

# Notice of Annual General Meeting

To be held at 11.00am (WST) on Friday 23 November at BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth, Western Australia.

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## IMPORTANT INFORMATION

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*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.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 08 9316 9100.*

### VOTING ELIGIBILITY

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 (WST) on Wednesday, 21 November 2018.

### 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 either lodge your proxy online or complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out in the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two 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.

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## AGENDA

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### ADOPTION OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to shareholders.

To consider, and if thought fit, to pass the following resolution as a **non-binding resolution**:

*“That, for the purpose of section 250R(2) of the Corporations Act approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2018.”*

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

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

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member; and

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

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

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### RESOLUTION 2 –ELECTION OF DIRECTOR – MR BEVAN NIGEL HUGH TARRATT

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Clause 7.3(c) of the Constitution, Mr Bevan Nigel Hugh Tarratt, who was appointed as a casual vacancy on 24 May 2018, retires and being eligible, is elected as a Director.”*

Details of the qualifications and experience of Mr Tarratt and the recommendation of the Board in relation to his election are set out in the accompanying Explanatory Statement.

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### RESOLUTION 3 –ELECTION OF DIRECTOR – MR BRUCE JAMES LANE

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, pursuant to and in accordance with Clause 7.3(c) of the Constitution, Mr Bruce James Lane, who was appointed as a casual vacancy on 24 May 2018, retires and being eligible, is elected as a Director.”*

Details of the qualifications and experience of Mr Lane and the recommendation of the Board in relation to his election are set out in the accompanying Explanatory Statement.

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### RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

*“That, for the purpose of ASX Listing Rule 7.1A, approval is given for the issue of Equity Securities totalling up to 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 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by any person who may participate in the issue of Equity Securities under the Company's 10% Placement Capacity 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 will 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.

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**RESOLUTION 5 – BUY BACK OF MR NEAVES PARTLY PAID SHARES**

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

*“That, pursuant to section 257D of the Corporations Act to approval is given for the terms of the Buy Back Agreement between the Company and Mr Neaves for the selective buy back of 4,725,000 ordinary partly paid shares 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 Mr Neaves or an associate of Mr Neaves. However, the Company will 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.

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**QUESTIONS AND COMMENTS**

Shareholders will be provided the opportunity to ask questions about or make comments on the management of the Company.

**DATED: 22 OCTOBER 2018**

**BY ORDER OF THE BOARD**

**KEVIN HART**

**COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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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 which are the subject of the business of the Meeting to be held at 11.30am on Friday 23 November 2018 at BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth, Western Australia.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

Section 1:	Adoption of Financial Statements and Reports
Section 2:	Resolution 1 - Adoption of Remuneration Report
Section 3:	Resolution 2 - Election of Director – Bevan Nigel Hugh Tarratt
Section :	Resolution 3 - Election of Director – Bruce James Lane
Section 5:	Resolution 4 - Approval of 10% Placement Capacity
Section 6:	Resolution 5 – Buy-Back of Mr Neaves’s Partly Paid Shares

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### 1 ADOPTION OF FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317(1) of the Corporations Act and the Constitution, the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Financial Report;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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

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

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

The Company will not provide a hard copy of the Company’s Annual Financial Report to Shareholders unless specifically requested to do so.

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### 2 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company’s annual general meeting, a resolution that the remuneration report be adopted must be put to Shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors.

The Remuneration Report sets out the Company’s remuneration arrangements for the Directors and Key Management Personnel. The Remuneration Report is part of the Directors’ Report contained in the Annual Financial Report of the Company for a financial year.

The Chair of the Meeting must allow a reasonable opportunity for its Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

## 2.1 VOTING CONSEQUENCES

Pursuant to the Corporations Act, if at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**). If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the Directors who were in office when the Directors' Report (as included in the Company's Financial Report for the previous financial year) was approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors.

## 2.2 PREVIOUS VOTING RESULTS

At the Company's previous annual general meeting, the votes cast against the Remuneration Report considered at that annual general meeting, were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

## 2.3 PROXY VOTING RESTRICTIONS

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

***You must direct your proxy how to vote on this Resolution.*** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):***

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you ***will be expressly authorising the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy:***

You ***do not*** need to direct your proxy how to vote on this Resolution.

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## 3 RESOLUTION 2 – ELECTION OF DIRECTOR – MR BEVAN NIGEL HUGH TARRATT

Mr Bevan Tarratt was appointed as a director and chairman of the Company to fill a casual vacancy on 24 May 2018 and accordingly retires and is seeking re-election.

Resolution 2 is an ordinary resolution.

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

The Directors (excluding Mr Tarratt) support the election of Mr Tarratt to the Board and recommend that Shareholders vote in favour of Resolution 2.

Each Director intends to vote or procure the voting of any Shares (as applicable) held by or controlled by the Director in favour of Resolution 2.

Mr Tarratt has an extensive background in the corporate and financial services industries having worked in various accounting and corporate broking firms for the past 15 years. Mr Tarratt has significant experience in the re-capitalisation, restructuring and acquisition of assets for numerous ASX companies and was a Client Advisor at Pattersons Securities and partner of a venture capital firm.

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#### **4 RESOLUTION 3 – ELECTION OF DIRECTOR – MR BRUCE JAMES LANE**

Mr Bruce Lane was appointed as a director of the Company to fill a casual vacancy on 24 May 2018 and accordingly retires and is seeking re-election.

Resolution 3 is an ordinary resolution.

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

The Directors (excluding Mr Lane) support the election of Mr Lane to the Board and recommend that Shareholders vote in favour of Resolution 3.

Each Director intends to vote or procure the voting of any Shares (as applicable) held by or controlled by the Director in favour of Resolution 3.

Mr Lane has held leadership roles with a number of ASX listed companies and significant blue chip companies in Europe and Australasia. He has experience in a range of industries including resources, consumer and industrial products and venture capital. Mr Lane has successfully managed the acquisition of new assets for a number of ASX listed companies and numerous private and public capital raisings including initial public offerings, mergers and reverse takeovers, via ASX.

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#### **5 RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY**

##### **5.1 GENERAL**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve this Resolution, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of this Resolution will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

##### **5.2 ASX LISTING RULE 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$7.4 million as at 15 October 2018.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: PVD).

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 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; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- 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 issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 5.3 TECHNICAL INFORMATION REQUIRED BY ASX LISTING RULE 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

- (a) The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within five ASX trading days of such date, the date on which the Equity Securities are issued.
- (b) The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:
  - (i) 12 months after the date of this Meeting; and
  - (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

**(10% Placement Capacity Period).**
- (c) Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.015 50% decrease in Issue Price	\$0.03 Current Issue Price	\$0.045 50% increase in Issue Price
261,386,330 (Current)	Shares Issued - 10% voting dilution	26,138,633 Shares	26,138,633 Shares	26,138,633 Shares
	Funds raised	\$392,079	\$784,159	\$1,176,238
392,079,459 (50% increase)	Shares Issued - 10% voting dilution	39,207,946 Shares	39,207,946 Shares	39,207,946 Shares
	Funds raised	\$588,119	\$1,176,238	\$1,764,358
522,772,660 (100% increase)	Shares Issued - 10% voting dilution	52,277,266 Shares	52,277,266 Shares	52,277,266 Shares
	Funds raised	\$784,159	\$1,568,318	\$2,352,477

**The table above uses the following assumptions:**

1. The current shares on issue are the Shares on issue as at 15 October 2018.
2. The current issue price is the closing price of the Shares on ASX on 15 October 2018.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to any other Share issues.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
  - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- (d) The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:
- (i) for cash consideration in which case the Company intends to use funds raised towards the ongoing costs associated with its existing projects or to investigate and acquire additional assets consistent with the Company's strategy. Funds raised may be used to meet cash payments for additional acquisitions, and may also be used to fund subsequent expenditure associated with new acquisitions; or
  - (ii) as non-cash consideration for the acquisition of new projects or otherwise as consideration for services rendered by non-related parties to the Company, where it is considered appropriate by the Board to do so. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- (e) The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;



- (v) prevailing market conditions; and
  - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its 2017 annual general meeting held on 30 November 2017. The Company issued no Shares in the 12 months preceding the date of the General Meeting pursuant to that ASX Listing Rule 7.1A approval.

The total number of Equity Securities issued in the 12 month period is 13,302,726 representing approximately 5.1% of the total number of Equity Securities on issue in the Company 12 months prior to the date of the General Meeting.

Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of the General Meeting are as follows:

Date of Issue	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price on the date of issue	Consideration
5 December 2017	1,302,726	Fully paid ordinary shares <sup>1</sup>	Advantage Management Pty Ltd as nominee for Nathan Lude	issue price: 3.8 cents market price: 5.8 cents discount: 2 cents	In lieu of outstanding director fees.
5 December 2017	12,000,000	Unlisted options exercisable at 6.5 cents expiring 30 November 2019 <sup>2</sup>	Directors	issue price: Nil market price: N/A	Director incentive options.

**Note:**

1. Fully paid ordinary shares in the capital of the Company, ASX Code: PVD (terms are set out in the Constitution).
2. Terms and conditions set out in Appendix A.

- (g) A voting exclusion statement is included in the Notice of Meeting. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

## 6 RESOLUTION 5 – BUY BACK OF MR NEAVES’S SHARES

### 6.1 GENERAL

The Company entered an agreement with former Company Managing Director and current shareholder Mr Damon Andrew Neaves on 17 July 2018 under which the Company agreed to buy back 4,725,000 Partly Paid Shares held by Mr Neaves (**Buy Back Agreement**) for no monetary consideration by way of settlement of the Company’s claim relating to the unpaid balance of the Partly Paid Shares. The terms of the Buy Back Agreement are summarised at 6.3 below.

The buy back of Mr Neaves’ partly paid shares constitutes a selective buy back and it is a requirement of the Corporations Act that the buy back be approved by Shareholders as a special resolution.

### 6.2 CORPORATIONS ACT REQUIREMENTS

Section 257A of the *Corporations Act* provides that a company may buy back its own shares if the:

- (a) Buy back does not materially prejudice the company’s ability to pay its creditors; and
- (b) the company follows the procedures in Division 2 of Part 2J.1.

Section 257D sets out the procedure for a selective buy back of shares and requires that the terms of an agreement for a selective buy back be approved before it is entered into by either:

- (a) a special resolution passed at a general meeting of the company with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or by their associates; or
- (b) unanimous resolution approved by all ordinary shareholders;

or the agreement must be conditional on such an approval.

In the Notice of Meeting circulated to shareholders the Company must set out all information known to the Company that is material to the decision on how to vote on the buy back resolution however the Company does not need to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to its shareholders.

Section 257H(3) provides that immediately after the transfer of the shares bought on a selective buy back the shares are to be cancelled.

### 6.3 TERMS OF THE BUY BACK

The relevant terms of the buy back agreement are as follows:

- (a) the share buy back is subject to shareholder approval.
- (b) Mr Neaves will transfer the Partly Paid Shares to Pura Vida in consideration for Pura Vida releasing Mr Neaves from claims relating to the unpaid balance of the Partly Paid Shares.
- (c) The Shares bought back by the Company will be immediately cancelled.

### 6.4 EFFECT OF BUY BACK

As the Shares bought back by the Company will be immediately cancelled, the proportionate shareholding percentages of the remaining shareholders will increase as a result of the buy back.

There will be no financial effect of the buy back on the Company.

The overall effect of the buy back and cancellation of the partly paid shares on the issued capital of the Company is set out below:

Events	Fully Paid Shares	Partly Paid Shares
Shares on issue as at the date of the notice	261,386,330	10,428,550
Buy back shares subject to buy back and cancellation.	N/A	4,725,000
Shares on issue at completion of buy back.	261,386,330	5,703,550

### 6.5 ADVANTAGES AND DISADVANTAGES OF THE BUY BACK

The Board consider that the advantages of the selective buy back are:

- (a) Costly and time consuming litigation to recover the Partly Paid Shares from Mr Neaves will be avoided;
- (b) The proportionate shareholding for each of the existing shareholders will increase;
- (c) The Partly Paid Shares will be bought back and cancelled for no financial outlay by Pura Vida.

The Board does not consider there are any disadvantages of the buy back.

Accordingly the Directors recommend that Shareholders vote in favour of the resolution.

### 6.6 EFFECT OF THE BUY BACK ON CONTROL OF THE COMPANY

As at the date of this Notice, Mr Neaves holds voting power of approximately a 0.09% interest in the Company.

The buy back and subsequent cancellation of the Partly Paid Shares will cancel Mr Neaves' shareholding.

The buy back of Mr Neaves' Partly paid Shares will cause each other shareholder's voting power in the Company to increase proportionately as a result of the cancellation of Mr Neaves' Partly Paid Shares.

It is not considered that there will be any impact on control of the Company following completion of the buy back.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 5.1.

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

**Article** means an article of the Constitution.

**Auditor's Report** means the auditor's report on the Financial Report.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

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

**Board** means the board of Directors.

**Chair** means the chairperson of the Meeting.

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

**Company** means Pura Vida Energy NL (ACN 150 624 169).

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

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Entity** has the same meaning as in the ASX Listing Rules.

**Equity Security** has the same meaning as in the ASX Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**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.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Partly Paid Share** means a partly paid share in the capital of the Company paid to 1 cent with 19 cents unpaid.

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

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

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

**Shareholder** means a holder of a Share.

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

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## APPENDIX A – TERMS AND CONDITIONS OF OPTIONS


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- (a) The Options will be granted for nil cash consideration.
- (b) Each Option will entitle the Option holder to subscribe for one fully paid ordinary share in the Company.
- (c) The Company will give the Option holder a certificate or holding statement stating the number of Options issued to the Option holder, the exercise price of the Options and the date of issue of the Options.
- (d) The Options will not be listed for quotation on ASX Limited.
- (e) The Company will apply to ASX Limited for official quotation of the shares issued on the exercise of the Option.
- (f) The Option holder is not entitled to participate in any new issue of securities in the Company to existing shareholders by virtue of holding Options alone, unless he has exercised some or all of the Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.
- (g) If the Company makes a bonus issue of shares or other securities to shareholders (except issues in lieu of dividends or by way of dividend reinvestment) and no share has been issued in respect of the Option before the record date for determining entitlements to the bonus issue, then the number of underlying shares over which the Option is exercisable is increased by the number of shares which the Option holder would have received if the Option holder had exercised the Option before the record date for determining entitlements to the bonus issue.
- (h) If the Company makes a pro-rata issue of shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no share has been issued in respect of the Option before the record date for determining entitlements to the pro-rata issue, the exercise price of each Option is reduced in accordance with Listing Rule 6.22.2.
- (i) If there is a reorganisation of the share capital of the Company, then the rights of the Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (j) Any calculations of adjustments which are required to be made will be made by the Company's Board and will, in the absence of manifest error, be final and conclusive, and binding on the Company and the Option holder.
- (k) The Option holder may only exercise Options in multiples of 5,000 Options, unless the Option holder exercises all of the Options held by him.
- (l) The Option holder can only exercise the Options in accordance with the Company's Securities Trading Policy, as amended from time to time.
- (m) To exercise the Options, the Option holder must give the Company or its share registry, at the same time:
  - (i) a written exercise notice in a form approved by the Board which specifies the number of Options being exercised and fully paid ordinary shares to be issued;
  - (ii) subject to clause (n) below, payment of the exercise price for the Shares the subject of the exercise notice in a manner approved by the Company; and
  - (iii) any certificate for the Options.
- (n) In lieu of paying the aggregate Exercise Price to purchase Shares under clause m(ii) above, the Option holder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a Cashless Exercise):
$$S = \frac{EO(SP - EP)}{SP}$$
where:
  - S = the number of Shares (rounded down to the nearest whole number) to be issued to the Option holder pursuant to this clause;
  - EO = the number of Options which the Option holder is entitled to exercise;
  - SP = the fair market value of a Share, which will be the weighted average closing price of Shares on ASX over the five trading days prior to the date of exercise, or if the Company is not listed the fair market value will be the fair value of Shares as determined by the Board (acting reasonably); and
  - EP = the Exercise Price.
- (o) Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors of the Company.
- (p) If the Option holder exercises less than the total number of Options registered in the Option holder's name:
  - (i) the Option holder must surrender the Option certificate (if any);
  - (ii) the Company must cancel the Option certificate (if any) and issue the Option holder a new Option certificate or holding statement stating the number of Options held by the Option holder.
- (q) Within 10 days after receiving an application for exercise of the Options and payment by the Option holder of the exercise price, the Company must issue the Option holder the number of Shares specified in the application.
- (r) Subject to the Company's constitution, ordinary shares issued on the exercise of Options will rank equally with the Company's current issued ordinary shares.
- (s) The Options will not be transferable except with the consent of the Board.

PVD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:

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

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

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

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

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

## Proxy Form

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### Vote and view the annual report online

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



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

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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

 **For your vote to be effective it must be received by 11:00am (WST) Wednesday, 21 November 2018**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions for Postal Forms

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

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

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

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

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

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I/We being a member/s of Pura Vida Energy NL hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pura Vida Energy NL to be held at BGC Conference Centre, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 23 November 2018 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman of the Company.

## STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director - Mr Bevan Nigel Hugh Tarratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Director - Mr Bruce James Lane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Buy back of Mr Neaves Partly Paid Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

PVD

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Computershare +