
GREENPOWER ENERGY LIMITED

ACN 000 002 111

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: 23 January 2017

PLACE: William Buck Offices, Level 3, 15 Labouchere Road, South Perth WA 6151.

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am on 21 January 2017.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL FOR THE PROPOSED TRANSACTION

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

"That, subject to the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to complete the Transaction as described in the Explanatory Statement and, consequently, to make a significant change to the nature and scale of its activities."

Short Explanation: Greenpower Energy Limited (ACN 000 002 111) (**Company**) proposes to acquire up to a 74% interest in the Guyanese Morabisi Project prospective for lithium and tantalum, from Guyana Strategic Metals Inc. (**GSM**) (**Transaction**). The Company may elect to earn-in to the Morabisi Project over four specific stages, and if successful, establish an unincorporated joint venture. The Company is required to seek Shareholder approval in order to earn-in to the Morabisi Project. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature or scale of its activities. Please refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may 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 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 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.

2. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES

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

"That, subject to the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue, in accordance with the Earn-in stages, up to 52,500,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 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.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 110,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. 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 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.

4. RESOLUTION 4 – PLACEMENT – ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 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.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO CONSULTANTS AND CONTRACTORS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 60,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 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.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO GERARD KING

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

“That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,000,000 Options to Gerard King (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Gerard King (or his nominee) and any of his associates. 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 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO TIMOTHY WALL

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

“That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Timothy Wall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Timothy Wall (or his nominee) and any of his associates. 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 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – ISSUE OF OPTIONS TO SIMON PETERS

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

"That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Simon Peters (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Simon Peters (or his nominee) and any of his associates. 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 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – ISSUE OF OPTIONS TO MATTHEW SUTTLING

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 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.

10. RESOLUTION 10 – ISSUE OF OPTIONS TO ALAN FLAVELLE

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 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.

Dated: 19 December 2017

By order of the Board

Gerard King

Chairman of the Board

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9999 1515.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. EARN-IN TO MORABISI PROJECT

1.1 Resolutions to be considered at the Meeting

This Notice of Meeting sets out the Resolutions necessary to complete the Transaction. Resolutions 1 and 2 are essential resolutions (**Essential Resolutions**) and each of the resolutions is conditional upon the approval of the other by Shareholders. If the Essential Resolutions are not approved by Shareholders, both of the resolutions will fail and settlement of the Transaction will not occur.

1.2 Background to the Company

The Company was incorporated on 13 February 1899 and was admitted to the Official List of the ASX on 5 March 2008 as a clean energy exploration and production company.

The Company's current interests are:

- (a) 100% interest in one (1) exploration license application located near Moe township in the Latrobe Valley, Victoria (**Latrobe Valley Project**);
- (b) 100% interest in a license to develop and commercialise the OHD process in the Coals to Liquids Project (**Coals to Liquids Project**);
- (c) 1.5% production royalty interest in the Perth basin project (**Perth Basin Project**); and
- (d) 100% interest in eight (8) exploration license applications located at the MacArthur Basin in the Northern Territory (**Northern Territory Project**).

Latrobe Valley Project

As announced on 18 August 2016, the Company previously held exploration licenses 4500, 4877 and 5227, in the La Trobe Valley, Victoria. Each of these have expired and have not been renewed because of the length of time they have been on foot and the haphazard area shaping that reductions have caused over the years.

The Company has applied for a new exploration license which covers lignite occurrences to the west of Moe Township in Latrobe Valley. The tenement covers the most accessible and geologically well-defined area of the inferred lignite deposit, containing sufficient volume to supply foreseeable needs for the Company's coal to liquid plant feedstock requirements.

Coals to Liquid Project

On 5 March 2013, the Company announced that it had entered into a Memorandum of Understanding with US-Thermaquatica Inc to jointly test and develop the OHD process for the conversion of coals to liquids (**MOU**) and in May 2013 an Agreement was signed to replace the MOU (**OHD Agreement**).

OHD is a novel and environmentally friendly technology for the conversion of coal and other solid organic material into low molecular weight, water soluble products.

Pursuant to the OHD Agreement, the Company receives an exclusive license to develop and apply the OHD process on a commercial scale within Australia and New Zealand in exchange for contributing US\$2,000,000 towards research on extraction of the products from the OHD liquid.

Perth Basin Project

The exploration permit (EP447) is located in the North Perth Basin straddling the Brand Highway near Cataby and covers approximately 3000km². It encompasses the formerly producing Walyering gas field. The gas from the production test at the Walyering field was sold and piped to the Parmelia gas pipeline which runs through the permit adjacent to the field. Further gas exploration is planned, starting with a 3D seismic survey to examine the complex structural geology in the area in which the Walyering wells were drilled.

During 2013, the Company's wholly owned subsidiary GCC Methane Pty Ltd (GCCM) signed a contract to sell its remaining 50% interest in Western Australian Petroleum Exploration Permit 447 to UIL Energy Ltd, (UIL) subject to fulfilment of certain conditions. The contract provided that, subject to fulfilment of the conditions, GCCM would sell its remaining 50% interest in EP447 to UIL for \$875,000 cash and, effectively, \$1,125,000 worth of shares in UIL under a prospectus for the initial public offering of its shares.

UIL subsequently elected not to continue with the purchase described, nor exercise rights under the pre-existing Farm-In Agreement. UIL and the Company have now agreed to enter into a Joint Operating Agreement. As announced on 2 June 2015, the Company completed the sale of its 50% interest in EP447 pursuant to a the Joint Operating Agreement under which UIL assume the role of Operator and utilise its carried forward expenditure credits free carrying GPP in relation to the renewed Year One permit work obligations. GPP received the full cash consideration of \$850,000 plus retained a 1.5% production royalty interest.

On 23 August 2013, EP447 was renewed for a further five years.

Northern Territory Project

As announced on 6 December 2016, the Company's 100% owned subsidiary Northern Exploration Pty Ltd has lodged applications for 8 Exploration Licenses (**EL's**) covering 6,250 square kilometres of the MacArthur Basin in the Northern Territory.

Historical logging results indicate a number of water reservoirs to be present within the EL's and assays indicate very high recorded Total Dissolved Solids (**TDS**) of circa 216,000 mg/L which encompass Chloride, Potassium, Magnesium and Sulphate which are regarded to be the right chemistry mix to support the production of Sulphate of Potash to potentially supply the Australian fertiliser market.

In addition to the actual recorded Potassium, Magnesium, Sulphate and TDS's in assayed brine samples, Composite Radiometrics undertaken over the EL areas confirm the presence of Potassium rich salts being present in the Balmoral Lagoon which overlies the location of two of the petroleum wells which assayed.

A review of the regional geology covered by the EL's confirm the presence of localised and regional faulting which, when combined with volcanics intersected by previous petroleum wells drilled within the EL's, provides several technical attributes for the potential for Lithium salts to be present.

The Company has retained the services of Borg Geoscience, a leading Lithium consulting firm, to assist the Company as it prepares to commence activities to confirm the Lithium brine potential within the project area.

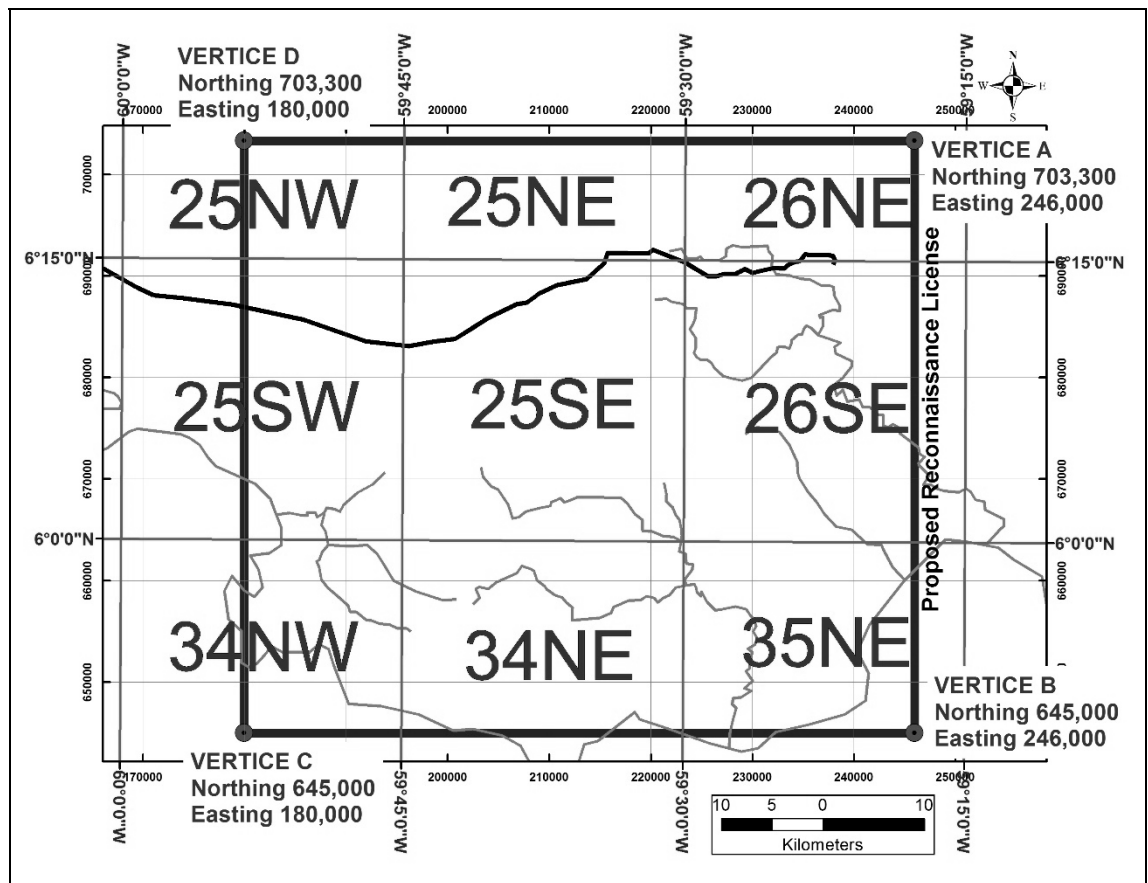
1.3 About GSM – Morabisi Project

GSM is a company which has been specifically formed to pursue strategic mineral opportunities in Guyana, a mining-friendly jurisdiction whose commitment to the industry is evidenced by the recent commissioning of three substantial gold mines (Guyana Goldfields' Aurora Gold Mine, Troy Resources' Kaburi Gold Mine and Goldsource's Eagle Mountain Gold Mine).

The recent global rise in demand for lithium for use in the mobile telecommunications and computer batteries industries, as well as the recent development of fully electric cars, has rendered lithium a strategically important commodity which is presently fiercely sought after. At the same time, tantalum also represents a high potential mineral in Guyana, due to the country's "non-conflict" status, which may represent a strategically important point of difference as compared with other sources of the mineral.

Over the past two years, GSM has undertaken a substantial amount of work in terms of identifying areas within Guyana which are prospective for lithium and tantalum (including compiling, interpreting and undertaking desktop work in relation to historical information). The Morabisi Project area, in respect of which GSM has recently been granted a Permission for Geological and Geophysical Survey (**PGGS**) licence with the Guyanese Minister of Governance & Natural Resources and Environment (**Project Area**), is believed by GSM to contain a favourable geological setting for lithium, with widespread presence of LCT Type Pegmatites. Further, historical exploration results also support the possibility that the Project Area may host district-scale tantalum and other minerals (including gold) with mining potential.

The Project Area is located in Guyana, in the Morabisi River area, a tributary of the Mazaruni River, Mining District number 3, Region 1. It encompasses a polygonal area of 950,810.1 acres, the coordinates of which are shown in the figure below:



A detailed description of the prevailing geology (based on historical exploration within the Project Area) is set out in Schedule 1 to this Notice.

GSM's PGGGS licence has lithium as top priority, with tantalum, niobium, rare earth elements (**REE**) and gemstones as second priorities, since they occur together in LCT Type Pegmatites, which are the ultimate focus of the intended project. Other strategic metals and minerals are also expected to occur in association with these, according to the geological literature studied in detail by GSM (including Caesium, Zirconium, Hafnium, Yttrium, Rubidium, Beryllium and REEs). These strategic and rare metals are expected to be produced as by-products in a future mining project, whilst gemstones such as beryl, topaz, quartz and others are also known to occur in pegmatites and may also be the subject of the PGGGS program to be undertaken.

Recent work on the Morabisi Project has seen extensive sampling confirm high levels of Tantalum in addition to geochemistry results confirming accessory minerals consistent with LCT type Pegmatites with strong Rb, Cs, Be and Ta anomalies. Encouragingly, Spodumene has been identified in outcrop within quartz-microcline-tourmaline zone and on-trend with mapped LCT type Pegmatite veins/ring dykes identified on margin of batholith with over 40 km of combined strike length. The vast areas adjacent to the identified ring dykes are also expected to host additional LiOta pegmatites and remain unexplored confirming that the Morabisi Project area hosts the rocks that could allow it to rival the Pilbara Pilgangoora hotzone.

1.4 Terms of the Transaction

As announced on 20 September 2016, the Company has entered into a Heads of Agreement with GSM to acquire up to a 74% in the Guyanese Morabisi Project (**HOA**). As recently announced to the market, the Company is now satisfied with its due diligence enquiries on the project and has elected to exercise the option to proceed with the earn-in. Phase 1 of the Earn-in will commence in the near future and is being overseen by Borg Geoscience. Please refer to the Company's announcement on 30 November 2016 for results of its initial technical work on the project.

The material terms of the HOA are as follows:

- (a) **(Phase 1 Earn-in)**: upon electing to proceed with the Phase 1 Earn-in, the Company will issue to GSM 12,500,000 fully paid ordinary shares in the capital of the Company (having a deemed issue price based on the then-applicable 30 day VWAP) (**Shares**). The Company must spend \$200,000 on the Morabisi Project within 6 months to earn an interest of 10% in the Morabisi Project;
- (b) **(Phase 2 Earn-in)**: upon electing to proceed to the Phase 2 Earn-in, the Company must issue to GSM 17,500,000 Shares (having a deemed issue price based on the then applicable 30 day VWAP). The Company must spend a further \$500,000 on the Morabisi Project within a further period of 12 months to earn a further 25% interest in the Morabisi Project (giving GPP an aggregate interest of 35%);
- (c) **(Phase 3 Earn-in)**: upon electing to proceed to the Phase 3 Earn-in, the Company must make a cash payment of \$50,000 and issue to GSM 12,500,000 Shares (having a deemed issue price based on the then-applicable 30 day VWAP). The Company must spend a further \$1,000,000 on the Morabisi Project within a further period of 12 months to earn a further 16% interest in the Morabisi Project (giving GPP an aggregate interest of 51%); and
- (d) **(Phase 4 Earn-in)**: upon electing to proceed to the Phase 4 Earn-in, the Company must make a cash payment of \$50,000 and issue to GSM 10,000,000 Shares (having a deemed issue price based on the then-applicable 30 day VWAP). The Company must also free carry GSM through to completion of a bankable feasibility study in order to earn a further 23% interest (giving GPP an aggregate interest of 74%).

Following successful completion of the Phase 4 Earn-in, the parties will together form an unincorporated joint venture, to be managed by GPP (**Joint Venture**).

The consideration payments at the various Earn-in Phases are only payable if the Company elects (at its sole and unfettered discretion) to proceed with the respective Earn-in Phases. If the Company elects to withdraw at any stage prior to the formation of the Joint Venture, it will lose its respective interests in the Morabisi Project and will be required to meet a portion of the minimum expenditure requirements applicable on the project at that stage. However, if after the Phase 3 Earn-in the Company elects to withdraw, it will be entitled to receive a 1.5% net smelter return royalty from all minerals produced and sold from the Morabisi Project.

1.5 Effect on Capital Structure

The indicative effect of the Transaction on the capital structure of the Company will be as follows:

Capital Structure ¹	Shares	Options
Current	913,899,976	85,100,000 ²
Consideration Shares ³	52,500,000	Nil
Prior Placement Shares ⁴	25,000,000	Nil
Options to Consultants and Contractors ⁵	Nil	60,000,000
Options to Related Parties and Key Personnel ⁶	Nil	16,000,000
TOTAL	991,399,976	161,100,000

Note:

¹ Assumes no further securities are issued prior to settlement of the proposed Transaction.

² Listed Options exercisable at \$0.01 on or before 13 October 2019.

³ 52,500,000 Shares issued to GSM pursuant to the Transaction and subject to Shareholder Approval pursuant to Resolution 2.

⁴ 25,000,000 Shares issued to Professional and Sophisticated Investors who are not Related Parties of the Company pursuant to Resolution 4.

⁵ 60,000,000 unlisted Options exercisable at \$0.022 on or before 1 January 2019 to be issued to Company consultants and contractors pursuant to Resolution 5.

⁶ 16,000,000 unlisted Options exercisable at \$0.022 on or before 1 January 2019 to be issued to Related Parties and Key Personnel of the Company pursuant to Resolutions 6 to 10.

1.6 Pro-forma balance sheet

Set out in Schedule 2 is a pro forma balance sheet of the Company assuming that the Essential Resolutions have been passed and implementation of the Transaction has settled.

The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.7 Anticipated timetable

Event	Date
Execution of Heads of Agreement and Announcement on the ASX	20 September 2016
Shareholder Meeting	23 January 2017
Issue of Phase 1 Earn-in Shares	25 January 2017

1.8 Advantages of the Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) the Transaction represents a significant opportunity for the Company to strengthen its portfolio of mining assets to include lithium, tantalum, rare earth minerals and potentially other minerals (including gold) in an upcoming and highly prospective region of the world;
- (b) the Morabisi Project area covers 950,000 acres and is conveniently serviced by existing road and future planned power facilities, in addition to a number of local service towns within the Morabisi Project area;
- (c) the Guyanese government is committed to providing a competitive investment climate and adequate protection of the rights and privileges of mining investors. It promotes rational exploration, development and utilisation of mineral resources guided by a commitment to responsible mineral development;
- (d) the potential increase in the market capitalisation of the Company may lead to increased coverage from capital market analysts, improved access to equity capital market opportunities and increased liquidity in its share trading;
- (e) the Transaction will reduce risk in the Company's operating profile through increased geographic diversity; and
- (f) the Transaction represents a significant opportunity for the Company to increase the scale of its activities which could increase the number and size of the investor pool that may invest in the Company's Shares.

1.9 Disadvantages of the Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) the Company will be seeking to increase its mining portfolio to include lithium, tantalum and rare earth mineral exploration in Guyana, which may not be consistent with the objectives of all Shareholders;
- (b) there are many risk factors associated with the proposed Earn-in, including sovereign risk, dilution risk, contractual and counterparty risk and other regulatory approvals;
- (c) a significant future outlay of funds will be required which will increase funding pressure on the Company in order to continue exploration of the Morabisi Project and its existing assets;
- (d) current Shareholders will have their interests in the Company diluted by the future issue of Shares contemplated under the Earn-in and any further equity funding undertaken by the Company; and
- (e) exploration activities on the Morabisi Project may not identify an economically viable lithium, tantalum or rare earth minerals resource.

1.10 Risk factors

Shareholders should be aware that if the Essential Resolutions are approved and the Transaction is completed, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors in relation to the Transaction are as follows:

Risks associated with the Transaction.

(a) Dilution Risk

The Company currently has 913,899,976 Shares on issue. Upon implementation of the Transaction, the Company proposes to issue 52,500,000 to GSM in addition to completing the placement of 25,000,000 Shares pursuant to Resolution 4 (**Placement**).

Assuming that implementation of the Transaction occurs and the Placement is completed, and no options are exercised, existing Shareholders may be diluted by as much as 7.82% of the Company's issued Share capital.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund future capital projects.

(b) Lithium and Tantalum price volatility risk

Following Completion, if the Morabisi Project achieves exploration success leading to commencement of commercial mining operations, it is anticipated that any revenues from mining will primarily be derived from the sale of lithium and tantalum. Consequently, any future earnings are likely to be closely related to the price of lithium and tantalum. Lithium and tantalum prices fluctuate and are affected by numerous factors beyond the control of the Company.

These factors include low barriers to entry, transparency of market structure, history of uncontrolled production programs and the majority of production occurring in countries with strong political influences on mining and production programs.

(c) General project risks

The Morabisi Project is located in Guyana, South America. The Company will be subject to the risks associated with operating in Guyana. Such risks can include economic instability or change, changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mining claims or government regulations. Should there be a material change in the political, legal and social environments in the South America, the Company's operations and profitability may be adversely affected.

(d) **Exploration success**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Morabisi Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient capital, being able to maintain title to the Morabisi Project and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Morabisi Project, a reduction in the cash reserves of the Company and possible relinquishment of the Morabisi Project.

The Company's exploration and development cost forecast are based on certain assumptions with respect to the method and timing of exploration and project development. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(e) **Contract and Counterparty Risk**

Pursuant to the HOA, the Company has the exclusive right to earn up to a 74% interest in the Morabisi Project, subject to the fulfilment of certain earn-in expenditure conditions.

The ability of the Company to achieve its stated objectives will depend on the performance by GSM of its obligations under the HOA, and subject to the formation of a joint venture, performance by GSM as a joint venture partner. If GSM defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy.

Legal action instituted in Australia or overseas can be costly. There can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

(f) **Resource and reserve estimates**

Future resource estimates will be expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Morabisi Project's operations.

Risks relating to the Company's Operations

(a) **Future capital requirements**

Significant future funding will be required by the Company to develop the Morabisi Project. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and project development program as the case may be, which may adversely affect the business and financial condition of the Company and its performance.

(b) **Operating risks**

The current and future operations of the Company, including exploration, development appraisal, and possible production activities may be affected by a range of factors.

The Morabisi Project will be subject to climatic conditions that may restrict the period within which exploration; development appraisal and possible production activities may take place, and may also place Company personnel at risk if exposed to these conditions.

A summary of further factors that may affect the operations of the Company, include:

- (i) geological conditions;
- (ii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iii) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (iv) industrial action, disputation or disruptions;
- (v) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;

- (vi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (vii) current exploration operations and future mine development of the tenements are subject to the Company's ability to obtain a wide range of permits, licences, and approvals and there is no guarantee that such permits, licences and approvals will be granted or will be granted in a timely matter; and
- (viii) advancement of the operations to mine development can be a lengthy process taking a number of years where the Company's projects may be subject to new laws, regulations, and taxes which may have a material impact on the Company.

(c) **Contractors and contractual disputes**

The Company will be subject to a variety of contracts including contracts with contractors. The Directors are unable to predict the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company is a party; or
- (ii) insolvency or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- (iii) insolvency or other managerial failure by any of the other service providers used by the Company or operators for any activity.

(d) **Foreign exchange risk**

The Company will be exposed to the volatility and fluctuations of the exchange rate between the American dollar and the Australian dollar. Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

(e) **Environmental risks**

The operations and proposed activities of the Morabisi Project are subject to laws of Guyana and regulation concerning the environment. As with most resource development projects, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(f) **Potential acquisitions**

As part of its business strategy, the Company intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

General risks

(a) **General economic and political Risks**

Changes in the general economic and political climate in Australia, South America, and on a global basis could impact on economic growth, lithium and tantalum prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any lithium and tantalum mining development activity that may be conducted by the Company.

(b) **Market risk**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

(c) **Government**

Government action or policy change, both in Australia and in South America, particularly in relation to lands and infrastructure, compliance with environmental regulations, taxation and royalties, may adversely affect the Company's operations and financial performance.

(d) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Investment speculative

The above list of risk factors should not be considered exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

1.11 Directors' Interest in the Transaction

None of the Company's existing Directors have any interest in the proposed Transaction, other than as disclosed in this Notice.

1.12 Plans for the Company if the Essential Resolutions not passed

If the Essential Resolutions are not passed and the Transaction is not implemented, the Company will continue its exploration activities on the Latrobe Valley Project and development of its Coals to Liquids Project and continue considering new potential business acquisitions to take the Company forward and provide value to Shareholders.

1.13 Additional mining investment opportunities

Although the Company is currently focused on expanding its interests to include the exploration for lithium, tantalum and rare earth minerals, the Company reserves the right to seek out other mining opportunities in the resources space in the future to include other minerals that will complement its existing portfolio and add value to shareholders, in Australia or abroad.

1.14 Director's recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Essential Resolutions as they consider the proposed Transaction and associated issue of Shares to be in the best interests of Shareholders because after assessment of the advantages and disadvantages referred to in Sections 1.8 and 1.9 the Directors are of the view that the advantages outweigh the disadvantages.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

The main undertaking of the Company is currently undertaking exploration and development activities within a number of Australian on-shore exploration licenses including:

- (a) 100% interest in one (1) exploration license application located near Moe township in the Latrobe Valley, Victoria (**Latrobe Valley Project**);
- (b) 100% interest in a license to develop and commercialise the OHD process in the Coals to Liquids Project (**Coals to Liquids Project**);
- (c) 1.5% production royalty interest in the Perth basin project (**Perth Basin Project**); and
- (d) 100% interest in eight (8) exploration license applications located at the MacArthur Basin in the Northern Territory (**Northern Territory Project**).

(together, the **Existing Projects**).

The Transaction, if approved by Shareholders at the General Meeting and successfully completed, will result in the Company increasing its portfolio to include the exploration for, and production, of lithium, tantalum and rare earths in Guyana, South America.

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

The ASX has advised the Company that it must seek shareholder approval for the proposed Transaction. Accordingly, Resolution 1 seeks Shareholder approval for the proposed Transaction under ASX Listing Rule 11.1.2.

The ASX has advised the Company that it does not need to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

The Company intends to continue exploration activities in respect of its Existing Projects if the Transaction proceeds.

Resolution 1 is conditional on Resolution 2 being approved.

3. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES

3.1 General

Upon Completion of the Transaction, the Company will allot and issue to GSM in consideration for the Transaction:

- (a) Phase 1 – 12,500,000 Shares;
- (b) Phase 2 – 17,500,000 Shares;
- (c) Phase 3 – 12,500,000 Shares; and
- (d) Phase 4 – 10,000,000 Shares,

(together, the **Consideration Shares**).

3.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Consideration Shares on Completion of the Transaction without using the Company's 15% annual placement capacity. The Company is currently seeking a waiver from the requirements of ASX Listing Rule 7.3.2 to allow the Consideration Shares to be issued later than 3 months from the date of the Meeting (and thereby the ability to issue the Consideration Shares in accordance with the staged Earn-in proposal).

Resolution 2 is conditional on Resolution 1 being approved.

3.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Securities for the purpose of the Transaction:

- (a) the maximum number of securities to be issued is 52,500,000 over a four stage Earn-in, comprising:
 - (i) Phase 1 – 12,500,000 Shares;
 - (ii) Phase 2 – 17,500,000 Shares;
 - (iii) Phase 3 – 12,500,000 Shares; and
 - (iv) Phase 4 – 10,000,000 Shares;
- (b) it is intended that issue and allotment of the Consideration Securities will (depending on election to proceed to each Earn-in phase) will occur in staged tranches. As noted in Section 3.2 above, the Company is currently seeking a waiver from the requirements of ASX Listing Rule 7.3.2 to allow the Consideration Shares to be issued in stages outside of the 3 months ordinarily permitted by the ASX;
- (c) the Consideration Securities will be issued for nil cash consideration as they are being issued for consideration for the Earn-in to the Morabisi Project. Accordingly, no funds will be raised from the issue;
- (d) the Consideration Securities will be allotted and issued to the GSM shareholders (or their nominees) who are not related parties of the Company in consideration for the Transaction; and
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

3.4 Dilution

Assuming no Options are exercised or other Shares issued, the maximum number of Shares as set out above are issued and the Shares the subject of the Placement are issued, the number of Shares on issue would increase from 913,899,976 to 991,399,976 and the shareholding of existing Shareholders (as at the completion of the Transaction) would be diluted by 7.82%.

Resolution 2 is conditional on Resolution 1 being approved.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

4.1 General

On 25 November 2016, the Company issued 110,000,000 Shares at an issue price of \$0.02 per Share to raise \$2,200,000.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 110,000,000 Shares were issued;
- (b) the issue price was \$0.02 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investor clients of the Company. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used towards funding the Earn-in to the Morabisi Project, expenditure on its existing assets and towards any additional opportunities that may add value and complement the Company's existing asset portfolio.

5. RESOLUTION 4 – PLACEMENT – ISSUE OF SHARES

5.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 25,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$500,000 (**Placement**).

The Placement represents Tranche 2 of the placement being ratified pursuant to Resolution 3.

A summary of ASX Listing Rule 7.1 is set out in section 3.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 25,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.02 per Share;
- (d) the Shares will be issued to professional and sophisticated investors. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards funding the Earn-in to the Morabisi Project, expenditure on its existing assets and towards any additional opportunities that may add value and complement the Company's existing asset portfolio.

6. RESOLUTION 5 – ISSUE OF OPTIONS TO CONSULTANTS AND CONTRACTORS

6.1 General

Resolution 5 seeks Shareholder approval for the issue of 60,000,000 Options in consideration for services provided by consultants and contractors of the Company (**Consultant and Contractor Options**).

A summary of ASX Listing Rule 7.1 is set out in section 3.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Consultant and Contractor Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Consultant and Contractor Options to be issued is 60,000,000;
- (b) the Consultant and Contractor Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Consultant and Contractor Options will occur on the same date;
- (c) the Consultant and Contractor Options will be issued for nil cash consideration in satisfaction of services provided by Company consultants and contractors;
- (d) the Consultant and Contractor Options will be issued to Company consultants and contractors, who are not related parties of the Company;
- (e) the Consultant and Contractor Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the Placement as the Consultant and Contractor Options are being issued in consideration for services provided by consultants and contractors of the Company.

7. RESOLUTIONS 6 TO 8 – ISSUE OF OPTIONS TO RELATED PARTIES

7.1 General

Resolutions 6 to 8 seek Shareholder approval for the grant of Options to the directors Gerard King, Timothy Wall and Simon Peters (**Related Parties**) (or their respective nominees).

The Company has agreed, subject to obtaining Shareholder approval, to issue 10,000,000 Options (**Related Party Options**) to the Related Parties (or their respective nominees) on the terms and conditions set out below.

7.2 Chapter 2E of the Corporations Act

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

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

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

The grant of Related Party Options constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 8:

- (a) the Related Party Options will be granted to the Related Parties (or their nominees);
- (b) the number of Related Party Options to be issued is 10,000,000;
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same day;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 3.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTIONS 9 AND 10 – ISSUE OF OPTIONS TO MATTHEW SUTTLING AND ALAN FLAVELLE

8.1 General

Resolutions 9 and 10 seek Shareholder approval for the grant of Options to Matthew Suttling and Alan Flavelle (**Key Personnel**) (or their respective nominees).

The Company has agreed, subject to obtaining Shareholder approval, to issue 6,000,000 Options (**Key Personnel Options**) to the Key Personnel (or their respective nominees) on the terms and conditions set out below.

A summary of ASX Listing Rule 7.1 is set out in section 3.2 above.

The effect of Resolutions 9 and 10 will be to allow the Company to issue the Key Personnel Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 9 and 10:

- (a) the maximum number of Key Personnel Options to be issued is 6,000,000;
- (b) the Key Personnel Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Key Personnel Options will occur on the same date;
- (c) the Key Personnel Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (d) the Key Personnel Options will be granted to the Key Personnel (or their nominees), none of whom are Related Parties of the Company; and
- (e) the Key Personnel Options will be issued on the terms and conditions set out in Schedule 3.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Greenpower Energy Limited (ACN 000 002 111).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Essential Resolutions has that meaning as set out in the explanatory statement.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 - PROJECT AREA GEOLOGY AND HISTORY

1. Recent geological studies – Guyana Geology and Mines Commission

The most important recent geological information covering the Project Area refers to a project funded by the Guyana Geology and Mines Commission (**GGMC**), named "Morabisi North-Kamawari Project: A Summary of Geochemistry, Geology and Structure", dated June 2002. This project provided important information on the geology and geochemistry of the rocks present in the Project Area, which after careful analysis by GSM, led to the conclusion that the Morabisi area has a high probability of identification of a district-scale lithium deposit, as well as tantalum and niobium.

2. Historical geological exploration

The geology along the Puruni River was compiled by Alderidge, 1959, but almost no previous work was done away from the Puruni River in the west and south of the Project Area. One map by Hawkes (1960) covers the western part of the area, but appears to be mainly derived from air-photo interpretation.

The SE of the area (mainly Kunabali Creek) was covered by two adjoining surveys conducted by Whyte (1953), and Bailey (1953). They identified columbite-tantalite occurrences in the headwaters of Kunabali Creek, as well as in the headwaters of Tiger Creek and Taparau Creek (Lower Puruni Project). Their work provided an impetus for further work by the Columbian Corporation. In the mid-1960s, a regional aeromagnetic and electromagnetic survey funded by the UN was flown by Canadian Aero Mineral Surveys Ltd (1967) over part of northern Guyana.

A good summary of the early survey exploration work is included in maps by Gibbs (1977), who separates fact from interpretation in a series of three maps showing sample locations, an outcrop map and a geological interpretation map. Abundant geological data from many previous authors is available in the northern-eastern part of the area around the known mineralized areas of Peter's Mine and Million Mountain.

A good summary of drainage sampling done in the area is included in Milner (1970). Detailed work by the United Nations included ground geophysics and grid soil sampling as well as diamond drilling of airborne electromagnetic (AEM) anomalies (1426m in 14 DDHs). A summary of geological, geophysical and drilling work is included in "Mineral Exploration For Phosphate, Rare Earths, Base Metals And Gold. Final Report" (P Fozzard, 1986). This does not include any information about drilling in Area 33 (Grid 3N - Kazoom Creek) done independently by the Geological Survey.

3. Geophysics

The Morabisi North / Kamawari area was covered by an aeromagnetic survey flown in 1964/65 (Canadian Aero Mineral Services Ltd, 1967), which was interpreted in 1975 by Tyl and Reford of Canadian Aero Services. A small portion of the NE part of the area was also covered by an airborne IMPUT EM conductivity and scintillometer survey flown by Canadian Aero Mineral Surveys in 1964/65 (1966 report). Many of these were followed up and some drilled (Saha 1969), but no significant mineralization was found. None of this work located significant base metal sulphide mineralization. Diamond drilling (Figure 6) of five of the anomalies showed that they most were related to carbonaceous meta-sediment conductors, or to thin pyrite, pyrrhotite and chalcopyrite bands parallel to foliation (Fozzard 1986).

The aeromagnetic data shows distinct areas with magnetic highs, or abrupt magnetic gradients. Metabasic rocks are often magnetic in hand-specimen, but also form distinct topographic highs. Known areas of meta-basic rocks match well with the disturbed / magnetic high areas, though this may be partly due to ground effects. Known areas of Mazaruni Group meta-sediments and Younger Granites correlate with magnetically quiet areas. The Younger basic rocks surprisingly do not form distinct magnetic anomalies, though basalts are normally magnetic, and known basic dykes form distinct topographic features.

4. Regional geology

In general terms, the geology of the Project Area is very similar to that seen in other parts of the Greenstone Belts of Guyana, with the oldest rocks consisting of the Lower Proterozoic Barama-Mazaruni Super-Group, intruded by Younger Granites, and both these units intruded by Younger Basic Rocks.

Bartica assemblage gneisses

The 1:1,000,000 geological map of Guyana produced from 1:250,000 scale compilations by Barron (Walrond, 1987) shows Bartica assemblage in the NW part of the survey area. The only detailed historical map of this portion of the area that we have been able to find is by Hawkes (1960), who shows Bartica assemblage in this area. All outcrop information derived from other authors suggests that within the boundaries of the Project Area, the Bartica assemblage is not present.

Meta-basic rocks

Meta-basalts and meta-gabbros occur in the north and NE of the field area, usually in the areas with higher laterite capped hills. Minor interbedded siliceous meta-sediments and basaltic tuffs are present. In rare cases pillow structures are still recognisable in the meta-basalts. In areas with a higher metamorphic grade, amphibolites appear to be the equivalent of this meta-basic unit.

Meta-volcanics

Meta-cherts and siliceous exhalatives occur both with the meta-basic unit, and more commonly in the meta-volcanic unit. Some quartzites are also considered to be part of this unit. Quartzites appear in some cases to be by recrystallization derived from meta-cherts and high silica-rhyolites. Some carbonate bands were reported (Fozzard 1986) from United Nations diamond drill holes intercalated with meta-volcanics and it is possible that carbonates may be more widespread in this unit.

Meta-sediments

The transition from a unit with predominantly meta-volcanic rocks to meta-sediments is gradual in the Project Area, with an increasing abundance of meta-pelite and meta-greywacke layers. Some polymictic conglomeratic units are also present. Clasts consist of volcanics, pelites and cherts. United Nations INPUT airborne EM conductors can almost all be correlated with lenses of carbonaceous meta-sediments in the upper part of the meta-volcanic unit, or the lower part of the meta-sedimentary unit. UN interpretation of this data suggested that the pattern of folding and faulting was illustrated by the EM data.

Small acid intrusions

United Nations mapping in the NE of the project area identified a generally weakly deformed meta-diorite sill, previously mapped as the Spokane Landing Stock. The age and stratigraphic significance of this unit is not clear; it may be a sub-volcanic sill related to the meta-volcanics, or be younger. The Million Mount Stock is a composite intrusion, varying from granodioritic, dioritic to quartz porphyry. Strong hydrothermal alteration has affected large parts of this intrusion, and obscured any possible metamorphic effects.

Younger granites

Geological information about the Morabisi Batholith in this area is derived from the GGMC Morabisi North – Kamawari Project, A Summary of Geochemistry, Geology and Structure, dated June 2002 and the United Nations work. Outcrops of this unit are generally small, and scattered, and topography is subdued, with large areas of swamp. Previous authors (e.g. Allen 1963), have attempted to separate the Morabisi batholith into separate rock types, but not enough outcrop is present to support this. However enough evidence is present to suggest that this is a composite intrusion.

This rock type, as well as the LCT Type Pegmatites that occur near its contacts with country rocks, are considered the primary source for the lithium, tantalum, niobium, REE and gemstones mineralization within the Project Area, representing the main focus of the project.

Younger basic rocks

These can be divided into two main groups; large doleritic to gabbroic bodies, and small basaltic to doleritic linear dykes. Gibbs and Barron (1993) suggest that the larger intrusions (Avanavero Suite) are older than the small dykes (PAPA dykes – Post Avanavero, pre-Apatoe). Petrologically, there is at least one significant difference, in that only the larger basic intrusions (and not all of these), appear to contain late stage quartz and biotite. In the southern part of the Project Area, the Younger Basic rocks occur as a roughly circular series of dykes enclosing part of the Morabisi Batholith. Rather than being a true ring dyke complex, it is thought that this shape is related to intrusion along faults with a number of different orientations.

This rock type is also closely associated with the presence of LCT Type Pegmatites that represents the primary source for the lithium, tantalum, niobium, REE and gemstones mineralization in the Project Area, representing the main focus of the project.

SCHEDULE 2 – PRO-FORMA BALANCE SHEET

The proforma balance sheet of the Company following completion of the matters contemplated by the Essential Resolutions is set out below.

	UNAUDITED 30 November 2016	COSTS PHASE 1	CONSIDERATION SHARES PHASE 1	PLACEMENT (RESOLUTION 4)	OTHER COSTS	PROFORMA
CURRENT ASSETS						
Cash	2,784,211	-200,000	-	500,000	-50,000	3,034,211
Other current assets	23,603		-	-		23,603
TOTAL CURRENT ASSETS	2,807,814	-200,000	-	500,000	-50,000	3,057,814
NON-CURRENT ASSETS						
Other non-current assets	224,425	200,000	312,500	-	50,000	786,925
TOTAL NON-CURRENT ASSETS	224,425	200,000	312,500	-	50,000	786,925
TOTAL ASSETS	3,032,239	-	312,500	500,000	-	3,844,739
CURRENT LIABILITIES						
Creditors and borrowings	74,694	-	-	-	-	74,694
TOTAL CURRENT LIABILITIES	74,694	-	-	-	-	74,694
TOTAL LIABILITIES	74,694	-	-	-	-	74,694
NET ASSETS (LIABILITIES)	2,957,545	-	312,500	500,000	-	3,770,045
EQUITY					-	
Share capital	67,418,423	-	312,500	500,000	-	68,230,923
Reserves	11,200,477	-	-	-	-	11,200,477
Retained loss	-75,661,355	-	-	-	-	-75,661,355
TOTAL EQUITY	2,957,545	-	312,500	500,000	-	3,770,045

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.022 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 January 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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.

(l) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

