s this                      day of                      2016.

**If a natural person:**

SIGNED by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (if joint holder)

\_\_\_\_\_  
Print Name in full

\_\_\_\_\_  
Print name in full

**If a Company:**

EXECUTED in accordance with section 127 of the Corporations Act:

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director / Secretary

\_\_\_\_\_  
Print Name in full

\_\_\_\_\_  
Name of Director / Secretary in full

**If by power of attorney:**

SIGNED for and on behalf  
of  
by \_\_\_\_\_ under a  
Power of Attorney dated \_\_\_\_\_ and who  
declares that he/she has not received any  
revocation of such Power of Attorney in the presence of:

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

**PROXY INSTRUCTIONS**

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (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 another authority) must be deposited at or sent by facsimile transmission to the registered office of EnviroMission Limited at 238 Albert Rd, South Melbourne, Victoria 3205, facsimile number **+61 3 9699 7566** not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/or attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

**VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons, who are registered as holding the Shares at 5pm on 24 November, 2016, Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.