



Notice of General Meeting and Explanatory Statement

The General Meeting of

ARGO EXPLORATION LIMITED

ACN 120 917 535

*Will be held at
10:00am (AEST) on Thursday, 13 June 2013*

At

Level 4, 100 Albert Road, South Melbourne, Victoria

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

ARGO EXPLORATION LIMITED

ACN 120 917 535

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria 3205

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Members of Argo Exploration Limited ("Argo" or the "Company") will be held at Level 4, 100 Albert Road, South Melbourne, Victoria at 10.00am (AEST) on Thursday, 13 June 2013.

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

ORDINARY BUSINESS

Resolution 1: Approval to Grant Performance Rights to Mr Christopher Martin (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rules, Chapter 2E of the Corporations Act 2001 and all other purposes, approval be given to grant up to 10 million Performance Rights (being a right to acquire up to 10 million fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) to Mr Christopher Martin, or his nominee, a Non-executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting"

Voting Exclusion for Resolution 1:

The Company will disregard any votes cast on the subject resolution by Mr Christopher Martin and/or his associates. However the Company need not disregard a vote if:

- (a) It is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or*
- (b) It is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.*

Resolution 2: Approval to Grant Performance Rights to Mr Justin Hondris (or his nominee)

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

"That pursuant to and in accordance with the ASX Listing Rules, Chapter 2E of the Corporations Act 2001 and all other purposes, approval be given to grant up to 10 million Performance Rights (being a right to acquire up to 10 million fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) to Mr Justin Hondris, or his nominee, a Non-executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting"

Voting Exclusion for Resolution 2:

The Company will disregard any votes cast on the subject resolution by Mr Justin Hondris and/or his associates. However the Company need not disregard a vote if:

- (a) It is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or*
- (b) It is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.*

Resolution 3: Approval to Grant Performance Rights to Mr Andrew Van Der Zwan (or his nominee)

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

“That pursuant to and in accordance with the ASX Listing Rules, Chapter 2E of the Corporations Act 2001 and all other purposes, approval be given to grant up to 10 million Performance Rights (being a right to acquire up to 10 million fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) to Mr Andrew Van Der Zwan, or his nominee, a Non-executive Director of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting”

Voting Exclusion for Resolution 3:

The Company will disregard any votes cast on the subject resolution by Mr Andrew Van Der Zwan and/or his associates. However the Company need not disregard a vote if:

- (a) It is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or*
- (b) It is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.*

Resolution 4: Approval to Grant Performance Rights to Hawthorn Grove Investments Pty Ltd

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

“That pursuant to and in accordance with the ASX Listing Rules and all other purposes, approval be given to grant up to 10 million Performance Rights (being a right to acquire up to 10 million fully paid ordinary shares in the Company subject to satisfaction of relevant performance condition) to Hawthorn Grove Investments Pty Ltd, a Consultant of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting”

Voting Exclusion for Resolution 4:

The Company will disregard any votes cast on the subject resolution by Hawthorn Grove Investments Pty Ltd and/or its associates. However the Company need not disregard a vote if:

- (a) It is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or*
- (b) It is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.*

Resolution 5: Approval to Grant Performance Rights to Ms Melanie Leydin (or her nominee)

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

“That pursuant to and in accordance with the ASX Listing Rules and all other purposes, approval be given to grant up to 1 million Performance Rights (being a right to acquire up to 1 million fully paid ordinary shares in the Company subject to satisfaction of relevant performance condition) to Ms Melanie Leydin, or her nominee, the company secretary and a consultant of the Company, as described in the Explanatory Statement accompanying this Notice of Meeting”

Voting Exclusion for Resolution 5:

The Company will disregard any votes cast on the subject resolution by Ms Melanie Leydin and/or her associates. However the Company need not disregard a vote if:

- (a) It is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or*
- (b) It is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.*

By order of the Board



Melanie Leydin
Company Secretary
Melbourne
10 May 2013

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's proposed General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting.

Resolutions 1, 2 and 3: Approval to Grant Performance Rights to Mr Christopher Martin (or his nominee), Mr Justin Hondris (or his nominee) and Mr Andrew Van Der Zwan (or his nominee)

Background

Resolutions 1, 2 and 3 of this Notice provide for 10,000,000 Performance Rights to be granted to each of Mr Christopher Martin (or his nominee), Mr Justin Hondris (or his nominee) and Mr Andrew Van Der Zwan (or his nominee) on the terms described below.

Performance Rights are proposed to be granted to each of the Company's Directors to align their interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares if certain vesting conditions are met) to the Directors is a cost effective form of remuneration when compared to the payment of cash consideration. The Board has agreed to minimise the cash expenditure during the current period whilst a significant amount of time and effort will be spent reviewing the Company's existing projects and evaluating new projects. The significant reduction of cash expenditure, initiated and stewarded by the new management, will avoid short term capital raising to fund working capital. Capital raisings in the short term will cause substantial dilution to existing shareholders as the market conditions would force the Company to issue shares at prices lower than the current market price.

It should also be noted that the rights will only be granted upon a significant improvement in the market capitalisation of the Company, which will clearly align the interests of all shareholders.

The establishment of an effective performance management system is critical for the Company at this time to ensure that the Company complies with all of its obligations whilst maintaining a focus on future growth opportunities. A key role of the benefactors of this program is to ensure that this objective is achieved. It should be recognised that the achievement of these objectives will be to the benefit of all shareholders, and the conversion of the performance rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate the Directors in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component to Directors that is aligned with Shareholder interests. The Class A Rights are priced at a 95% premium to the 4 month Volume Weighted Average Price ("VWAP") of the Company at the time of printing and a 46% premium to the 30 day VWAP. The premiums for Class B, C and D Rights range from 175%-450% and 110%-320% on the same basis.

Terms of Performance Rights

Resolutions 1, 2 and 3 of this Notice provide for 10,000,000 Performance Rights to be granted to each of Mr Christopher Martin (or his nominee), Mr Justin Hondris (or his nominee) and Mr Andrew Van Der Zwan (or his nominee) on the following basis:

- 2,000,000 Class A Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.035 per share
- 2,000,000 Class B Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.05 per share
- 3,000,000 Class C Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.075 per share
- 3,000,000 Class D Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.10 per share

Upon vesting the Performance Rights will be automatically exercised and the holder will be issued 1 Share for each Performance Right that has vested. The Performance Rights will lapse if not exercised within 5 years of the date of grant. They will also lapse (if not already exercised) if the holder acts fraudulently, dishonestly or willfully breaches his duties to the Company.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

Approval for the grant of the Performance Rights is sought in accordance with ASX Listing Rule 10.11 and the provisions of Part 2E of the *Corporations Act 2001*.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including Performance Rights) to a related party of the Company.

If Resolutions 1, 2 and 3 are passed, Performance Rights will be granted to the Directors of the Company, who are related parties of the Company. Accordingly, approval for the grant of these performance rights is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Performance rights to the named Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, Shareholders should note that the grant of securities to the Directors will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 1, 2 and 3:

- (a) the related parties are Mr Christopher Martin, Mr Justin Hondris and Mr Andrew Van Der Zwan and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Performance Rights to be granted by the Company is 30,000,000 Performance Rights (with 10,000,000 Performance Rights to be granted to each of Mr Christopher Martin, Mr Justin Hondris and Mr Andrew Van Der Zwan);
- (c) the Performance Rights will be granted not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the grant will occur on one date;
- (d) the Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised from the grant of the Performance Rights. Furthermore, no cash will be payable at the time the vesting conditions are met (if met) and the Performance Rights are automatically exercised;
- (e) the Performance Rights will be granted on and subject to the terms described above.

Chapter 2E of the Corporations Act 2001

Chapter 2E of the *Corporations Act 2001* prohibits a public company from giving a financial benefit to a related party of a public company unless either:

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- prior Shareholder approval is obtained to the giving of the financial benefit.

A "related party" for the purposes of the *Corporations Act 2001* is defined widely and includes a director of the public company.

A "financial benefit" for the purposes of the *Corporations Act 2001* also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Resolutions 1, 2 and 3, if passed, will confer financial benefits to related parties as such the Company seeks to obtain shareholder approval in accordance with the requirements of Chapter 2E of the *Corporations Act 2001*. The following disclosures are made for the purposes of Chapter 2E (in particular section 219) in addition to the disclosures made above.

(a) Related parties to whom Resolutions 1, 2 and 3 would permit financial benefits to be given

Mr Christopher Martin, Mr Justin Hondris and Mr Andrew Van Der Zwan each being Directors of the Company would receive a financial benefit if Resolutions 1, 2 and 3 are passed.

(b) Nature of the Financial Benefits

The nature of the financial benefits which may be obtained is the right to receive the Performance Rights that are the subject of Resolutions 1 to 3 (described above).

A valuation of the Performance Rights that are the subject of Resolutions 1 to 3 was conducted by independent valuer SLM Corporate Pty Ltd as at 9 April 2013. Their valuation was prepared in accordance with Australian Accounting Standards (AASB2) 'Share Based Payments'. Based on that valuation, the 30 million Performance Rights to be granted pursuant to Resolutions 1 to 3 were attributed a total value of \$502,200. The valuation was undertaken using the Binomial pricing model subject to the following parameters:

	Class A Right	Class B Right	Class C Right	Class D Right
Vesting Condition	Share price \geq 5 day VWAP of \$0.035	Share price \geq 5 day VWAP of \$0.05	Share price \geq 5 day VWAP of \$0.075	Share price \geq 5 day VWAP of \$0.10
Expected Life	5 years	5 years	5 years	5 years
Risk-Free Rate¹	3.47%	3.47%	3.47%	3.47%
Volatility²	117.79%	117.79%	117.79%	117.79%
Value per Performance Right	\$0.0192	\$0.0180	\$0.0158	\$0.0152

¹ 5 year Bank Bill Swap Rate as at 8 April 2013

² the Company's two year historic volatility up to 9 April 2013

Based on the valuation conducted by SLM Corporate as at 9 April 2013 the estimated total value of the Performance Rights to be granted to each of Mr Christopher Martin, Mr Justin Hondris and Mr Andrew Van Der Zwan is as follows:

Performance Rights	No. of Performance Rights	Value per Performance Right	Binomial Valuation
Class A Rights	2,000,000	\$0.0192	\$38,400
Class B Rights	2,000,000	\$0.0180	\$36,000
Class C Rights	3,000,000	\$0.0158	\$47,400
Class D Rights	3,000,000	\$0.0152	\$45,600
	10,000,000		\$167,400

The valuation of the Performance Rights is an assessment of the value inherent in the performance rights. To the extent that time progresses and the share price changes over time, the value inherent in the Performance Rights will also change. Consequently, the value created in the Performance Right holder will not necessarily equate to the valuation set out herein. It will be a reflection of the difference between the share price at the date chosen and the exercise price, and other factors such as the inability to obtain the relative fully paid ordinary shares or realise the value in the resulting shares due to any limitation of trading periods, will also impact on value.

Details of the Directors' current annual remuneration packages are set out in the below table.

Director	Remuneration	Remuneration paid for the current financial year
Mr Christopher Martin	\$45,000	\$44,000 ¹
Mr Andrew Van Der Zwan	\$60,000	-
Mr Justin Hondris	\$45,000	\$28,000

¹ Amounts paid to Mr Christopher Martin were in respect to consulting fees provided during the financial year.

(c) Director's Recommendations and Interests

The *Corporations Act 2001* requires in Section 219, inter alia, that, in relation to each Director of the Company the following must be disclosed:

- (a) if the Director wanted to make a recommendation to shareholders about the proposed resolution(s)—the recommendation and his or her reasons for it; or
- (b) if not—why not; or
- (c) if the Director was not available to consider the proposed resolution—why not.

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 1 to 3 because they have a material personal interest in the outcome of those resolutions in that they will receive Performance Rights if those resolutions are passed. Consistent with ASIC guidance, the Directors consider it good practice not to make a recommendation on resolutions for other Director's remuneration as there may be a conflict of interest.

Each Director was present and voted at the Board meeting when the grant of the Performance Rights the subject of Resolutions 1 to 3 was approved. The Board's decision to grant the Performance Rights to Directors was made subject to Shareholder approval being sought under Chapter 10 of the ASX Listing Rules and Chapter 2E of the *Corporations Act 2001*.

Details of the Directors' current holdings of shares and options are set out in the table below.

Director	Ordinary Shares	Options
Mr Christopher Martin	10,820,000 (indirect)	Nil
Mr Andrew Van Der Zwan.	5,000,000 (indirect)	Nil
Mr Justin Hondris	3,400,000 (indirect)	Nil

(d) All Information Reasonably Required

If all of the Performance Rights vest then the Company will be required to issue Shares which will have a dilutionary impact. Based on the following assumptions:

- no more Shares are issued by the Company;
- Resolutions 1 to 5 are passed; and
- all the vesting conditions attaching to the Performance Rights granted pursuant to Resolutions 1 to 5 are satisfied,

the Company's issued share capital will increase by 41 million Shares which equates to an increase of approximately 33% of the Company's issued capital as at 16 April 2013.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

Other than the information specified in this Explanatory Memorandum, the Directors are not aware of any other information that would be reasonably required by the Shareholders in order to decide whether it is in the best interests of the Company to pass Resolutions 1 to 3.

Resolution 4: Approval to Grant Performance Rights to Hawthorn Grove Investments Pty Ltd

Hawthorn Grove Investments Pty Ltd is being granted Performance Rights in lieu of payment for consulting fees in relation to the provision of the following services:

- Identifying prospective value adding corporate opportunities;
- New project generation for review;
- Assistance with due diligence on any new projects;
- Identifying prospective funds and investors for potential capital raisings;
- Working with the Company to manage allocations; and
- Collection of funds and documentation.

The commercial value of the overall services to be delivered is expected to be significantly greater than the value of \$167,400 attributed by SLM Corporate Pty Ltd (as detailed earlier in this Explanatory Statement) to the Performance Rights.

Resolution 4 of this Notice provides for the grant of Performance Rights to Hawthorn Grove Investments Pty Ltd.

The resolution, if passed, will approve the grant of a total of 10,000,000 Performance Rights on the following basis:

- 2,000,000 Class A Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.035 per share
- 2,000,000 Class B Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.05 per share
- 3,000,000 Class C Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.075 per share
- 3,000,000 Class D Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.10 per share

Upon vesting the Performance Rights will be automatically exercised and the holder will be issued 1 Share for each Performance Right that has vested. The Performance Rights will lapse if not exercised within 5 years of the date of grant.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

Approval for the grant of the Performance Rights is sought in accordance with the ASX Listing Rules noted below.

ASX Listing Rule 7.1 provides that a company must not, subject to certain 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 a performance right), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

By obtaining Shareholder approval for the grant of the Performance Rights the subject of the Resolution, the Company retains the ability to issue 15% of its capital to take advantage of any future capital raising opportunities.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) the maximum number of Performance Rights to be granted by the Company is 10,000,000 Performance Rights;
- (b) the Performance Rights will be granted within 3 months of the date of the General Meeting (or such later date as is permitted by an ASX waiver or the ASX Listing Rules);
- (c) the Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised from the grant of the Performance Rights. Furthermore, no cash will be payable at the time the vesting conditions are met (if met) and the Performance Rights are automatically exercised;
- (d) the Performance Rights and subsequent fully paid ordinary shares, if vesting conditions are met, will be granted and issued to Hawthorn Grove Investments Pty Ltd; and
- (e) the Performance Rights will be granted on and subject to the terms described above.

Resolution 5: Approval to Grant Performance Rights to Ms Melanie Leydin (or her nominee)

Ms Melanie Leydin is being granted Performance Rights in lieu of cash for the services related to the consolidation of business activities and accounting activities necessary to restructure of the Board. The Directors believe that in an effort to conserve cash reserves and not pay for any additional work to be carried out, that the performance rights proposed to be issued to Ms Leydin, or her nominee, align her objectives with the interests of Shareholders.

The commercial value of the overall services to be delivered is expected to be significantly greater than the value of \$16,740 attributed by SLM Corporate Pty Ltd (as detailed earlier in this Explanatory Statement) to the Performance Rights.

Resolution 5 of this Notice provides for the grant of Performance Rights to Ms Melanie Leydin (or her nominee).

The resolution, if passed, will approve the grant of a total of 1,000,000 Performance Rights on the following basis:

- 200,000 Class A Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.035 per share
- 200,000 Class B Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.05 per share
- 300,000 Class C Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.075 per share
- 300,000 Class D Rights which vest where the Company's share price is equal to or greater than a 5 day VWAP of \$0.10 per share

Upon vesting, the Performance Rights will be automatically exercised and the holder will be issued 1 Share for each Performance Right that has vested. The Performance Rights will lapse if not exercised within 5 years of the date of grant.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

Approval for the grant of the Performance Rights is sought in accordance with the ASX Listing Rules noted below.

ASX Listing Rule 7.1 provides that a company must not, subject to certain 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 a performance right), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

By obtaining Shareholder approval for the grant of the Performance Rights the subject of the Resolution, the Company retains the ability to issue 15% of its capital to take advantage of any future capital raising opportunities.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) the maximum number of Performance Rights to be granted by the Company is 1,000,000 Performance Rights;
- (b) the Performance Rights will be granted within 3 months of the date of the General Meeting (or such later date as is permitted by an ASX waiver or the ASX Listing Rules);
- (c) the Performance Rights will be granted for nil cash consideration accordingly no funds will be raised from the grant of the Performance Rights. Furthermore, no cash will be payable at the time the vesting conditions are met (if met) and the performance rights are automatically exercised;
- (d) the Performance Rights and subsequent fully paid ordinary shares, if vesting conditions are met, will be granted and issued to Ms Melanie Leydin (or her nominee);
- (e) the Performance Rights will be granted on and subject to the terms described above.

ANNEXURE A

Performance Rights Terms

The terms of the Performance Rights are set out below:

- Each Performance Right gives the recipient the right to acquire one Share.
- The Performance Rights will have a maximum life of 5 years, such that if they are not exercised before the 5th anniversary of their grant (Expiry Date) they will lapse.
- The issue price for each Performance Right is \$Nil and no amount will be payable on the exercise of a Performance Right.
- Shares issued on exercise of the Performance Rights will rank equally with all existing Shares from the date of issue. The Company will apply for quotation of the Shares issued on the exercise of each Performance Right.
- The Performance Rights are transferrable with the prior consent of the Board.
- The vesting of the Performance Rights will be conditional on the satisfaction of the following share price hurdles:
 - **Class A Rights** – will vest where the Company's share price is equal to or greater than a 5 day Volume Weighted Average Price of \$0.035 per share
 - **Class B Rights** – will vest where the Company's share price is equal to or greater than a 5 day Volume Weighted Average Price of \$0.05 per share
 - **Class C Rights** – will vest where the Company's share price is equal to or greater than a 5 day Volume Weighted Average Price of \$0.075 per share
 - **Class D Rights** – will vest where the Company's share price is equal to or greater than a 5 day Volume Weighted Average Price of \$0.10 per share
- When a Performance Right vests, the Company will issue a vesting notification to the holder of the Performance Right, after which the vested Performance Rights will be automatically exercised within a period specified by the Board.
- Lapsing Conditions: Unless otherwise determined by the Board in its sole and absolute discretion, any vested Performance Rights will lapse on the earlier of:
 - where a participant has acted fraudulently, dishonestly or willfully breaching their duties to the Company; or
 - the Expiry Date.
- The granting of the Performance Rights includes a requirement for each of the Directors and consultants to be either employed or engaged with the Company for a continuous period of 3 months from the date of grant.
- Performance Rights do not give holders any right to participate in new issues of securities in the Company made to Shareholders generally or to participate in dividends unless the Performance Rights are exercised and the resultant Shares are issued prior to the record date to determine entitlements to the securities or dividend (as applicable).
- Performance Rights do not give holders any right to vote.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - the number of Performance Rights will be reconstructed (as appropriate) in a manner consistent with the Listing Rules but with the intention that such reconstruction will not result in any benefits being conferred on the Performance Right holder which are not conferred on Shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Performance Rights will remain unchanged.
- If there is a change in control event in relation to the Company (eg, a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Board may determine, that some or all unvested Performance Rights will vest and be automatically exercised.

Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited or the Australian Securities Exchange, as the context requires;

“**AEST**” means Australian Eastern Standard Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Company**” means Argo Exploration Limited ABN 38 120 917 535;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Share**” means a fully paid ordinary share in the Company.

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 pm (AEST) on the date 48 hours before the date of the General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Advanced Share Registry Ltd in accordance with the instructions set out in the proxy form by no later than 10:00 am (AEST) on 11 June 2013.

ARGO EXPLORATION LIMITED

Appointment of proxy

If you propose to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

All Registry communication to:
Advanced Share Registry Ltd

150 Stirling Highway
Nedlands WA 6009

PO Box 1156

Nedlands WA 6909

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

Website: www.advancedshare.com.au
www.argoexploration.com.au

I/We being a member(s) of ARGO EXPLORATION LIMITED ABN 38 120 917 535 and entitled to attend and vote hereby appoint.

A the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at 10.00am (AEST) on Thursday, 13 June 2013 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's registered office no later than 48 hours before the meeting.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 1, 2, 3, 4 and 5.

If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies IN FAVOUR of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert in the appropriate box below.

		For	Against	Abstain*
Resolution 1	Approval to Grant Performance Rights to Mr Christopher Martin (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Grant Performance Rights to Mr Justin Hondris (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Grant Performance Rights to Mr Andrew Van Der Zwan (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Grant Performance Rights to Hawthorn Grove Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Grant Performance Rights to Ms Melanie Leydin (or her nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

B PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Securityholder 1 (individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (individual)

Director

Contact Name

Contact Daytime Telephone or Email

Date

Proxy Instructions

Generally

A shareholder entitled to attend and vote at the General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: 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) 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.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the Company so that it is received no later than 10.00am (AEST), 11 June 2013.

Documents may be lodged:

IN PERSON Share Registry – Advanced Share Registry, 150 Stirling Highway Nedlands WA 6009, Australia

BY MAIL Share Registry – Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia

BY FAX +61 8 9389 7871

Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.