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## ERIN RESOURCES LIMITED

ACN 116 800 269

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### NOTICE OF GENERAL MEETING

General Meeting of the Company will be held at Level 7, 1008 Hay Street Perth WA 6000 on Monday 8 September 2014 at 11.00 am (WST).

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9389 2000.*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the meeting will be held at 11.00 am (WST) on Monday 8 September 2014 at:

Level 7  
1008 Hay Street  
Perth WA 6000

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**YOUR VOTE IS IMPORTANT**

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

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**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5 pm (WST) on Saturday 6 September 2014.

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**VOTING IN PERSON**

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

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**VOTING BY PROXY**

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

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

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

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

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

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - o the proxy is not recorded as attending the meeting; or
  - o the proxy does not vote on the resolution,

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

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at Level 7, 1008 Hay Street Perth WA 6000 on Monday 8 September 2014 at 11.00 am (WST).

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

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 – APPROVE THE ISSUE OF OPTIONS TO MR BRETT MITCHELL

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of 2,500,000 Tranche 1 Options and 2,500,000 Tranche 2 Options to Mr Brett Mitchell or his nominee on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 1 by Mr Brett Mitchell or his nominee and any of their associates. However, the Company need not disregard a vote if:

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

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

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## 2. RESOLUTION 2 – APPROVE THE ISSUE OF OPTIONS TO MR GRANT DAVEY

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of 2,500,000 Tranche 1 Options and 2,500,000 Tranche 2 Options to Mr Grant Davey or his nominee on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 2 by Mr Grant Davey or his nominee and any of their associates. However, the Company need not disregard a vote if:

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

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## 3. RESOLUTION 3 – APPROVE THE ISSUE OF OPTIONS TO MR NICHOLAS POLL

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of 1,000,000 Tranche 1 Options and 1,000,000 Tranche 2 Options to Mr Nicholas Poll or his nominee on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 3 by Mr Nicholas Poll or his nominee and any of their associates. However, the Company need not disregard a vote if:

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

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

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

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#### 4. RESOLUTION 4 – APPROVE THE ISSUE OF OPTIONS TO MR NICHOLAS CASTLEDEN

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the issue of 3,500,000 Tranche 1 Options and 3,500,000 Tranche 2 Options to Mr Nicholas Castleden or his nominee on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 4 by Mr Nicholas Castleden or his nominee and any of their associates. However, the Company need not disregard a vote if:

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

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

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#### 5. RESOLUTION 5 – RATIFICATION OF ISSUE OF OPTIONS TO KEY PERSONNEL

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

*"That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue by the Directors of 1,750,000 Tranche 1 Options and 1,750,000 Tranche 2 Options to Key Personnel and/or their nominees on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the grant of Options and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it

is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – APPROVAL OF PLACEMENT FACILITY**

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

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 100,000,000 Shares (**Placement Shares**) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who may participate in the issue of the Placement Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides..

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**7. RESOLUTION 7 – RATIFICATION OF GRANT OF OPTIONS TO CONSULTANTS**

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

*"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the prior issue of 15,000,000 Options which are each exercisable at \$0.02 expiring on or before 30 June 2015 on the terms and conditions as set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the grant of Options and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**DATED: 7 AUGUST 2014**

**BY ORDER OF THE BOARD**



**BRETT MITCHELL  
EXECUTIVE CHAIRMAN**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at Level 7, 1008 Hay Street, Perth WA 6000 on Monday 8 September 2014 at 11.00 am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. RESOLUTIONS 1 TO 4 (INCLUSIVE) – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS AND PAST DIRECTOR

#### 1.1. GENERAL

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 19,000,000 Options (**Related Party Options**) to Messrs Brett Mitchell, Grant Davey, Nicholas Poll and Nicholas Castleden (**Related Parties**) as follows:

- |     |                       |  |
|-----|-----------------------|--|
| (a) | Mr Brett Mitchell     | 2,500,000 Tranche 1 Options and 2,500,000 Tranche 2 Options; |
| (b) | Mr Grant Davey        | 2,500,000 Tranche 1 Options and 2,500,000 Tranche 2 Options; |
| (c) | Mr Nicholas Poll      | 1,000,000 Tranche 1 Options and 1,000,000 Tranche 2 Options; |
| (d) | Mr Nicholas Castleden | 3,500,000 Tranche 1 Options and 3,500,000 Tranche 2 Options; |

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

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

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

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Brett Mitchell, Nicholas Poll and Nicholas Castleden are related parties of the Company by virtue of being Directors.

Further, Resolution 2 seeks Shareholder approval for the issue of 5,000,000 Options to Mr Davey. Whilst Mr Davey ceased to be a Director on 12 May 2014, by virtue of the operation of Section 228(5) of the Corporations Act, he is still considered to be a related party of the Company and accordingly requires Listing Rule 10.11 approval in addition to section 208(1) of the Corporations Act.

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

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.



Approval pursuant to Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity under Listing Rule 7.1.

## 1.2. SPECIFIC INFORMATION REQUIRED BY LISTING RULE 10.13 AND SECTION 219 OF THE CORPORATIONS ACT

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the proposed issue of the Related Party Options:

- (a) The related parties are Messrs Brett Mitchell, Grant Davey, Nicholas Poll and Nicholas Castleden and they are related parties by virtue of being Directors or past Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is 19,000,000 Related Party Options, which will be granted to the Directors and past Director (or their nominees) as follows:

Name of Director	Tranche 1	Tranche 2	Total Related Party Options
Brett Mitchell	2,500,000	2,500,000	5,000,000
Grant Davey	2,500,000	2,500,000	5,000,000
Nicholas Poll	1,000,000	1,000,000	2,000,000
Nicholas Castleden	3,500,000	3,500,000	7,000,000

- (c) The Company is a small listed company. The Company has limited funds, most of which are allocated to specific development activities. As a result, the Board has chosen to issue Related Party Options to the Directors as a key component of the incentive portion of their remuneration in order to retain the services of the Directors and to provide incentive linked to the performance of the Company. The Board considers that the experience of the Directors will greatly assist the development of the Company. As such, the Board believes that the number of Related Party Options to be granted to the Directors are commensurate with their value to the Company. The primary purpose of the grant of the Related Party Options to the Related Parties who are Directors is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles. In the case of Mr Grant Davey, the primary purpose of the Related Party Options is to reward Mr. Davey for his services to the Company while he was a Director and it is proposed, therefore, that the Related Party Options be offered to him in recognition of his performance in the provision of those services.

Given the speculative nature of the Company's activities and the small management team responsible for its operation, it is considered that the performance of the Directors and the performance and value of the Company are closely related. As such, the Related Party Options issued will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Related Party Options.

- (d) Each Option will be issued for nil cash consideration, accordingly no funds will be raised.
- (e) Each Option entitles the holder to subscribe for one (1) Share on or before 30 June 2017. The Related Party Options are unlisted and are not transferable. No application for quotation of the Related Party Options will be made by the Company until such time as the Company in its absolute discretion determines

otherwise. Further terms and conditions of the Related Party Options are contained in Schedules 1 and 2.

- (f) the Company will issue the Related Party Options no later than one (1) month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Related Party Options will be issued on one date.
- (g) if the Related Party Options granted to the Related Parties are exercised, a total of 19,000,000 Shares would be issued. This will increase the number of Shares on issue from 257,707,934 to 276,707,934 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.37%, comprising 1.94% by Brett Mitchell, 1.94% by Grant Davey, 0.78% by Nicholas Poll and 2.72% by Nicholas Castleden.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (h) The current relevant interests in security holdings of the Related Parties are as follows:

Name	Shares	Options
Brett Mitchell*	5,943,894	2,377,558
Grant Davey*	5,104,628	2,041,852
Nicholas Poll	Nil	Nil
Nicholas Castleden	1,185,148	280,035

\*Verona Capital Pty Ltd holds the following securities, in which Mr Mitchell is a Director and has a 20% beneficial interest and Mr Davey is also a Director and has a 30% beneficial interest:  
 20,000,000 Ordinary Shares;  
 10,000,000 Listed Options exercisable at \$0.02 each on or before 30 June 2015 and;  
 4,000,000 Unlisted Options exercisable at \$0.20 each on or before 30 June 2017.

- (i) The remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are as follows:

Name of Director or Past Director	Current Financial Year	Previous Financial Year
	\$	\$
Brett Mitchell	60,500.00	7,500
Grant Davey	25,000.00	169,167
Nicholas Poll	25,000.00	55,271
Nicholas Castleden	3,125.00	Nil

- (j) On the basis of the assumptions below, independent accountants, RSM Bird Cameron, have determined the technical value of one (1) Option approximates:

Volatility	Value per Option	Total Value
125%	\$0.0082 (Tranche 1)	\$77,900
125%	\$0.0072 (Tranche 2)	\$68,400

The value may go up or down after that date as it will depend on the future price of a Share. The Binomial Option Pricing model has been used, together with the following range of assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 2.79%;
  - (ii) the date of valuation is for the purposes of settling the current market value of a Share is 18 July 2014;
  - (iii) at this date the Share price was \$0.013 which is the price used in the valuation;
  - (iv) the standard deviation of returns of the Related Party Options is set at 125% which is based on the Company's historical data; and
  - (v) the Related Party Options will be exercisable upon issue.
- (k) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.025	31/03/14 – 3/04/14 & 14/04/14
Lowest	\$0.008	26/11/13 – 17/01/14
Last	\$0.013	06/08/14

- (l) The Company acknowledges that the grant of Related Party Options to non-executive Directors is contrary to recommendation 8.2 of the Corporate Governance Principles and Recommendations. However, the Board considers the issue of Related Party Options in Resolutions 2 and 3 (inclusive) to be reasonable in the circumstances given the Company's size and stage of development whilst still maintaining a cash reserve.
- (m) Mr Brett Mitchell declines to make a recommendation to Shareholders in relation to Resolution 1 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 1 be passed. However, in respect of Resolutions 2, 3 and 4, Mr Mitchell recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;

- (n) Mr Nicholas Poll declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 3 be passed. However, in respect of Resolutions 1, 2 and 4, Mr Poll recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (l);
- (o) Mr Nicholas Castleden declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 4 be passed. However, in respect of Resolutions 1, 2 and 3, Mr Castleden recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (l);
- (p) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (q) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 1 to 4 (inclusive).

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## **2. RESOLUTION 5 – RATIFICATION OF ISSUE OF OPTIONS TO KEY PERSONNEL**

### **2.1. GENERAL**

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.4 for the ratification of the issue of a total of 3,500,000 Options to the Key Personnel (or their nominees) in consideration for ongoing services provided to the Company.

The Options were granted within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval. A summary of ASX Listing Rule 7.1 is set out in section 2.1 above. Listing Rule 7.4 provides an exception to Listing Rule 7.1 that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 5 ratifying the grant of the Options will be to restore the Company's flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **2.2. SPECIFIC INFORMATION REQUIRED BY LISTING RULE 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information regarding the issue of the Options is provided as follows:

- (a) the number of Options issued by the Company was 3,500,000;
- (b) The Options were issued to Key Personnel (or their nominees) for nil cash consideration in satisfaction for services provided to the Company and therefore no funds were raised from the issue.
- (c) The terms and conditions of the Options are contained in Schedules 1 and 2.

(d) The Options were issued to the Key Personnel as follows:

Name	Tranche 1	Tranche 2	Total Options
Neil Inwood	1,000,000	1,000,000	2,000,000
Rachel Jelleff	375,000	375,000	750,000
Rutchi Kaushal	375,000	375,000	750,000

(e) A voting exclusion statement is included in the Notice.

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### 3. RESOLUTION 6 – APPROVAL OF PLACEMENT FACILITY

#### 3.1. GENERAL

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 100,000,000 Shares each at an issue price of not less than 80% of the average market price of Shares for the last five days on which sales of Shares are recorded before the day on which the issue will be made or, if there is a prospectus relating to the issue, over the last five days on which sales of Shares are recorded before the date the prospectus is signed (Placement Shares).

The funds raised from the issue of the Placement Shares would be used to fund the additional exploration activities at the Company's priority Lingokoto and Maleko gold exploration projects in Senegal, and for general working capital purposes.

#### 3.2. LISTING RULE 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above. .

The effect of Resolution 6 will be to allow the Directors to issue the Placement Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% annual placement capacity.

Resolution 6 is an ordinary resolution.

#### 3.3. SPECIFIC INFORMATION REQUIRED BY LISTING RULE 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Placement Shares as follows:

- (a) The maximum number of Shares to be issued is 100,000,000.
- (b) The Company will issue and allot the Placement Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Shares will be allotted at an issue price of not less than 80% of the average market price of Shares calculated over the last five days on which sales of Shares are recorded before the day on which the issue will be made or, if there is a prospectus relating to the issue, over the last five days on which sales of the Shares are recorded before the date the prospectus is signed.
- (d) The Shares issued will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (e) The Shares will be issued to professional and sophisticated investors of the Company to whom the issue of Shares does not require a disclosure document under Section 708 of the Corporations Act. None of the subscribers, will be related parties of the Company.

- (f) The funds raised from the issue of the Placement Shares will be used to fund the additional exploration activities at the Company's priority Lingokoto and Maleko gold exploration projects in Senegal, and for general working capital purposes.
- (g) The allotment of the Placement Shares may occur progressively.
- (h) A voting exclusion statement is included in the Notice.

### 3.4. DILUTION

Set out below is a worked example of the number of Shares that may be issued under Resolution 6.

Maximum number of Shares which the Company could issue pursuant to Resolution 6	Current Shares on issue*	Increased number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 6	Approximate Dilution effect on existing Shareholders
100,000,000	257,707,934	357,707,934	38.80%

\*Taken from last Appendix 3B filed with ASX

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as approved under Resolution 6 are issued, the number of Shares on issue would increase from 257,707,934 (being the number of Shares on issue as at the date of this Notice) to 357,707,934 and the shareholding of existing Shareholders would be diluted by approximately 38.80%.

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## 4. RESOLUTION 7 – RATIFICATION OF GRANT OF OPTIONS TO CONSULTANTS

On 16 May 2014 the Company issued 15,000,000 Options in consideration for corporate management and technical services provided by external consultants to the Company.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.4 for ratification of the issue of 15,000,000 Options to external consultants. These Options were issued in lieu of cash payment for services provided to the Company.

The Options were granted within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval. A summary of ASX Listing Rule 7.1 is set out in section 2.1 above. Listing Rule 7.4 provides an exception to Listing Rule 7.1 that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 7 ratifying the grant of the Options will be to restore the Company's flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 7 is an ordinary Resolution.

### 4.1. SPECIFIC INFORMATION REQUIRED BY LISTING RULE 7.4

Pursuant to and in accordance with Listing Rule 7.5, information regarding the issue of the Options is provided as follows:

- (a) The number of Options issued by the Company was 15,000,000 Options.
- (b) The Options were issued to external consultants of the Company who were not related parties of the Company.

- (c) The Options were issued to the external consultants for nil cash consideration in satisfaction of corporate management and technical services provided to the Company and therefore no funds were raised from the issue.
- (d) Each Option is exercisable at \$0.02 expiring on 30 June 2015. Further terms and conditions of the Incentive Options are set out in Schedule 3.
- (e) A voting exclusion statement is included in the Notice.

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**5. ENQUIRIES**

Shareholders are requested to contact Rachel Jelleff on (+ 61 8) 9389 2000 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

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

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Erin Resources Limited (ACN 116 800 269).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

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

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

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

**Key Personnel** means Rutchi Kaushal, Rachel Jelleff and Neil Inwood.

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

**Optionholder** means a holder of an Option.

**Placement Shares** has the meaning given in Section 3.1.

**Proxy Form** means the proxy form accompanying the Notice.



**Related Parties** has the meaning given in section 1.1.

**Related Party Options** has the meaning given in section 1.1.

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

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

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

**Tranche 1 Options** means the options to be issued on the terms and conditions set out in Schedule 1.

**Tranche 2 Options** means the options to be issued on the terms and conditions set out in Schedule 2.

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

## SCHEDULE 1– Terms and Conditions of Incentive Options – Tranche 1

- (a) Each Incentive Option gives the holder the right to subscribe for one Share upon the exercise of each Incentive Option.
- (b) The Incentive Options have no vesting period.
- (c) The Incentive Options are exercisable on or prior to 30 June 2017 (the "**Expiry Date**") by notice in writing to the Directors of the Company accompanied by payment of the exercise price.
- (d) An Incentive Option not exercised on or before the Expiry Date will automatically lapse.
- (e) Subject to paragraph (m), the amount payable upon exercise of each Incentive Option will be \$0.025 or 125% of the last sale Share price on the ASX on the date of final Board approval (whichever is the greater) (**Exercise Price**).
- (f) The Incentive Options held may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (g) The Incentive Optionholder may exercise the Incentive Options by lodging with the Company, on or before the Expiry Date:
  - i. a written notice of exercise of Incentive Options specifying the number of Incentive Options being exercised (**Exercise Notice**); and
  - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Incentive Options being exercised.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Exercise Notice.
- (j) The Incentive Options shall be freely transferable and subject to compliance with the Corporations Act.
- (k) All Shares allotted upon the exercise of Incentive Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Incentive Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Incentive Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Incentive Options and Incentive Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.
- (o) An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.

## SCHEDULE 2 - Terms and Conditions of Incentive Options – Tranche 2

- (a) Each Incentive Option gives the holder the right to subscribe for one Share upon the exercise of each Incentive Option.
- (b) The Incentive Options have no vesting period.
- (c) The Incentive Options are exercisable on or prior to 30 June 2017 (the "**Expiry Date**") by notice in writing to the Directors of the Company accompanied by payment of the exercise price.
- (d) An Incentive Option not exercised on or before the Expiry Date will automatically lapse.
- (e) Subject to paragraph (m), the amount payable upon exercise of each Incentive Option will be \$0.04 (**Exercise Price**).
- (f) The Incentive Options held may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.
- (g) The Incentive Optionholder may exercise the Incentive Options by lodging with the Company, on or before the Expiry Date:
  - i. a written notice of exercise of Incentive Options specifying the number of Incentive Options being exercised (**Exercise Notice**); and
  - ii. a cheque or electronic funds transfer for the Exercise Price for the number of Incentive Options being exercised.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Exercise Notice.
- (j) The Incentive Options shall be freely transferable and subject to compliance with the Corporations Act.
- (k) All Shares allotted upon the exercise of Incentive Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Incentive Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Incentive Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Incentive Options and Incentive Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.
- (o) An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.

## SCHEDULE 3 - Terms and Conditions of Consultant Options

The Listed Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. Each Listed Option entitles the holder to subscribe for one ordinary share in the capital of Erin Resources Limited ("**the Company**").
2. Each Listed Option is exercisable at \$0.02 and will expire at 5.00pm (WST) on 30 June 2015 ("**Expiry Date**"). A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The Listed Options are exercisable at any time on or prior to the Expiry Date ("**Exercise Period**").
4. The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate ("**Notice of Exercise**") and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
5. A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds ("**Exercise Date**").
6. Timing of issue of shares Within 15 Business Days after the later of the following:
  - (i) the Exercise Date; and
  - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Listed Options.
- If a notice delivered under 6(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
7. Shares issued on exercise of the Listed Options rank equally with the then issued shares of the Company.
  8. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
  9. There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.
  10. A Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.
  11. The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
  12. The Company will apply for quotation of the Listed Option on ASX.

## PROXY FORM

**APPOINTMENT OF PROXY  
ERIN RESOURCES LIMITED  
ACN 116 800 269**

### GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at Level 7, 1008 Hay Street Perth WA 6000, on Monday 8 September 2014 at 11.00am (WST), and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

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#### Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Approve the Issue of Options to Mr Brett Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approve the Issue of Options to Mr Grant Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approve the Issue of Options to Mr Nick Poll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approve the Issue of Options to Mr Nick Castleden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Issue of Options to Key Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Ratification of Grant of Options to Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

#### Important for Resolutions 1 - 6

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 - 6 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1 - 6 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 - 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1 - 6 and that votes cast by the Chair for Resolutions 1 - 6, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1 - 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 - 6.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**ERIN RESOURCES LIMITED**  
**ACN 116 800 269**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint of a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of Attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Erin Resources Limited, PO Box 7209, Cloisters Square WA 6850; or
  - (b) facsimile to the Company on facsimile number +61 8 9389 2099; or
  - (c) email to [info@erinresources.com.au](mailto:info@erinresources.com.au)

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**