

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme EAST ENERGY RESOURCES LIMITED

ACN/ARSN 126 371 828

1. Details of substantial holder (1)

Name James Benedict Newbury, AXIS MINERALS PTY LTD and MAYLION PTY LIMITED.

ACN/ARSN (if applicable) 618 470 081, 148 876 331

The holder became a substantial holder on 28 May 2021

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	2,990,419,558	2,990,419,558	93.42%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
MAYLION PTY LIMITED ACN 148 876 331 (Maylion)	Relevant interest under section 608(1)(a) of the <i>Corporations Act 2001</i> (Cth)(Act)	2,990,419,558
AXIS MINERALS PTY LTD ACN 618 470 084 (Axis)	Relevant interest under section 608(3) of the Act	2,990,419,558
James Benedict Newbury	Relevant interest under section 608(3) of the Act	2,990,419,558

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Each of the parties listed in item 3	Maylion	Maylion	2,990,419,558

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Axis	28 May 2021	Relevant interest acquired as sole member (100% owner) of Maylion. The acquisition of Maylion occurred pursuant to the Share Sale Agreement entered into with Noble Netherlands BV (Registered Number: 24379934) Refer attached Notice of Meeting	2,990,419,558 fully paid ordinary shares
James Benedict Newbury	28 May 2021	N/A - Relevant interest acquired as sole member (100% owner) of Axis	2,990,419,558 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

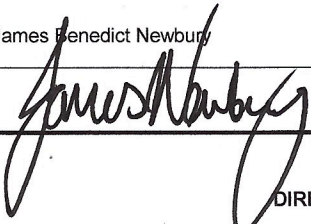
Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Maylion	15 Montrose Road, Taringa QLD 4068
Axis	15 Montrose Road, Taringa QLD 4068
James Benedict Newbury	15 Montrose Road, Taringa QLD 4068

Signature

print name James Benedict Newbury capacity - Sole director of Maylion
 - Sole director of Axis
 - Personal
 sign here  date 31/05/21

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

Notice of Meeting

Resolution to approve transfer of ownership of Maylion approved by shareholders on 21 May 2021 and effected 28 May 2021.

Fully copy of Notice of Meeting including Independent Experts Report available at
<https://www.asx.com.au/asxpdf/20210420/pdf/44vpy33sw335bq.pdf>

EAST ENERGY RESOURCES LIMITED

ACN 126 371 828

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:30am

DATE: Friday, 21st May 2021

PLACE: Consilium Corporate Office, Level 2, 22 Mount Street, PERTH WA

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of the Shareholder approval under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the advantages and disadvantages of the transaction the subject of Resolution 1 to the non-associated Shareholders. The Independent Expert has determined that, in the absence of an alternate offer, the advantages of the Maylion Transaction to the non-associated shareholders outweigh the disadvantages to the non-associated shareholders of the Maylion Transaction.

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

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.

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 5:00pm on Wednesday, 19th May, 2021.

ASX takes no responsibility for the contents of this Notice.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF MAYLION ACQUISITION

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 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for Axis Minerals Pty Ltd (**Axis**) and James Newbury to acquire a relevant interest in 2,990,419,558 Shares on the terms and conditions set out in the Explanatory Statement, which will result in Axis' and James Newbury's voting power in the Company increasing from 0% to 93.42%."*

A voting prohibition statement applies to this Resolution. Please see below.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required for Resolution 1 under section 611 (Item 7) of the Corporations Act. The Independent Expert's Report provides an analysis of the advantages and disadvantages of the transaction the subject of this resolution to the non-associated Shareholders in the Company.

Dated: 16 April 2021

By order of the Board

**Ms Andrea Betti
Company Secretary
East Energy Resources Limited**

Voting Prohibition Statement

Resolution 1 – Approval to issue Shares

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast on this Resolution by Axis Minerals Pty Ltd, Noble Netherlands B.V (or its subsidiary, Maylion Pty Ltd); and any of their respective associates.

Voting by proxy

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, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

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

Voting in person

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

You may still attend the meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Advanced Share Registry will need to verify your identity. You can register from 9:45am on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass Resolution 1.

The Company notes that, as announced on 17 September 2020, the Company's securities have been suspended from Official Quotation, pending the outcome of the Maylion Acquisition. As set out in Section 1.2, one of the conditions precedent to the Maylion Acquisition is that Shareholders approve the acquisition in accordance with item 7 of section 611 of the Corporations Act, which is the subject of Resolution 1.

Resolution 1 is important for the future direction of the Company, and Shareholders should read this Notice in its entirety.

The Company's Shares have been suspended from quotation since 17 September 2020.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to reinstate the Company's Shares to quotation on the Official List. Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's Securities.

There is a risk that ASX will not grant the Company approval to reinstate its securities on the Official List following completion of the Maylion Acquisition.

1. BACKGROUND TO THE MAYLION ACQUISITION

1.1 General

Noble Netherlands BV (Registered Number: 24379934), an entity incorporated in The Netherlands (**Noble**) is a major shareholder of the Company, which currently holds 2,990,419,558 fully paid ordinary shares in the capital of the Company (**Shares**) through Maylion Pty Limited (ACN 148 876 331) (**Maylion**), its wholly owned subsidiary. Through Maylion, Noble controls 93.42% of the issued capital of the Company (Refer to the Form 603 "Notice of initial substantial holder" lodged the Company on its ASX Platform on 24 December 2018).

Axis Minerals Pty Ltd (ACN 618 470 081) (**Axis**) is an Australian proprietary limited company with a focus on mining massive and semi-massive magnetite ore and producing iron ore, magnetite heavy metal sand concentrates, limestone, and base metal (including zinc and copper) concentrates. Axis also owns 100% of the shares in Mt Moss Mining Pty Ltd (ACN 117 660 830) (**Mt Moss**), an entity that owns an iron ore project based in Queensland (**Mt Moss Project**). Mt Moss holds a range of approved Mining Leases and freehold land parcels in Queensland which contain base metal ore and limestone; and owns a complete beneficiation plant, including crushing, screening, dry magnetic separation, milling, wet gravity and wet magnetic separation circuits.

James Newbury is the sole director and shareholder of Axis and the sole director of Mt Moss.

1.2 Maylion Acquisition Agreement

In December 2020, Axis and Noble entered into a binding share sale and purchase agreement (**Maylion Acquisition Agreement**), pursuant to which Noble agreed to sell, and Axis agreed to purchase, 100% of the issued capital of Maylion (**Maylion Acquisition**). The material terms and conditions of the Maylion Acquisition Agreement are as follows:

Acquisition	Noble agrees to sell, and Axis agrees to purchase, 100% of the issued capital of Maylion (Maylion Shares).
Settlement	Settlement of the Maylion Acquisition will occur on the date that is 5 business days after the satisfaction or waiver of the Conditions.
Consideration	<p>Consideration for the Maylion Shares, Axis:</p> <ul style="list-style-type: none"> (a) paid \$250,000 to Noble on the date of execution of the Maylion Acquisition Agreement; (b) will pay a further \$250,000 to Noble on the date that the Company releases a notice convening a Shareholder meeting containing a resolution for the approval of the transaction contemplated by the Maylion Acquisition Agreement pursuant to item 7 of section 611 of the Corporations Act (being the subject of Resolution 1, convened by this Notice); and (c) will grant Noble a royalty equal to \$5.00 per dry metric tonne of iron ore sold or otherwise disposed from the Mt Moss Project (up to a maximum royalty of \$2,000,000) <p>Axis has agreed to secure the royalty by providing Noble with a fixed and floating charge over the proceeds of sale of certain iron ore products and a portion of the property, plant and equipment of Mt Moss.</p>
Conditions Precedent	<p>Settlement of the Maylion Acquisition Agreement is subject to and conditional on the following:</p> <ul style="list-style-type: none"> (a) a resolution of the Company's Shareholders, approving the Maylion Acquisition pursuant to item 7 of section 611 of the Corporations Act (the subject of Resolution 1); (b) entry of Noble and Axis into a royalty agreement and security documentation to give effect to the above royalty and security arrangements; (c) all regulatory and other third party consent and approvals are required to implement the Maylion Acquisition; (d) Noble extinguishing all existing indebtedness owed by the Company and Maylion to Noble; and (e) Axis procuring the release and discharge of security interests held by the National Australia Bank Limited over Mt Moss.

For the avoidance of doubt, the Company confirms it is not a party to the Maylion Acquisition Agreement and that the terms of the Maylion Acquisition were negotiated between Noble and Axis independently of the Company.

2. RESOLUTION 1 – APPROVAL OF MAYLION ACQUISITION

As completion of the Maylion Acquisition will result in Axis and James Newbury acquiring a relevant interest of 93.42% of the ordinary shares in the Company, the

acquisition will breach the general prohibition set out in section 606(1) of the Corporations Act (the 20% rule), unless one of the relevant exceptions set out in section 611 of the Corporations Act applies. Further details of the legislative regime underpinning the 20% rule are set out below.

Resolution 1 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for Axis and James Newbury to acquire a relevant interest in the Company pursuant to the Maylion Acquisition. Shareholder approval of the Maylion Acquisition forms one of the conditions precedent to the Maylion Acquisition Agreement (the material terms and conditions of which are set out in Section 1.2).

2.1 Legislative Regime

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%.

(Prohibition).

(b) Voting Power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) Associates

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%;
- (ii) a body corporate that the person controls.

2.2 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Axis does not currently hold any Shares and, therefore, has 0% voting power in the Company as at the date of this Notice.

Following completion of the Maylion Acquisition, Maylion will continue to have a voting power in the Company of 93.42% and as Axis and James Newbury will control Maylion, Axis and James Newbury will also have a relevant interest in the Shares held by Maylion and Maylion's corresponding voting power:

Holder of relevant interest	Registered holder of securities	Nature of relevant interest	Class and number of securities	Person's votes	Voting power
Maylion Pty Ltd	Maylion Pty Ltd	Registered holder	2,990,419,558 Shares	2,990,419,558	93.42%
Axis Minerals Pty Ltd	Maylion Pty Ltd	Axis will control Maylion as Axis will be the sole shareholder and therefore will have a relevant interest under	2,990,419,558 Shares	2,990,419,558	93.42%

		section 608(3) of the Corporations Act			
James Newbury	Maylion Pty Ltd	James Newbury holds 100% of the shares in Axis (which in turn will control Maylion) and therefore will have a relevant interest under section 608(3) Corporations Act	2,990,419,558 Shares	2,990,419,558	93.42%

Accordingly, upon completion of the Maylion Acquisition, Axis' and James Newbury's voting power will exceed 20%.

Shareholder approval under item 7 of section 611 of the Corporations Act is therefore required to enable Axis to be transferred Maylion Shares.

The table above details the voting power Axis and James Newbury will acquire as a result of the Maylion Acquisition.

2.3 Specific Information required by section 611 (Item 7) of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd attached to this Explanatory Statement as a Schedule.

(a) Identity of the Acquirer and its Associates

Axis is an Australian proprietary limited company which was established in 2017 and is 100% controlled by James Newbury.

Axis' core focus is mining massive and semi-massive magnetite ore and producing iron ore, magnetite heavy metal sand concentrates, limestone, and base metal (including zinc and copper) concentrates.

As set out in Section 2.2 above, Axis does not currently hold any shares in the capital of the Company and, accordingly, has 0% voting power in the Company. Additionally, Axis does not have any associates who hold shares in the capital of the Company.

James Newbury is Axis' sole director and shareholder. James Newbury does not currently hold any shares in the capital of the Company and, accordingly, has 0% voting power in the Company. James does not have any associates who hold shares in the Company.

Axis or James Newbury are not related parties of Noble or the Company.

(b) Relevant Interest and Voting Power

Axis does not currently hold any Shares and, therefore, has 0% voting power in the Company as at the date of this Notice.

Table 1: Ownership of Shares

Following completion of the Maylion Acquisition, Axis and James Newbury will acquire a relevant interest in the following Shares through controlling the registered holder of the Shares, Maylion:

Holder of relevant interest	Registered holder of securities	Nature of relevant interest	Class and number of securities	Person's votes
Maylion Pty Ltd	Maylion Pty Ltd	Registered holder	2,990,419,558 Shares	2,990,419,558
Axis Minerals Pty Ltd	Maylion Pty Ltd	Axis will control Maylion as Axis will be the sole shareholder and therefore will have a relevant interest under section 608(3) of the Corporations Act	2,990,419,558 Shares	2,990,419,558
James Newbury	Maylion Pty Ltd	James Newbury is the sole shareholder and director of Axis (which in turn will control Maylion) and therefore will have a relevant interest under section 608(3) Corporations Act	2,990,419,558 Shares	2,990,419,558

Table 2: Summary of changes of Voting Power and Maximum Increases in Voting Power

	All Shareholders	Non-associated Shareholders	Maylion	Axis Minerals and James Newbury
Current shareholding	3,200,987,035	210,567,477	2,990,419,558	0
Current Voting Power	100%	6.58%	93.42%	0%
Post-acquisition relevant interests	3,200,987,035	210,567,477	2,990,419,558	2,990,419,558
Post-conversion Voting Power	100%	6.58%	93.42%	93.42%

Table 2 demonstrates that, upon completion of the Maylion Acquisition, Axis' and James Newbury's relevant interest in the Company will increase from 0% to a maximum of 93.42%. However, as the proposed transaction involves the change in legal and beneficial ownership of Maylion (the registered holder of the Shares in the Company), non-associated Shareholders will see no change in their collective relevant interests, which will remain at 6.58%.

(c) **Reasons for the proposed issue of securities**

As set out in Section 1.2 of this Explanatory Statement, Noble intends to sell 100% of the Maylion Shares to Axis. As consequence of this transaction, Axis and James Newbury will gain control of 93.42% of the Company's Shares.

(d) **Date of proposed issue of securities**

The Company notes that the 'proposed issue' for the purposes of item 7 of section 611 of the Corporations Act relates to the change in ultimate ownership of 93.42% of the Company's Shares following Axis' acquisition of the Maylion Shares.

The Company confirmed that no additional Shares will be issued pursuant to the Maylion Acquisition.

The Maylion Shares will be transferred to Axis upon settlement of the Maylion Acquisition, which will occur five business days after the satisfaction or waiver of all conditions to the Maylion Acquisition Agreement, including Shareholder approval of this Resolution 1 (refer to Section 1.2 for a summary of the material terms and conditions of the Maylion Acquisition Agreement).

The Company considers that completion of the Maylion Acquisition is expected to occur on or before the end of May 2021.

(e) **Material terms of proposed issue of securities**

The fully paid ordinary shares in the capital of the Company held by Maylion are already on issue, and rank *pari passu* with the remaining Shares. As set out above, the Maylion Acquisition will only result in the change in ultimate control of existing Shares. Accordingly, no additional Shares will be issued pursuant to the Maylion Acquisition.

(f) **Axis' and James Newbury's Intentions**

Axis and James Newbury have informed the Company that, as at the date of this Notice of Meeting and on the basis of the facts and information available to them, that:

- (i) they support the Company's existing business strategy, which involves reviewing new opportunities to enhance the Company's project portfolio and increase the overall value proposition of the Company and reviewing strategic options for development of the Blackall Project; and
- (ii) in accordance with ASIC Regulatory Guide 74, other than as otherwise stated in this Notice, they:
 - (A) will be working with the board of the Company to review the options open to the Company for acquisition and development of associated projects (including other projects held by Axis or its associates such as Mt Moss or the Mt Moss Project) in order to establish "co-product" opportunities for the "Blackall Project". Any review of targeted "co-product" projects, subject to, where relevant, ASX and Shareholder approvals, will potentially result in a significant change to the business of the Company;

- (B) will be working with the board of the Company to assess avenues to raise additional working capital, either on a debt or equity basis to inject further capital into the Company which may include raising capital from Axis or James Newbury, subject to receipt of any required ASX or Shareholder approvals;
- (C) will be working with the board of the Company to review the suitability of incumbent staff thereby potentially affecting the future employment of the present employees of the Company;
- (D) has no present intention to redeploy any fixed assets of the Company;
- (E) has no present intention to transfer any property from the Company to Axis but may consider the transfer of assets to the Company in conjunction with identified "co-product" opportunities referred to in paragraph (A) above;
- (F) has no present intention to change the Company's existing policies in relation to financial matters or dividends; and
- (G) intends to seek appointment of 4 new directors with an intention to seek the retirement of two of the existing sitting directors. Further details on the potential new directors are set out in Section 2.3(g)

In its capacity as a major Shareholder, Axis will provide input regarding its views on the direction of the business, including in relation to the above matters where appropriate.

These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) Identity of Potential New Directors

As noted above in Section 2.3(f)((ii)(G), following completion of the Maylion Transaction, Axis will seek to appoint 4 new directors to the Company.

Axis has advised the Company that it intends to seek appointment of the following new Directors:

- (i) James Newbury | Managing Director

James has had extensive experience in project management and developing mine operations, in Australia, Indonesia, Philippines, and Laos. James has been involved in all facets of several mining operations in Queensland, including permitting, environmental assessment and compliance, feasibility studies, metallurgy, mining operations, off-take, logistics and export of mineral concentrates. James is the Sole Director of Mt Moss

Mining Pty Ltd, and sole shareholder and director of AXIS Minerals Pty Ltd.

(ii) Grant Ferguson | Technical Director

Grant has significant African and country experience in his over twenty-six years' in mining, exploration and development roles encompassing a number of Australian mining and energy executive directorships in public and private companies. Grant has direct experience at the Mt Moss Iron Project and involved in the geology, mining, and creation of the JORC resource estimates in 2014 and 2015 and underground concept study.

Grant's experience includes precious and base metals, bulk commodities (coal & iron ore) and renewable energy projects across Australia, Africa, Asia, North America, Europe, and the Middle East. Grant has total project experience, from proof of concept, exploration, scoping/pre-feasibility/feasibility studies, Initial Public Offering (IPO) through to EPCM and operations.

Grant is a Fellow of the Australian Institute of Geoscientists (AIG), Member of the Australian Institute of Mining and Metallurgy (AusIMM).

(iii) Stephen Ross | Director

Mr Ross is a geologist and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for over 25 years. Stephen has sourced investments of over \$100m for junior explorers and pre-development resource companies worldwide while holding senior management and technical positions when based in Central Asia, West Africa and Sri Lanka.

Mr Ross specialises in finding new projects in frontier economies while attracting minerals investment and establishing and managing operations whilst building a development team for new projects. He has developed strong relationships with investors and resource companies from Australia, Europe, China, Russia, Central Asia, South-East Asia and West Africa.

Stephen is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and a Fellow of the Financial Services Institute of Australia.

(iv) Bryan Duncan | Director

An experienced commodities trader and risk manager with 16 years of experience in companies like Noble Citi, Deutsche bank, he has led regional trading teams across Asia and has strong relationships on the origination and consumption side. He has worked across physical trading, structured trade finance, sales/ trading roles. Within Asia he has worked in Australia, Indonesia, Singapore, Hong Kong and more recently China where he managed the commodities business for Citibank and Deutsche bank.

More recently Bryan has worked with Bedford Row Capital to drive the Fixed Income structuring business in Asia with a strong supply chain finance business and expand the firm's coverage in Asia, where he has expanded his exposure to a variety of Fixed Income solutions for clients and investors.

Other than James Newbury, who as per above is the sole shareholder of Axis, none of the proposed directors have any interest in Axis, Noble, the Company or the Maylion Transaction.

Following settlement of the Maylion Transaction, it is intended that the above Directors will be appointed as additional directors by the Board with their appointment confirmed by Shareholders at the Company's upcoming Annual General Meeting.

Axis considers that the newly constituted Board will be well placed to implement the Company's business objectives and strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. Axis confirms that it has no intention for the Company to be externally managed and the Board will have full responsibility for the Company's activities. The Directors will also make up the senior management team.

(h) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of Resolution 1.

Based on the information available, including that contained in this Explanatory Memorandum and the Independent Expert's Report, all of the Directors consider that the completion of the Maylion Acquisition is in the best interests of the Company.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Each of the Directors recommend that Shareholders vote in favour of Resolution 1.

(i) **Capital Structure**

Completion of the Maylion Acquisition will not affect any change to the capital structure of the Company.

2.4 Independent Expert's Report – Resolution 1

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (a copy of which is attached as a Schedule to this Explanatory Statement) has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

The Independent Expert's Report concludes that, **in the absence of an alternate offer, the advantages of the Maylion Transaction to the non-associated Shareholders outweigh the disadvantages of the Maylion Transaction to the non-associated Shareholders.**

The Independent Expert is of the opinion that the potential advantages of the Maylion Transaction are as follows:

- (a) No control premium will be payable by Axis under the Maylion Transaction, meaning that Shareholders will not miss out on the opportunity to receive a premium for control for their Shares.
- (b) An alternative for Maylion, should the Maylion Transaction not proceed, could be to sell its Shares on market, which may decrease the Company's Share price
- (c) Noble will extinguish all existing indebtedness owed by Maylion and EER to Noble or its affiliates.
- (d) Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company.

The Independent Expert is of the opinion that the potential disadvantage of the Maylion Transaction is that should the Maylion Transaction proceed, Noble will no longer be a shareholder in EER, potentially resulting in the Company losing the financial support of Noble.

Shareholders are urged to carefully read the Independent Expert's Report in full before deciding on how to vote on the Resolution.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Axis means Axis Minerals Pty Ltd (ACN 618 470 081).

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.

Company means East Energy Resources Limited (ACN 126 371 828).

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.

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

Listing Rules means the Listing Rules of ASX.

Maylion means Maylion Pty Limited (ACN 148 876 331).

Maylion Acquisition means the proposed acquisition of the Maylion Shares by Axis.

Maylion Acquisition Agreement has the meaning given to it in Section 1.2.

Maylion Shares means fully paid ordinary shares in the capital of Maylion.

Mt Moss means Mt Moss Mining Pty Ltd (ACN 117 660 830).

Mt Moss Project has the meaning given to it in Section 1.1.

Noble means Noble Netherlands BV (Registered Number: 24379934), an entity incorporated in The Netherlands.

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

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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