



EQUATORIAL
RESOURCES LTD

ACN 009 188 694

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 9 June 2021 commencing at 10:00am (AWST).

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 6322.

Shareholders are urged to attend or vote by lodging the Proxy Form enclosed with the Notice.

EQUATORIAL RESOURCES LIMITED

ACN 009 188 694

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of shareholders of Equatorial Resources Limited (**Company**) will be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 9 June 2021 commencing at 10:00am (AWST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.equatorialresources.com.au and the ASX announcements platform.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 7 June 2021 at 5:00pm (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Employee Equity Incentive Plan

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

*"That, pursuant to and in accordance with Listing Rule 7.2, exception 13 and for all other purposes, Shareholders authorise and approve the Equatorial Resources Limited Employee Equity Incentive Plan (**Plan**), and the grant of Employee Incentives and the issue of underlying securities under the Plan, on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Plan or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Issue of Shares to Mr John Welborn

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

"That, pursuant to and in accordance with Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 1,500,000 Shares at \$0.30 each to Mr John Welborn (and/or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr John Welborn and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on this Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Corporations Act

Section 224 of the Corporations Act provides that, at a general meeting, a vote on this Resolution must not be cast by or on behalf of:

- (a) a related party of the Company to whom this Resolution would permit a financial benefit to be given; or
- (b) an associate of such a related party.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the

proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 3 – Issue of Incentive Options to Mr John Welborn

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

“That, subject to Resolution 1, pursuant to and in accordance with Chapter 2E of the Corporations Act (including section 208 of the Corporations Act), Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of:

- (a) *2,000,000 Incentive Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue; and*
- (b) *2,000,000 Incentive Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue,*

to Mr John Welborn (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on the resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Corporations Act

Section 224 of the Corporations Act provides that, at a general meeting, a vote on this Resolution must not be cast by or on behalf of:

- (a) a related party of the Company to whom this Resolution would permit a financial benefit to be given; or
- (b) an associate of such a related party.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

4. Resolution 4 – Issue of Performance Rights to Mr John Welborn

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

“That, subject to Resolution 1, pursuant to and in accordance with Chapter 2E of the Corporations Act (including section 208 of the Corporations Act), Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of:

- (a) *2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share;*
- (b) *2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share; and*
- (c) *2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share,*

to Mr John Welborn (and/or his nominee) on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion

Listing Rules

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the directions given to the proxy or attorney to vote on this; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on the resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

Corporations Act

Section 224 of the Corporations Act provides that, at a general meeting, a vote on this Resolution must not be cast by or on behalf of:

- (a) a related party of the Company to whom this Resolution would permit a financial benefit to be given; or
- (b) an associate of such a related party.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'G. Swan', written in a cursive style.

Gregory Swan
Company Secretary

Dated: 5 May 2021

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 9 June 2021 commencing at 10:00am (AWST).

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.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 – Approval of Employee Equity Incentive Plan
Section 4:	Resolution 2 – Issue of Shares to Mr John Welborn
Section 5:	Resolution 3 – Issue of Incentive Options to Mr John Welborn
Section 6:	Resolution 4 – Issue of Performance Rights to Mr John Welborn
Schedule 1:	Definitions
Schedule 2:	Summary of Employee Equity Incentive Plan
Schedule 3:	Terms and Conditions of Incentive Options
Schedule 4:	Terms and Conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (AWST) on Monday, 7 June 2021, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Attendance at the Meeting

The Company advises Shareholders that the Meeting will be held in compliance with any government restrictions on public gatherings.

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.equatorialresources.com and the ASX announcements platform.

3. Resolution 1 – Approval of Employee Equity Incentive Plan

3.1 General

Resolution 1 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to adopt the Equatorial Resources Limited Employee Equity Incentive Plan (the **Plan**) and to enable Performance Rights, Options, and Shares upon exercise or conversion of those Performance Rights and Options to be issued under the Plan to eligible employees (including Directors) (**Employee Incentives**) to be exempted from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 1 is passed.

A summary of the Plan, to be adopted pursuant to Resolution 1, is set out in Schedule 2.

Resolution 1 seeks Shareholder approval to adopt the Plan to offer the opportunity for eligible employees (including Mr John Welborn) to subscribe for Employee Incentives, in order to increase the range of potential incentives available for eligible employees.

The Plan is intended to assist the Company to attract and retain key staff. The Board believes that grants made under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional key management personnel needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- (d) align the financial interest of participants of the Plan with those of Shareholders; and
- (e) provide incentives to participants under the Plan to focus on superior performance that creates Shareholder value.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If Resolution 1 is passed, Employee Incentives issued under the Plan in the 3 years from the date on which Resolution 1 is passed will be excluded when calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the Employee Incentives issued under the Plan will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

3.2 Listing Rules 7.1 and 7.2

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as an option or performance right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 13, operates as one of the exceptions to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 13 is that any issues of securities under the Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13 lasts for a period of three years.

3.3 Specific Information Required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

- (a) a summary of the material terms of the Plan is set out in Schedule 2 and form part of the Notice;
- (b) the Plan is being adopted for the first time and therefore no securities have been issued under the Plan since it was last approved;
- (c) the maximum number of securities that can be issued under the Plan is 12,444,535 Employee Incentives, which is equivalent to 10% of the Company's issued share capital; and
- (d) a voting exclusion statement in respect of Resolution 1 has been included in the Notice.

3.4 Directors' recommendations

The Directors (other than Mr John Welborn) recommend that Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Issue of Shares to Mr John Welborn

4.1 General

Resolution 2 seeks Shareholder approval, pursuant to Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and Listing Rule 10.11, for the issue of Shares to Mr John Welborn, Managing Director and Chief Executive Officer, as a related party of the Company.

The Company seeks Shareholder approval to permit Mr John Welborn to subscribe for up to 1,500,000 Shares at an issue price of \$0.30 per Share to raise \$450,000.

Mr John Welborn was appointed as Managing Director and Chief Executive Officer on 18 November 2020. Details of Mr John Welborn's qualifications and experience are set out in the Annual Report.

In the Company's present circumstances, the Board considers that permitting Mr John Welborn to subscribe for these Shares is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the Directors and is consistent with the strategic goals and targets of the Company.

Resolution 2 is an ordinary resolution.

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

4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

A "related party" includes a Director of the Company and "giving a financial benefit" is interpreted broadly. Permitting Mr John Welborn to subscribe for up to 1,500,000 Shares at an issue price of \$0.30 per Share constitutes the giving of a financial benefit as Mr John Welborn is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of up to 1,500,000 Shares at an issue price of \$0.30 per Share to Mr John Welborn.

4.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Shares to Mr John Welborn:

- (a) the financial benefits relating to the issue of the Shares are being provided to Mr John Welborn (and/or his nominee) pursuant to Resolution 2;
- (b) Mr John Welborn is being provided with the opportunity to subscribe for up to 1,500,000 Shares at an issue price of \$0.30 per Share to raise \$450,000 to provide him with an opportunity to increase his shareholding in the Company;
- (c) Mr John Welborn has a material personal interest in the outcome of Resolution 2 and therefore believes it inappropriate to make a recommendation;
- (d) based on the latest available market sale price of the Company's Shares on ASX at the close of trading on \$0.335 per Share on 4 May 2021, the value of 1,500,000 Shares to be issued to Mr John Welborn has a market value of \$502,500. The highest and lowest closing market sale prices of the Company's Shares on ASX during the twelve (12) months immediately preceding the date of this Notice and the respective dates of those highest and lowest closing market sale prices were \$0.380 per Share on 18 November 2020 and \$0.24 per Share on 13 May 2020. Although this assists in relation to understanding the context of the financial benefit of issuing the Shares, the historical Share trading prices are no guide to future prices and the Directors make no forecast of future Share prices;
- (e) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will be issued up to:
 - (i) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
 - (ii) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
 - (iii) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue;
- (f) the current security holdings of Mr John Welborn (and/or his nominees) is 6,000,000 Shares;
- (g) the issue of the Shares pursuant to Resolution 2 will increase the number of Shares on issue from 124,445,353 (being the total number of Shares on issue as at the date of this Notice) to 125,945,353 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by approximately 1.2%;
- (h) a voting exclusion statement is included in the Notice for the purposes of Resolution 2; and

- (i) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 2.

4.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (being any of the above listed persons); or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 (being any of the above listed persons) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains approval of its shareholders.

The issue of the Shares to the Mr John Welborn falls within Listing Rule 10.11.1, as the Mr John Welborn is a related party to the Company and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 2 seeks Shareholder approval to issue the Shares to the Mr John Welborn (and/or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolution 2 is passed, the Company will be able to proceed with the issue of Shares to Mr John Welborn (and/or his nominee) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the Shares without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of Shares to Mr John Welborn and may consider alternative forms of remuneration for the Mr John Welborn in lieu of such issue.

4.5 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the Shares will be issued to Mr John Welborn (and/or his nominee);
- (b) Mr John Welborn falls within the related party category, being Listing Rule 10.11.1, as he is the Managing Director and Chief Executive Officer of the Company;
- (c) the maximum number of Shares to be issued is 1,500,000 Shares;
- (d) the Shares are fully paid ordinary shares in the Company;
- (e) the Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Shares will rank equally in all respects with the Company's existing Shares on issue;
- (g) \$450,000 will be raised from the issue of the Shares;
- (h) the funds raised from the issue of the Shares will be used for identifying, evaluating and pursuing new resource projects and opportunities which have the potential to build shareholder value;
- (a) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will

be issued up to:

- (i) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
 - (ii) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
 - (iii) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue; and
- (i) a voting exclusion statement is included in the Notice for Resolution 2.

4.5 Directors' recommendations

The Directors (other than Mr John Welborn) recommend that Shareholders vote in favour of Resolution 2.

5. Resolution 3 – Issue of Incentive Options to Mr John Welborn

5.1 General

Resolution 3 seeks Shareholder approval, pursuant to Chapter 2E of the Corporations Act (including section 208 of the Corporations Act), and Listing Rule 10.14, for the issue of the following Incentive Options to Mr John Welborn (and/or his nominee) as part of the long-term incentive component of his remuneration as Managing Director and Chief Executive Officer of the Company:

Tranche	Number of Options	Exercise Price	Milestone
A.	2,000,000	\$0.40	6 months of continuous service from the date of issue
B.	2,000,000	\$0.50	12 months of continuous service from the date of issue

In the Company's present circumstances, the Board considers that the grant of these Incentive Options is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr John Welborn and is consistent with the strategic goals and targets of the Company.

Mr John Welborn was appointed Managing Director and Chief Executive Officer of the Company on 18 November 2020. Details of Mr John Welborn's qualifications and experience are set out in the Annual Report.

2,000,000 Incentive Options to be issued to Mr John Welborn will vest after 6 months of continuous service from the date of issue (**Tranche A Incentive Options**) and 2,000,000 Incentive Options to be issued to Mr John Welborn will vest after 12 months of continuous service from the date of issue (**Tranche B Incentive Options**). There are no specific performance criteria on the Incentive Options as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr John Welborn and the performance and value of the Company are closely related. As such, the Incentive Options granted will generally only be of

benefit if Mr John Welborn performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

The principal terms of the Incentive Options to be granted to Mr John Welborn (and/or his nominee) are summarised in Schedule 3.

Resolution 3 is an ordinary resolution.

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

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The entitlement to be granted 4,000,000 Incentive Options constitutes the giving of a financial benefit as Mr John Welborn is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of 4,000,000 Incentive Options to Mr John Welborn.

5.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Incentive Options to Mr John Welborn:

- (a) the financial benefits relating to the issue of the Incentive Options are being provided to Mr John Welborn (and/or his nominee) pursuant to Resolution 3;
- (b) Mr John Welborn is to be issued 4,000,000 Incentive Options as a cost-effective and efficient reward to incentivise their performance. The Incentive Options will be granted to Mr John Welborn (and/or his nominees) on the terms and conditions in Schedule 3;
- (c) Mr John Welborn has a material personal interest in the outcome of Resolution 3 and therefore believes it inappropriate to make a recommendation;
- (d) the value of the Incentive Options to be issued to Mr John Welborn (using a Black Scholes Option Pricing Model) is \$214,000 (Tranche A Incentive Options) and \$172,000 (Tranche B Incentive Options) respectively;
- (j) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will be issued up to:
 - (i) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
 - (ii) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
 - (iii) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue;

- (e) the current security holdings of Mr John Welborn (and/or his nominees) is 6,000,000 Shares;
- (f) if all the Incentive Options subject to Resolution 3 are converted into Shares, a total of 4,000,000 Shares would be issued. This will increase the number of Shares on issue from 124,445,353 (being the total number of Shares on issue as at the date of this Notice) to 128,445,353 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.2%;
- (g) a voting exclusion statement is included in the Notice for the purposes of Resolution 3; and
- (h) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.

5.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of shareholders:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, the acquisition should be approved by its shareholders.

The issue of Incentive Options Mr John Welborn (and/or his nominee) falls within Listing Rule 10.14.1, as Mr John Welborn is a Director of the Company and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 3 seeks the required Shareholder approval, pursuant to Listing Rule 10.14, for the proposed issue of Incentive Options to Mr John Welborn (and/or his nominee) as he is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Incentive Options to Mr John Welborn (and/or his nominee) pursuant to Resolution 3 will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Incentive Options to Mr John Welborn (and/or his nominee). If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Incentive Options to Mr John Welborn (and/or his nominee) and may consider alternative forms of remuneration for Mr John Welborn in lieu of such issue.

5.5 Specific Information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Incentive Options to Mr John Welborn (and/or his nominee):

- (b) the Incentive Options will be granted to Mr John Welborn, Managing Director and Chief Executive Officer of the Company (and/or his nominee);
- (c) Mr John Welborn falls within category 10.14.1 of the Listing Rules, as he is a Director of the Company;
- (d) the maximum number of Incentive Options to be granted to Mr John Welborn (and/or his nominee) is 4,000,000, being:
 - (i) 2,000,000 Incentive Options with an exercise price of \$0.40 exercisable on or before 6 months from the date of issue;
 - (ii) 2,000,000 Incentive Options with an exercise price of \$0.50 exercisable on or before 12 months from the date of issue;
- (e) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based

upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will be issued up to:

- (iv) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
- (v) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
- (vi) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue;
- (f) Mr John Welborn has not previously been issued any securities under the Plan;
- (g) the Incentive Options are:
 - (i) subject to the material terms of the Plan are detailed in Schedule 2 and a summary of the material terms of the Incentive Options are detailed in Schedule 3 to this Notice;
 - (ii) being issued as a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr John Welborn and is considered by the Board to be consistent with the strategic goals and targets of the Company; and
 - (iii) the value of the Incentive Options to be issued to Mr John Welborn (using a Black Scholes Option Pricing Model) is \$214,000 (Tranche A Incentive Options) and \$172,000 (Tranche B Incentive Options) respectively;
- (h) the Company will grant the Incentive Options no later than 3 years after the date of the Meeting;
- (i) the Incentive Options will be granted for nil consideration;
- (j) a summary of the material terms of the Plan are detailed in Schedule 2 and a summary of the material terms of the Incentive Options are detailed in Schedule 3 to this Notice;
- (k) there is no loan associated with the grant of the incentive Options;
- (l) details of any securities issued under the Plan will be published in the Annual Report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14 and any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (m) a voting exclusion statement is included in the Notice for the purposes of Resolution 3.

5.6 Directors' recommendations

The Directors (other than Mr John Welborn) recommend that Shareholders vote in favour of Resolution 3.

6. Resolution 4 – Issue of Performance Rights to Mr John Welborn

6.1 General

Resolution 4 seeks Shareholder approval, pursuant to Chapter 2E of the Corporations Act (including section 208 of the Corporations Act), and Listing Rule 10.14, for the issue the following Performance Rights to Mr John Welborn (and/or his nominee), as part of the long-

term incentive component of his remuneration as Managing Director and Chief Executive Officer of the Company:

Tranche	Number of Performance Rights	Expiry Date	Performance Criteria
A.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.60 per share
B.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.80 per share
C.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$1.00 per share

In the Company's present circumstances, the Board considers that the grant of these Performance Rights is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr John Welborn and is consistent with the strategic goals and targets of the Company.

Mr John Welborn was appointed Managing Director and Chief Executive Officer of the Company on 18 November 2020. Details of Mr John Welborn's qualifications and experience are set out in the Annual Report.

The Company has set performance criteria for these Performance Rights to ensure that they only vest in accordance with short term serviced based conditions or upon achievement of fundamental milestones that will drive the long-term value of the Company's securities.

The principal terms of the Performance Rights to be granted to Mr John Welborn (and/or his nominee) are summarised in Schedule 4.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The entitlement to be granted 6,000,000 Performance Rights under the Employee Equity Incentive Plan constitutes the giving of a financial benefit as Mr John Welborn is a related party of the Company by reason of being a Director.

The Company has determined to seek Shareholder approval of the purposes of Chapter 2E for the issue of 6,000,000 Performance Rights to Mr John Welborn.

6.3 Specific Information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits associated with the issue of the Performance Rights to Mr John Welborn:

- (a) the financial benefits relating to the issue of the Performance Rights are being provided to Mr John Welborn (and/or his nominee) pursuant to Resolution 4;
- (b) Mr John Welborn is to be issued 6,000,000 Performance Rights as a cost-effective and efficient reward to incentivise their performance. The Performance Rights will be granted to Mr John Welborn (and/or his nominees) on the terms and conditions in Schedule 4;

- (c) Mr John Welborn has a material personal interest in the outcome of Resolution 4 and therefore believes it inappropriate to make a recommendation;
- (d) the value of the Performance Rights to be issued to Mr John Welborn (using a trinomial option pricing model) is \$398,000 (Tranche A Performance Rights), \$298,000 (Tranche B Performance Rights) and \$230,000 (Tranche C Performance Rights);
- (k) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will be issued up to:
 - (i) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
 - (ii) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
 - (iii) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue;
- (e) the current security holdings of Mr John Welborn (and/or his nominees) is 6,000,000 Shares;
- (i) if all the Performance Rights subject to Resolution 3 are converted into Shares, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 124,445,353 (being the total number of Shares on issue as at the date of this Notice) to 130,445,353 (assuming no further issues of Shares and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.8%;
- (f) a voting exclusion statement is included in the Notice for the purposes of Resolution 4; and
- (g) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.

6.4 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of shareholders:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, the acquisition should be approved by its shareholders.

The issue of Performance Rights Mr John Welborn (and/or his nominee) falls within Listing Rule 10.14.1, as Mr John Welborn is a Director of the Company and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval, pursuant to Listing Rule 10.14, for the proposed issue of Performance Rights to Mr John Welborn (and/or his nominee) as he is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights to Mr John Welborn (and/or his

nominee) pursuant to Resolution 4 will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr John Welborn (and/or his nominee). If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr John Welborn (and/or his nominee) and may consider alternative forms of remuneration for Mr John Welborn in lieu of such issue.

6.5 Specific Information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Performance Rights to Mr John Welborn (and/or his nominee):

- (a) the Performance Rights will be granted to Mr John Welborn, Managing Director and Chief Executive Officer of the Company (and/or his nominee);
- (b) Mr John Welborn falls within category 10.14.1 of the Listing Rules, as he is a Director of the Company;
- (c) the maximum number of Performance Rights to be granted to Mr John Welborn (and/or his nominee) is 6,000,000, being:
 - (i) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.60 per share, expiring 5 years from date of issue;
 - (ii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$0.80 per share, expiring 5 years from date of issue;
 - (iii) 2,000,000 Performance Rights that vest upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least A\$1.00 per share, expiring 5 years from date of issue;
- (d) the current remuneration package of Mr John Welborn consists of a fixed remuneration component of \$300,000 per annum plus compulsory superannuation. Mr John Welborn will also be eligible for short term incentive bonus payments based upon the successful completion of key performance indicators as determined by the Board from time to time. If Resolutions 2, 3 and 4 are passed, Mr John Welborn will be issued up to:
 - (i) 1,500,000 Shares at an issue price of \$0.30 per Share (**Resolution 2**);
 - (ii) 2,000,000 Options with an exercise price of \$0.40 that vest upon 6 months of continuous service from the date of issue and 2,000,000 Options with an exercise price of \$0.50 that vest upon 12 months of continuous service from the date of issue (**Resolution 3**);
 - (iii) 6,000,000 Performance Rights (**Resolution 4**), being:
 - (A) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.60 per Share issue;
 - (B) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$0.80 per Share issue;
 - (C) 2,000,000 Performance Rights that vest upon the Company having a 30-day VWAP of at least \$1.00 per Share issue;
- (e) Mr John Welborn has not previously been issued any securities under the Plan;
- (f) the Performance Rights are:
 - (i) subject to the material terms of the Plan are detailed in Schedule 2 and a summary of the material terms of the Performance Rights are detailed in Schedule 4 to this Notice;
 - (ii) being issued as a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr John Welborn and is considered by the Board to be consistent with the strategic goals and targets of the Company; and

- (iii) the value of the Performance Rights to be issued to Mr John Welborn (using a trinomial option pricing model) is \$398,000 (Tranche A Performance Rights), \$298,000 (Tranche B Performance Rights) and \$230,000 (Tranche C Performance Rights);
- (g) the Company will grant the Performance Rights no later than 3 years after the date of the Meeting;
- (h) the Performance Rights will be granted for nil consideration;
- (i) a summary of the material terms of the Plan are detailed in Schedule 2 and a summary of the material terms of the Performance Rights are detailed in Schedule 4 to this Notice;
- (j) there is no loan associated with the grant of the Performance Rights;
- (k) details of any securities issued under the Plan will be published in the Annual Report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14 and any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after the Resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement is included in the Notice for the purposes of Resolution 4.

6.6 Directors' recommendations

The Directors (other than Mr John Welborn) recommend that Shareholders vote in favour of Resolution 4.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

AGM means a general meeting of the Shareholders.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (being Deloitte as at the date of the Notice).

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

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Closely Related Party means in relation to a member of a Key Management Personnel:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Equatorial Resources Limited ACN 009 188 694.

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

Convertible Securities has the meaning given to that term in the Listing Rules.

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.

Employee Incentive means a Share, Option or Performance Right granted under the Plan.

Equity Security has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

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

Incentive Options means an option to acquire a Share with the terms and conditions detailed in Schedule 3.

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) of the Company.

Listing Rules means the listing rules of ASX.

Managing Director means the Managing Director.

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

New Constitution means the proposed new constitution of the Company.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Option means an option which entitles the holder to subscribe for a Share.

Optionholder means the holder of an Option.

Ordinary Securities has the same meaning given to that term in the Listing Rules.

Performance Right means a performance right which upon satisfaction of criteria and/or vesting conditions confers an entitlement to be provided with one Share with the terms and conditions detailed in Schedule 4.

Plan or Employee Equity Incentive Plan has the meaning given in Schedule 2.

Proxy Form means the proxy form enclosed with the Notice.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

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

Resolution means a resolution proposed pursuant to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tranche A Incentive Options has the meaning given in Section 5.1.

Tranche B Incentive Options has the meaning given in Section 5.1.

Tranche A Performance Rights means the tranche A Performance Rights in the table in Section 6.1.

Tranche B Performance Rights means the tranche B Performance Rights in the table in Section 6.1.

Tranche C Performance Rights means the tranche C Performance Rights in the table in Section 6.1.

VWAP means volume weighted average price.

Schedule 2 – Summary of Employee Equity Incentive Plan

The terms of the Company's Employee Equity Incentive Plan (**Plan**) are summarised below. A copy of the Plan can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Plan.

Eligible Employees: The eligible participants under the Plan are Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options or Performance Rights under the Plan; or any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options or Performance Rights under the Plan. For the purposes of the Plan, "Employee" means an employee or other consultant or contractor of the Company, or any member of the Group.

In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Shares, Options or Performance Rights.

Limits on Entitlement: An Offer of Options or Performance Rights may only be made under the Plan if the number of Shares that may be acquired on exercise of the Options Performance Rights when aggregated with the number of Shares issuable if each outstanding Option and Performance Rights were exercised and the number of Shares issued pursuant to the Plan or any other Group employee incentive scheme during the previous 3 years does not exceed 10% of the total number of Shares on issue at the time of the proposed issue.

The maximum allocation and allocated pool may be increased by Board resolution, provided such an increase complies with the Listing Rules.

Individual Limits: The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

Offer and Conditions: An Offer must be set out in an Offer Letter delivered to an Eligible Employee. The Offer Letter may specify (as determined by the Board):

- (a) the number of Options or Performance Rights;
- (b) the conditions on the Offer (**Offer Conditions**);
- (c) the Grant Date;
- (d) the Fee (if any);
- (e) the Performance Criteria (if any);
- (f) the Vesting Conditions (if any);
- (g) the Exercise Price (if any);
- (h) the Exercise Period (if applicable);
- (i) the Performance Period (if applicable); and
- (j) the Expiry Date and Term (if applicable).

Consideration Payable: Options and Performance Rights will be issued for nil consideration.

Cashless Exercise: Under the Plan, a Participant may elect to pay the exercise price for each Option by setting off the total exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off.

Lapse of Options and Performance Rights: Subject to the Board's discretion, Options and Performance Rights shall automatically be cancelled for no consideration where:

- (a) the Participant ceases to hold employment or office with the Company or Group member (except where the Participant is a Good Leaver);
- (b) the Participant is determined to have engaged in Fraudulent or Dishonest Conduct (described below);
- (c) the applicable Performance Criteria and/or Vesting Conditions are not achieved by the relevant time;
- (d) the Board determines, in its reasonable opinion, that the applicable Performance Criteria and/or Vesting Conditions have not been met or cannot be met within the relevant time;
- (e) the Expiry Date has passed;

- (f) the Board determines that the Participant has brought the Group into disrepute or acted contrary to the interest of the Company or Group;
- (g) the Participant has elected to surrender the Performance Rights or Options; and
- (h) the Offer Letter provides for the cancellation of the Performance Rights or Options in any other circumstances.

Good Leaver: A Good Leaver is a Participant who ceases employment or office with the Company or a Group Member and is determined by the Board to be a Good Leaver. Where a Participant who holds Employee Incentives becomes a Good Leaver:

- (a) all vested Options which have not been exercised will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Employee Incentives will lapse; and
- (b) the Board may in its discretion permit unvested Employee Incentive held by the Good Leaver to vest, amend the vesting criteria applicable to the Employee Incentives (including Performance Criteria and/or Vesting Conditions or determine that the unvested Employee Incentives lapse.

Bad Leaver: Where a Participant who holds Employee Incentives becomes a Bad Leaver all vested and unvested Employee Incentives will lapse. Where a Participant who holds Employee Incentives becomes a Bad Leaver the Board may determine to exercise the right to buy back any Shares issued upon exercise of an Option or conversion of a Performance Rights.

A Bad Leaver is a Participant who, unless the Board determines otherwise, ceases employment or office with the Company or a Group member (which includes for any of the circumstances amount to Fraudulent or Dishonest Conduct (described below).

Fraudulent or Dishonest Conduct: Where, in the opinion of the Board, a Participant or former Participant (which may include a Good Leaver) has engaged in Fraudulent or Dishonest Conduct the Board may deem all Employee Incentives held by the Participant or former Participant to be automatically be forfeited. Fraudulent or Dishonest Conduct means a Participant or former Participant:

- (a) acts fraudulently or dishonestly;
- (b) wilfully breaches his or her duties to the Company or any member of the Group; or
- (c) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):
 - (i) brought the Company, the Group, its business or reputation into disrepute; or
 - (ii) is contrary to the interest of the Company or the Group.
- (d) commits any material breach of the provisions of any employment contract entered into by the Participant with any member of the Group;
- (e) commits any material breach of any of the policies of the Group or procedures or any laws, rules or regulations applicable to the Company or Group;
- (f) is subject to allegations, has been accused of, charged with or convicted of fraudulent or dishonest conduct in the performance of the Participant's (or former Participant's) duties, which in the reasonable opinion of the relevant directors of the Group effects the Participant's suitability for employment with that member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of the Company or the Group;
- (g) is subject to allegations, has been accused of, charged with or convicted of any criminal offence which involves fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;
- (h) has committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
- (i) has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation; or
- (j) has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.
- (k) has wilfully or negligently failed to perform their duties under any employment contract entered into by the Participant with any member of the Group;
- (l) has engaged in a transaction which involves a conflict of interest to their employment with the Company resulting in the Participant or former Participant obtaining a personal benefit;
- (m) accepts a position to work with a competitor of the Company or Group;
- (n) acting in such a manner that could be seen as being inconsistent with the culture and values of the Company or the Group; or

- (o) any other act that the Board determines in its absolute discretion to constitute fraudulent or dishonest by the Participant or former Participant.

Change of Control: All granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest (regardless of whether any Performance Criteria or Vesting Conditions have been satisfied) and a Participant may exercise any or all of their Options (regardless of whether the Vesting Conditions have been satisfied) provided that no Option will be capable of exercise later than the Expiry Date, if any of the following change of control events occur:

- (a) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
 - (i) is announced;
 - (ii) has become unconditional; and
 - (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares;
- (c) any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means; or
- (d) the Company announces that a sale or transfer (in one transaction or a series of transaction) of the whole (or substantially the whole) of the undertaking and business of the Company has been completed.

Holding Lock: The Board may at any time request that the Company's share registry to impose a holding lock on any Employee Incentives issued pursuant to the Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach these Rules.

Contravention of Rules: The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached the Plan or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, placing a holding lock on Employee Incentives, signing any and all documents and doing all acts necessary to effect a Buy-Back, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

Schedule 3 – Terms and Conditions of Incentive Options

Entitlement

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share upon exercise.

Exercise Price, Expiry Date and Vesting Condition

	Tranche A Incentive Options	Tranche B Incentive Options
Number	2,000,000	2,000,000
Exercise Price	\$0.40	\$0.50
Expiry Date	5 years from the date of issue	5 years from the date of issue
Vesting Condition	6 months of continuous service from the date of issue	12 months of continuous service from the date of issue

Exercise Period

- 1.2 Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

Notice of exercise

- 1.3 The Options may be exercised by notice in writing to Tao Commodities Limited (the **Company**) and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

Minimum Exercise

- 1.4 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

Shares issued on exercise

- 1.5 Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

Quotation of Shares

- 1.6 If admitted to the official list of ASX at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

Timing of issue of Shares and quotation of Shares on exercise

- 1.7 Within 15 Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, The Company will allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company.

Participation in new issues

- 1.8 A Holder who holds Options is not entitled to:
- 1.8.1 notice of, or to vote or attend at, a meeting of the shareholders;
 - 1.8.2 receive any dividends declared by the Company; or

- 1.1.1 participate in any new issues of securities offered to shareholders during the term of the Options, unless and until the Options are exercised and the Holder holds Shares.

Adjustment for bonus issues of Shares

- 1.9 If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- 1.9.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- 1.9.2 no change will be made to the Exercise Price.

Adjustment for rights issue

- 1.10 If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

Adjustment for reorganisation

- 1.11 If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules (if applicable) that apply to the reconstruction at the time of the reconstruction.

Quotation of Options

- 1.12 The Company will not seek official quotation of any Options.

Options not transferable

- 1.13 The Options are not transferrable.

Lodgement requirements

- 1.14 Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

Schedule 4 – Terms and Conditions of Performance Rights

Offer of Performance Rights

- 1.1 Each Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Performance Right.

Performance Criteria, Variation to Performance Criteria and Expiry Date

- 1.2 The Number of Performance Rights, Expiry Date and Performance Criteria of each Performance Right is referred to in the table below.

Tranche	Number of Performance Rights	Expiry Date	Performance Criteria
A.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.60 per share
B.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$0.80 per share
C.	2,000,000	5 years from date of issue	Vesting upon satisfaction of a performance condition of the Company having a 30-day VWAP of at least \$1.00 per share

- 1.3 Performance Rights will only vest and entitle the Participant to be issued Shares if the applicable Performance Criteria have been satisfied prior to the end of the Expiry Date (**Performance Period**), waived by the Board, or are deemed to have been satisfied under these Rules.

Satisfaction of Performance Criteria

- 1.4 The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Performance Criteria and/or Vesting Conditions (if any) applicable to the Performance Rights at the end of the Performance Period. As soon as practicable after making that determination the Board must allot and issue, or transfer, the number of Shares for which the Participant is entitled to acquire upon satisfaction of the Performance Criteria and/or Vesting Conditions for the relevant number of Performance Rights held in accordance with clause 1.6.

Lapse of Performance Rights

- 1.5 Where Performance Rights have not satisfied the Performance Criteria within the Performance Period or Expiry Date (whichever occurs earlier) those Performance Rights will automatically lapse.

Timing of the Issue of Shares and Quotation

- 1.6 The Company must within twenty (20) business days after the later of the following:
- 1.6.1 the satisfaction of the Performance Criteria and/or Vesting Conditions (if any) applicable to the Performance Rights; and
 - 1.6.2 when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4,

the Company will:

- 1.6.3 allot and issue the Shares pursuant to the vesting of the Performance Rights;
- 1.6.4 as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to

- ensure that an offer for sale of the Shares does not require disclosure to investors; and
- 1.6.5 apply for official quotation on ASX of Shares issued pursuant to the vesting of the Performance Rights.
- 1.7 Notwithstanding clause 1.6 above, solely with respect to Participants who are not U.S. residents or to the extent such does not otherwise violate Code Section 409A, the Company's obligation to issue such Shares shall be postponed if such Participant at any time after the relevant Performance Criteria and/or Vesting Conditions are satisfied pursuant to clause 1.4 elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
- 1.7.1 the Shares to be issued or transferred will be held by such Participant on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);
- 1.7.2 the Company will apply a holding lock on the Shares to be issued or transferred and such Participant is taken to have agreed to that application of that holding lock;
- 1.7.3 the Company shall release the holding lock on the Shares on the earlier to occur of:
- 1.7.3.1 the date that is twelve (12) months from the date of issue of the Share; or
- 1.7.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
- 1.7.3.3 the date a transfer of the Shares occurs pursuant to clause 1.7.4 of these terms and conditions; and
- 1.7.4 Shares shall be transferable by such Participant and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in clause 1.7.3.1.

Shares Issued

- 1.8 Shares issued on the satisfaction of the Performance Criteria and/or Vesting Conditions attaching to the Performance Rights rank equally with all existing Shares, including those Shares issued, directly, under the Plan.

Quotation of the Shares Issued on Exercise

- 1.9 If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the vesting of the Performance Rights.

Reorganisation

- 1.10 If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Participant who holds such Performance Rights will be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

Participant Rights

- 1.11 A Participant who holds Performance Rights is not entitled to:
- 1.11.1 notice of, or to vote or attend at, a meeting of the Shareholders; or
- 1.11.2 receive any dividends declared by the Company,
- 1.11.3 participate in any new issues of securities offered to Shareholders during the term of the Performance Rights, or
- 1.11.4 cash for the Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,
- 1.11.5 unless and until the Performance Rights are satisfied and the Participant holds Shares.

Pro Rata Issue of Securities

- 1.12 If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a Participant shall not be entitled to participate in the rights issue in respect of any Performance Rights, only in respect of Shares issued in respect of vested

Performance Rights.

- 1.13 A Participant will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria and/or Vesting Conditions which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

Adjustment for Bonus Issue

- 1.14 If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the Participant is then entitled, shall be increased by that number of securities which the Participant would have been issued if the Performance Rights then held by the Participant were vested immediately prior to the record date for the bonus issue.

Change of Control

- 1.15 For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:
- 1.15.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
 - 1.15.2 a Takeover Bid:
 - 1.15.2.1 is announced;
 - 1.15.2.2 has become unconditional; and
 - 1.15.2.3 the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
 - 1.15.3 any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or
 - 1.15.4 the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- 1.16 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria or Vesting Conditions have been satisfied.

Quotation

- 1.17 The Company will not seek official quotation of any Performance Rights.

Performance Rights Not Property

- 1.18 A Participant's Performance Rights are personal contractual rights granted to the Participant only and do not constitute any form of property.

No Transfer of Performance Rights

- 1.19 Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Participant.

EQUATORIAL RESOURCES LIMITED

ACN 009 188 694

PROXY FORM

The Company Secretary
Equatorial Resources Limited

By delivery:

Level 9, 28 The Esplanade
PERTH WA 6000

By post:

PO Box Z5083
PERTH WA 6831

By e-mail:

voting@equatorialresources.com.au

By facsimile:

+61 8 9322 6558

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Further instructions are provided overleaf.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairperson
(mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy to act generally 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 General meeting of Equatorial Resources Limited to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia on Wednesday, 9 June 2021 commencing at 10:00am (AWST) and at any adjournment or postponement of such meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is []% of the Shareholder's votes / [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available and undirected proxies in favour of Resolution 1. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Approval of Employee Equity Incentive Plan			
Resolution 2	Issue of Shares to Mr John Welborn			
Resolution 3	Issue of Incentive Options to Mr John Welborn			
Resolution 4	Issue of Performance Rights to Mr John Welborn			

* If you mark the Abstain box for a particular Resolution, 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.

The Chairperson intends to vote all available and undirected proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or an electronic copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received electronically by e-mail or by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth WA 6000), or by post to PO Box Z5083, Perth WA 6831, or by e-mail to voting@equatorialresources.com.au or by facsimile to (08) 9322 6558 if faxed from within Australia or +61 8 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (AWST).