Notice of Meeting and Explanatory Statement

Contango MicroCap Limited
ACN 107 617 381

Date:	Thursday 10 November 2016
Time:	12.00pm – midday - (Melbourne time)
Location:	RACV City Club Level 2, 501 Bourke Street, Melbourne, VIC 3000

2016 Annual Report

A copy of the Company's 2016 Annual Report (including the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2016), together with the Company's ASX announcement, media release and investor pack relevant to the financial performance of the Company for the financial year ended 30 June 2016, is accessible on the Company's website at the following address: www.contango.com.au

As permitted by the *Corporations Act 2001* (Cth), a printed copy of the 2016 Annual Report has been sent only to those Shareholders who have elected to receive a printed copy.

7 October 2016

Dear Shareholder

Attached to this letter is the Notice of Meeting and Explanatory Statement for the 2016 Annual General Meeting (**AGM** or **Meeting**) of Contango MicroCap Limited (Company).

The AGM will be held on 10 November 2016 at 12.00pm (Melbourne time) at the RACV City Club, 501 Bourke Street, Melbourne, Victoria. The business of the Meeting will be to:

- receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2016;
- adoption of the Remuneration Report
- the appointment of Alistair Drummond as a Non-executive Director ; and
- the re-election of Mr Mark Kerr as a Non-executive Director.

You are urged to consider carefully the Notice of Meeting and Explanatory Statement before determining how you wish to vote on the resolutions.

If you cannot attend the Meeting, please complete the enclosed proxy form and return it to the Company's share registry as soon as possible and in any event by no later than 12.00pm (Melbourne time) on 08 November 2016.

Yours sincerely

Mark Kerr

Mark Kerr
Chairman

Key dates

Latest time and date for lodgement of completed proxy form	**12.00pm (Melbourne time) on 8 November 2016**
Time and date for determining eligibility to vote at Meeting	**7.00pm (Melbourne time) on 8 November 2016**
Time and date of Meeting	**12.00pm (Melbourne time) on 10 November 2016**

Contango MicroCap Limited

ACN 107 617 381

Notice of Meeting

Notice is given that a meeting of the members of Contango MicroCap Limited (**Company**) will be held on 10 November 2016 at 12.00pm (Melbourne time) at the RACV City Club, 501 Bourke Street, Melbourne, Victoria 3000 (**Meeting**).

Information on the business to be considered at the Meeting is contained in the Explanatory Statement, which should be read together with and forms part of this Notice of Meeting.

Please read this Notice of Meeting carefully and, if applicable, consider directing your proxy on how to vote on each Resolution by marking the appropriate box on the enclosed proxy form. Shareholders who intend to appoint the Chairman as proxy (including appointment by default) should have regard to the Proxy and Voting Instructions included in this document.

Business

1. Financial statements and reports

To receive and consider the Financial Statements of the Company for the year ended 30 June 2016, including:

(a) the Directors' Report; and

(b) the Auditor's Report.

2. Adoption of Remuneration Report - Resolution 1

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

That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Remuneration Report, as included in the Directors' Report of the Company for the year ended 30 June 2016, be adopted.

Voting Exclusion and Restriction Statement

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast (in any capacity) in respect of Resolution 1 by or on behalf of:

- a member of KMP, the details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2016; and
- a Closely Related Party of such a member of KMP.

However, the Company will not disregard a vote cast in respect of Resolution 1 by a member of KMP or a Closely Related Party of such a member of KMP if it is cast as a proxy and:

- it is not cast on behalf of a member of KMP or a Closely Related Party of a member of KMP;

and either:

- the proxy is appointed in writing and specifies how the proxy is to vote on Resolution 1; or
- the proxy is the chairperson of the Meeting and the appointment of the chairperson as the proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

Shareholders who intend to appoint the Chairman as proxy (including appointment by default) should have regard to the Proxy and Voting Instructions included in this document.

3. Appointment of Non-executive Director - Resolution 2

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

That Mr Alistair Drummond, in accordance with the Company's constitution and, being eligible for election, be elected as a Non-executive Director.

4. Re-election of Director - Resolution 3

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

That Mr Mark Kerr, a Director retiring in accordance with the Company's constitution and, being eligible for re-election, be re-elected as a Non-executive Director.

By Order of the Board
Glenn Fowles
Company Secretary
Dated: 7 October 2016

Important notices

Voting and Proxy Instructions

Quorum

The Constitution provides that a quorum for the Meeting is two Shareholders.

Voting entitlement

For the purposes of the Meeting and in accordance with section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the Shareholders entitled to attend and vote at the Meeting will be those persons who are recorded on the Company's register of Shareholders at 7.00pm (Melbourne time) on 8 November 2016. Share transfers registered after that time will be disregarded in determining the Shareholders entitled to attend and vote at the Meeting.

On a poll, Shareholders will have one vote for every Share held. Holders of options, if any, are not entitled to vote. In the case of joint holders of Shares, if more than one holder votes at any meeting, only the vote of the first named of the joint holders in the Company's register of Shareholders will be counted.

Majority required for Resolutions

- Each Resolution will be passed if at least 50% of the votes cast on that Resolution (either in person, proxy, attorney or by corporate representative) are in favour of that Resolution.

Proxies

- Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint:
  - 1 proxy (if the Shareholder is entitled to one vote); or
  - 1 or 2 proxies (if the Shareholder is entitled to more than one vote).
- The person or persons appointed may, but need not necessarily be, a Shareholder.
  - Where 2 proxies are appointed, each proxy should be appointed to represent a specified portion or number of the Shareholder's voting rights (failing which each appointee will be entitled to cast half the Shareholder's votes, in which case any fraction of votes will be disregarded).
  - Where a Shareholder appoints 2 proxies, on a show of hands, neither proxy may vote if more than 1 proxy attends and, on a poll, each proxy may only exercise votes in respect of those Shares or voting rights the proxy represents.
- The proxy form must be signed by the Shareholder (or, in the case of a joint holding, by each joint holder) or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.
- If a Proxy Form is signed under a power of attorney on behalf of a shareholder, then either the original power of attorney, or a certified copy of it, must be lodged with the Proxy Form (before the deadline for appointment of proxies), unless the power of attorney has already been sighted by the Company's Share Registry.
- A proxy may decide whether or not to vote on any item of business or other motion at the meeting, except where the proxy is required by law or the Company's constitution to vote or abstain from voting in their capacity as proxy. If the proxy's appointment directs the proxy how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If the proxy's appointment does not direct the proxy how to vote on an item of business or any other motion at the meeting, the proxy may vote as he or she thinks fit on that item or motion.
- If the same person (such as the chair of the meeting) is appointed as proxy for two or more shareholders and those shareholders have specified different ways for the proxy to vote on an item of business, then the proxy is not entitled to vote (as proxy) on a show of hands on that item.
- The appointment of 1 or more proxies will not preclude a Shareholder from attending the Meeting and voting personally. If the Shareholder votes on a Resolution, the proxy or proxies must not vote as the Shareholder's proxy on that Resolution.
- Proxies may be appointed using the enclosed Proxy Form. Detailed instructions for appointing a proxy are provided on the back of the Proxy Form.

Proxy appointments (and any necessary supporting document) must be received by the Company no later than **48 hours before the commencement of the AGM**. Proxies received after this deadline will **not** be effective for the scheduled meeting.

Proxy appointments may be lodged in any of the following ways:

By mail to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001

By facsimile to:

Computershare Investor Services Pty Ltd
(within Australia) - 1800 783 447
(outside Australia) - +61 3 9473 2555

Online:

By visiting www.investorvote.com.au and following the instructions and information provided on the enclosed proxy form

Custodian voting:

For Intermediary Online subscribers only (custodians), please visit www.intermediaryonline.com to submit your voting intentions.

Appointment of corporate representatives

- A body corporate that is a Shareholder of the Company and is entitled to attend and vote at the meeting, or that has been appointed as proxy of a Shareholder entitled to attend and vote at the meeting, may appoint an individual to act as its representative at the meeting. The appointment must comply with section 250D of the *Corporations Act 2001* (Cth). The representative must bring to the meeting adequate evidence of his or her appointment, including any authority under which the appointment is signed, unless that evidence has previously been provided to the Company's Share Registry.

Appointing the chairperson of the meeting as your proxy

- The proxy form accompanying this notice of meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the chairperson of the meeting as his or her proxy. You should read those instructions carefully.
- By appointing the chairperson of the meeting as your proxy in relation to Resolution 1, you expressly authorise the chairperson to vote in favour of Resolution 1 unless:
  - you expressly authorise the chairperson to vote against or abstain from voting on the resolution; or
  - you are a member of KMP (whose remuneration details are included in the Remuneration Report for the year ended 30 June 2016), or a closely related party of such a member of KMP.
- The chairperson intends to exercise all available proxies by voting in favour of all Resolutions on the Notice of Meeting.
- If you do not wish to give the chairperson of the Meeting such a directed proxy, you should ensure that a box other than the 'For' box is clearly marked against each of the Resolutions in the proxy form.

Undirected proxies

- If you return your proxy form but do not nominate a proxy, the Chairman will be your proxy and will vote on your behalf as you direct on the proxy form. If your nominated representative does not attend the Meeting then your proxy will revert to the Chairman and he will vote on your behalf as you direct on the proxy form.
- If a proxy is not directed how to vote on an item of business or any Resolution, the proxy (including, if applicable, the Chairman) may vote, or abstain from voting, as he/she thinks fit.
- If you appoint the Chairman as your proxy (including appointment by default) and do not direct him how to vote on a Resolution, he will vote your proxy in favour of the item of business even if the Chairman has an interest in the outcome of that Resolution and votes cast by the Chairman, other than as proxy holder, would be disregarded because of his interest.

Questions and comments from shareholders

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders – as a whole - to ask questions about, or make comments on, the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to Shareholders – as a whole – to ask the Company's external auditor, Pitcher Partners, questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to the Company or to Pitcher Partners via the Company (if the question is relevant to the content of the Audit Report or the conduct of its audit of the Company's Financial Report for the year ended 30 June 2016) in advance of the Meeting. Questions may be submitted:

- by mail to the Company Secretary, Contango MicroCap Limited, Level 27, 35 Collins Street, Melbourne Vic 3000; or
- by email to gfowles@contango.com.au,

and must be submitted no later than 5 business days before the Annual General Meeting.

Questions should relate to matters that are relevant to the business of the meeting, as outlined in the Notice and the enclosed Explanatory Statement. A list of the written questions will be made available to Shareholders attending the AGM.

Questions will be collated and, during the meeting, the Chairman will seek to address as many of the more frequently raised topics as possible and, where appropriate, will give a representative of the Company's auditor, Pitcher Partners, the opportunity to answer, or to table answers to, written questions submitted to the auditor. If written answers are tabled at the AGM, they will be made available to Shareholders (on the Company's website) as soon as practicable after the AGM.

If there is not sufficient time available at the meeting to address all topics raised, the Company will endeavour to provide a subsequent written answer to each question submitted. The Company cannot guarantee that an individual response will be sent to each Shareholder.

Explanatory Statement

Please read the enclosed Explanatory Statement for an explanation of the items of business set out in the Notice.

Definitions

Words that are defined in the Glossary have the same meaning when used in the Notice unless the context requires or the definitions in the Glossary provide otherwise.

Recent amendments

Amendments made to the Corporations Act in 2011 and 2012 apply to proxy voting. Shareholders and their proxies should be aware of these changes to the Corporations Act as they will apply to the Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed (this requirement has been strengthened); and
- any directed proxies which are not voted will automatically default to the chairperson of the Meeting, who must vote the proxies as directed.

More detail on these changes is provided below.

Proxy vote if appointment specifies way to vote

Section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does vote, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on a resolution – the proxy must not vote on a show of hands;

- if the proxy is the chairperson of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chairperson of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances
Section 250BC of the Corporations Act provides that, if

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's shareholders; and
- the appointed proxy is not the chairperson of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

either of the following applies:

- the proxy is not recorded as attending the meeting; or
- the proxy does not vote on the resolution,

the chairperson of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Electronic Annual Reports

In accordance with the Corporations Act, and in the interests of maximum efficiency and reducing costs, the Company is providing printed copies of its 2016 Annual Report only to those Shareholders who have specifically made this request. For all other Shareholders, an electronic copy of the Company's 2016 Annual Report, together with the Company's ASX announcement, media release and investor pack relevant to the financial performance of the Company for the year ended 30 June 2016 is available on the Company's website – www.contango.com.au.

By Order of the Board
Glenn Fowles
Company Secretary
Dated: 7 October 2016

Contango MicroCap Limited

ACN 107 617 381

Explanatory Statement

1. Introduction

This Explanatory Statement has been prepared to assist Shareholders in understanding the business and Resolutions set out in the Notice of Meeting.

This Explanatory Statement accompanies and forms part of the Notice of Meeting and should be read by Shareholders in conjunction with the Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Statement before making any decisions in relation to the Resolutions. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

2. Purpose of Meeting

The business of the Meeting is to:

(a) receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2016; and

(b) approve the Resolutions required for the Company to:

- adopt the Remuneration Report (as included in the Directors' Report);
- appoint Alistair Drummond as a Non-executive Director; and
- re-elect Mr Mark Kerr as a Non-executive Director.

3. Glossary

In this document, unless the context otherwise requires, the following terms will have the following meanings:

ASIC means the Australian Securities and Investments Commission.

ASX means, as the case requires, ASX Limited or the Australian Securities Exchange.

ASX Listing Rules means the listing rules of ASX.

Chairman means Mark Kerr, the chairman of the Board of Company.

Company means Contango MicroCap Limited ACN 107 617 381.

Constitution means the constitution of the Company as amended from time to time.

Contango Group means the Company and entities controlled by the Company.

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time.

Corporations Regulations means the Corporations Regulations 2001.

Directors means the directors of the Company.

Explanatory Statement means this explanatory statement (as amended or supplemented from time to time) annexed to and forming part of the Notice of Meeting.

Meeting means the annual general meeting of Shareholders to be held on 10 November 2016 at 12.00pm (Melbourne time) at the RACV, 501 Bourke Street, Melbourne, Victoria.

Notice of Meeting or **Notice** means the notice of meeting convening the Meeting.

Resolutions means the resolutions set out in the Notice of Meeting and explained in the Explanatory Statement and **Resolution** means any one of the Resolutions.

Shareholders means holders of the Shares and **Shareholder** means any one of those Shareholders.

Shares means the fully paid ordinary shares in the capital of the Company and **Share** means any one of those Shares.

4. Financial Statements and Reports

The Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2016 form part of the Company's 2016 Annual Report. The Company's 2016 Annual Report, including the Remuneration Report, is available to access and download from:

http://contango.com.au/listed-companies/contango-microcap-limited/

Shareholders who have requested a printed copy of the Company's 2016 Annual Report will receive a copy by post. If you would like to receive a printed copy of the Company's 2016 Annual Report free of charge, you can contact the Company's share registry on 1300 850 505.

There is no requirement for Shareholders to approve the Financial Statements, Directors' Report and Auditor's Report. Therefore, Shareholders will not be asked to vote on this item of business.

During the discussion of this item, Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, those reports and on the business, operations and management of the Company generally.

A representative of the Company's auditor, Pitcher Partners, will be present at the meeting. During this item, Shareholders will also be given a reasonable opportunity to ask Pitcher Partners' representative questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. Shareholders may also submit a written question to Pitcher Partners if the question is relevant to the content of the auditor's report for the financial year ended 30 June 2016 or the conduct of the audit of the financial report for that year.

Written questions for the auditor must be received by the Company by no later than 5 business days before the date of the Meeting. During this item, Pitcher Partners will be given the opportunity to answer, or to table written answers to, any relevant written questions received by that date.

Shareholders are also invited to submit written questions to the Company in advance of the Meeting. Where appropriate, and practical to do so, the Company will provide answers to any such written questions at the Meeting.

5. Resolution 1 – Adoption of Remuneration Report

The Directors' Report for the year ended 30 June 2016 contains a Remuneration Report which sets out the policies of the Company for and applicable to the remuneration of its officers and senior employees.

The contents of the Remuneration Report include (among other things):

- discussion of the Board's policy in relation to the nature and level of remuneration of the key management personnel of the Company;
- if applicable, information about the performance conditions applicable to the incentive components of the remuneration of certain senior executives; and
- the required details of the remuneration provided to the key management personnel (including the executive and non-executive directors) and certain other senior executives of the Company for the year ended 30 June 2016.

While the Corporations Act (section 250R(2)) requires a listed company put a resolution to its members at its annual general meeting that its Remuneration Report be adopted, the Corporations Act expressly provides that the vote on any such resolution is advisory only and does not bind the directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on the Resolution at the 2016 Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the 2016 Meeting, the Company's Remuneration Report for the financial year ending 30 June 2017 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and

- if subsequently, at the Company's 2017 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for that financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2017 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2016 and is made in accordance with a unanimous resolution of the Directors. While noting that each Director has a personal interest in his remuneration, as described in the Remuneration Report, the Board unanimously recommends that the Shareholders vote in favour of adopting the Remuneration Report.

Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

6. Resolution 2 - Appointment of Non-executive Director

On 29 July 2016, the Company made an announcement to ASX of Mr Drummond's appointment to the Board in a non-executive Director capacity. This appointment requires shareholder approval at this meeting. Details of the experience, skills and other qualifications and special responsibilities of Mr Alistair Drummond are set out in the Directors' Report of the 2016 Annual Report.

The non-candidate Directors unanimously support the appointment of Mr Alistair Drummond.

7. Resolution 3 - Re-election of Director

Mr Mark Kerr retires from office as a Non-executive Director (by rotation in accordance with the Constitution) at the Meeting. As Mr Mark Kerr is eligible for re-election, he offers himself for re-election as a Non-executive Director. Details of the experience, skills and other qualifications and special responsibilities of Mr Mark Kerr are set out in the Directors' Report of the 2016 Annual Report.

The non-candidate Directors unanimously support the re-election of Mr Mark Kerr.

8. Further information

a. No other material information

Except as set out in this document, in the opinion of the Directors, there is no other information material to the making of a decision on how to vote in relation to the Resolutions, being information that is within the knowledge of any Director or related body corporate of the Company which has not been previously disclosed to Shareholders.

The Company will issue a supplementary document to the Explanatory Statement if it becomes aware of any of the following between the date this document is provided to ASX and the date the Meeting is held:

- a material statement in the Explanatory Statement becomes false or misleading in a material aspect;
- a material omission from the Explanatory Statement;
- a significant change affecting a matter included in the Explanatory Statement; or
- a significant new matter has arisen which would have been required to be included in the Explanatory Statement if it had arisen before the date the Explanatory Statement is provided to ASX.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by:

- making an announcement to ASX;
- posting the supplementary document to Shareholders at their registered address as shown on the Company's register of Shareholders; or
- posting a statement on the Company's corporate website,

as the Company, in its sole and absolute discretion, considers appropriate.

b. Authorisation

The Notice of Meeting and Explanatory Statement have been approved by a resolution passed by the Directors.

c. Responsibility

The Notice of Meeting and Explanatory Statement have been prepared by the Company under the direction and oversight of the Directors.

d. Forward looking statements

Some of the statements appearing in this document may be in the nature of forward looking statements. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and those deviations are both normal and to be expected.

None of the Company, any of its officers or any person named in this document or involved in the preparation of this document makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward looking statements in this document reflect views held only at the date of this document. The Company has no obligation to disseminate, after the date of this document, any updates or revisions to those statements to reflect any change in expectations in relation to those statements, or any change in events, conditions or circumstances on which those statements are based, unless it is required under the Corporations Act to update or correct this document or to do so pursuant to its continuous disclosure obligations under the ASX Listing Rules and/or the Corporations Act.

By Order of the Board
Glenn Fowles
Company Secretary
7 October 2016