

YANDAL RESOURCES LIMITED

ACN 108 753 608

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**For the General Meeting of Shareholders
to be held on 19 May 2022 at 10am (WST)
at 159 Stirling Highway, Nedlands, Western Australia**

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Shareholders are urged to vote by lodging the Proxy Form.

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of Yandal Resources Limited will be held at:

**159 Stirling Highway,
Nedlands, Western Australia,**

**Commencing
at 10am (WST)
on 19 May 2022**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:00am (WST). Given the current COVID-19 pandemic, Shareholders are urged to vote by proxy.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form as soon as possible and deliver the Proxy Form in accordance with the instructions on the Proxy Form. You may also submit your Proxy Form online in accordance with instructions on the Proxy Form.

Your Proxy Form must be received no later than 48 hours before the commencement of the Meeting.

YANDAL RESOURCES LIMITED
ACN 108 753 608

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Yandal Resources Limited will be held at 159 Stirling Highway, Western Australia on 19 May 2022 at 10am (WST) for the purpose of transacting the following business.

Due to the ongoing COVID-19 pandemic and strict limitation on physical attendance, the Company has taken steps to ensure attendance in person is in adherence to COVID-19 protocols. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

RESOLUTION 1 – ELECTION OF DIRECTOR – GREGORY EVANS

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

"That Gregory Evans, being a Director of the Company appointed by the Directors as an additional Director and holding office until this Meeting in accordance with rule 7.3(f) of the Constitution of the Company and, being eligible, offers himself for election, is hereby elected as a Director of the Company."

RESOLUTION 2 – APPROVAL TO ISSUE OPTIONS TO GREGORY EVANS

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

"That, subject to the passing of Resolution 1, the issue up to 600,000 Options to Gregory Evans or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Restriction on proxy voting by key management personnel or closely related parties:

A person appointed as 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 for the Company; 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:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS TO TIMOTHY KENNEDY

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

"That the issue up to 2,000,000 Options to Timothy Kennedy or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

Restriction on proxy voting by key management personnel or closely related parties:

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

- (e) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
- (f) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (g) the proxy is the chair of the Meeting; and
- (h) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of

the key management personnel for the Company.
Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the chair of 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.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolutions 2 and 3. The Proxy Form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolutions 2 and 3 even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolutions 2 and 3.
4. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.
5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 17 May 2022 at 10.00am (WST).
6. If using the Proxy Form, please complete, sign and return it to the Company's registered office in accordance with the instructions on that form. Voting online is available.

By order of the Board



Ms Bianca Taveira
Company Secretary

Dated: 20 April 2022

YANDAL RESOURCES LIMITED
ACN 108 753 608

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. RESOLUTION 1 – ELECTION OF DIRECTOR – GREGORY EVANS

Rule 7.3(f) of the Company's Constitution provides that any Director appointed by the Board as an additional director may retire at the next meeting of members and is eligible for re-election at that meeting.

Mr Gregory Evans was appointed by the Board as an additional Director on 4 April 2022.

Mr Gregory Evans has elected to retire at this Meeting and, being eligible, offers himself for re-election as a Director of the Company. This will avoid the need for Mr Evans to be re-elected at this year's annual general meeting.

Mr Gregory Evans is the Non-Executive Chairman of the Company.

Mr Evans has over 25 years in advising corporates, boards, directors, executive management teams, and providers of debt and equity and other financial sponsors on capital raisings, mergers and acquisition transactions, equity and debt structuring, public offers, takeover defence, strategic options and growth strategies. He specialises in energy and natural resources with a particular focus on the mining sector. He has a Bachelor of Commerce, a Diploma in Applied Finance and is a Graduate of the Australian Institute of Company Directors.

Mr Evans is currently part-time Principal Director – Mergers and Acquisitions with KPMG Australia as well as Chief Investment Officer/Executive Director of a private family office.

The Board of the Company recommends the election of Mr Gregory Evans as a Director.

2. RESOLUTIONS 2 AND 3 – APPROVAL TO ISSUE OPTIONS TO GREGORY EVANS AND TIMOTHY KENNEDY

2.1 General

The Board consists of Gregory Evans (Non-Executive Chairman), Timothy Kennedy (Managing Director) and Katina Law (Non-Executive Director).

Resolutions 2 and 3 seek Shareholder approval so that the Company may issue Options as an incentive to each of Gregory Evans and Timothy Kennedy under the Employee Incentive Plan. The approval to issue Options to Gregory Evans (Resolution 2) is conditional on his re-election as a Director (Resolution 1).

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and Chapter 10 of the Listing Rules because each of the Directors is a related party of the Company. Shareholder approval is being sought under Listing Rule 10.14 as the securities are being issued under an employee incentive scheme. Each of Chapter 2E and Listing Rule 10.14 are dealt with separately below.

2.2 Chapter 2E of the Corporations Act - Related Party Transaction

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

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each of Gregory Evans and Timothy Kennedy is a related party of the Company.

The issue of Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

One of the specified exceptions is the giving of a financial benefit on reasonable arms length terms. Although the Board considers the issue of the Options is reasonable in the circumstances, the Board will seek approval under Chapter 2E including for good governance purposes.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related parties are Gregory Evans or his nominees (Resolution 2) and Timothy Kennedy or his nominees (Resolution 2).

- (b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of up to:

- (i) 300,000 Tranche 1 Options and 300,000 Tranche 2 Options to Gregory Evans or his nominees; and
- (ii) 1,000,000 Tranche 1 Options and 1,000,000 Tranche 2 Options to Timothy Kennedy or his nominees.

The Tranche 1 Options have an exercise price of 50 cents, an expiry date of 4 April 2025 and immediately vest. The Tranche 2 Options have an exercise price of \$1.00, an expiry date of 4 April 2026 and are subject to a vesting hurdle. The full terms of each of the Tranche 1 Options and the Tranche 2 Options are set out in Schedule 2.

- (c) *Reasons for giving the benefit and Directors' Recommendation*

The purpose of the issue of the Options is to respectively incentivise Gregory Evans and Timothy Kennedy to provide ongoing dedicated services and to have their remuneration linked to the performance of the Company. The benefit will only be received from the Options upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentive, represented by the issue of these Options, is a cost effective and efficient reward and incentive to be provided to the Director by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. In addition, the Directors independent of the Director to be issued the Options consider it prudent to make payment by way of Options so as to preserve the cash reserves of the Company.

The Directors independent of the Director to be issued Options consider that the quantity of Options together with the terms of the Options constitutes an appropriate number to adequately incentivise the Director in question in light of that Director's skill and experience and his current remuneration as detailed below.

The Company acknowledges that the issue of the Options to Gregory Evans as a non-executive director may be contrary to guidelines for non-executive director remuneration in the ASX Corporate Governance Principles and Recommendations, 4th Edition suggesting that non-executive directors should not receive performance based remuneration. However, the Board considers the issue of the Options to Gregory Evans to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Gregory Evans abstains from making a recommendation as a Director to Shareholders on Resolution 2 as he has a material personal interest in the outcome as the recipient of the Options.

Timothy Kennedy abstains from making a recommendation as a Director to Shareholders on Resolution 3 as he has a material personal interest in the outcome as the recipient of the Options.

(d) *Current total remuneration package*

The current total remuneration received by Gregory Evans is \$65,000 per year director's fee plus statutory superannuation.

The current total remuneration received by Timothy Kennedy is \$260,000 per year base salary plus statutory superannuation and a short term incentive cash payment of up to \$20,000 per annum subject to key performance indicators to be set by the Board.

(e) *Existing relevant interests*

As at the date of this Notice, the Directors have a relevant interest in securities of the Company as follows:

	Shares	Options	Performance Rights
Gregory Evans	0	0	0
Timothy Kennedy	116,667	3,334 ¹	450,000 ²

1. The Options have an exercise price of 65 cents and an expiry date of 31 December 2022.
2. The Performance Rights were issued in 3 classes each of 150,000 Performance Rights following Shareholder approval on 19 November 2021.

(f) *Dilution*

The passing of the Resolutions would have the effect of issuing up to 2,600,000 Options.

If any of the Options are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all the 2,600,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 2.19%

based on the total number of Shares on issue at the date of this Notice of 116,091,553.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Closing Price	Date
Highest Price	67 cents	18 May 2021
Lowest Price	23 cents	9 March 2022
Latest Price	26 cents	19 April 2022

(h) *Valuation of Options*

The Company's independent advisers, Stantons Corporate Finance Pty Ltd, have valued the Options to be issued by reference to the Black Scholes option valuation methodology.

The following assumptions have been made regarding the inputs required for the model:

Input	Tranche 1 Options	Tranche 2 Options	Note
Number of Options	1,300,000	1,300,000	
Underlying share spot price	23.5 cents	23.5 cents	1
Exercise Price	50 cents	\$1.00	2
Dividend rate	Nil	Nil	3
Risk free rate	2.5366%	2.5366%	4
Volatility	83.6%	83.6%	5
Life of the Options	3 years	4 years	6
Service or Performance Condition	Nil	Yes	7

Note 1: The underlying Share spot price used for the purpose of the valuation is based on the closing Share price of 23.5 cents on 8 April 2022.

Note 2: The exercise price is 50 cents for the Tranche 1 Options and \$1.00 for the Tranche 2 Options.

Note 3: No dividends are expected to be paid during the life of the Options.

Note 4: The risk free rate is based on the average yield on three year Australian government bond rate at 7 April 2022.

Note 5: The volatility was calculated from the Company's historical trading volatility over the three year period to 8 April 2022 and since listing on 14 December 2018 and is 83.58%.

Note 6: The life of the Options has been assumed to be 3 years expiring on 4 April 2025 for the Tranche 1 Options and 4 years expiring on 4 April 2026 for the Tranche 2 Options.

Note 7: There is no vesting hurdle for the Tranche 1 Options. The vesting hurdle for the Tranche 2 Options is set out in Schedule 2.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options		
	Tranche 1 Options	Tranche 2 Options
Gregory Evans	300,000 Options – 8.7 cents each (\$26,100)	300,000 Options – 7.47 cents each (\$22,410)
Timothy Kennedy	1,000,000 Options – 8.7 cents each (\$87,000)	1,000,000 Options – 7.47 cents each (\$74,700)

(i) *Other information*

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in issuing the Options.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

2.3 Listing Rule 10.14

The Company is proposing to issue Options to the Directors, Gregory Evans and Timothy Kennedy under the Employee Incentive Plan, which is an employee incentive scheme ("**Issue**").

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) Listing Rule 10.14.1 – a director of the listed company;
- (b) Listing Rule 10.14.2 – an associate of a director of the listed company; or
- (c) Listing Rule 10.14.3 – a person whose relationship with the listed company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

The Resolutions seek the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

In each case, if the Resolution is passed, the Company will be able to proceed with the Issue and the Director will be able to be issued the Options under the Employee Incentive Plan.

In each case, if the Resolution is not passed, the Company will not be able to proceed with the Issue and this incentive will not be issued to the particular Director. No other replacement incentive is currently proposed.

2.4 Listing Rule 10.15

For Shareholders to approve the issue of the Options under and for the purposes of Listing Rule 10.14, the following information is provided to Shareholders in accordance with Listing Rule 10.15:

- (a) The securities will be issued to Gregory Evans or his nominee (Resolution 2) and Timothy Kennedy or his nominee (Resolution 3).
- (b) Each of Gregory Evans and Timothy Kennedy is a Director and is a Listing Rule 10.14.1 party.
- (c) The number of securities the Company will issue is up to 600,000 Options to Gregory Evans or his nominees and up to 2,000,000 Options to Timothy Kennedy or his nominees.
- (d) The current total remuneration package of each of Gregory Evans or Timothy Kennedy is set out in Section 2.2(d) above.
- (e) No securities have previously been issued to Gregory Evans under the Employee Incentive Plan.

450,000 Performance Rights in 3 classes each of 150,000 were issued to Timothy Kennedy on 22 November 2021 under the Employment Incentive Plan following Shareholder approval on 19 November 2021. These securities were issued for nil acquisition price and the average acquisition price is nil.

- (f) The securities to be issued are Tranche 1 Options with an exercise price of 50 cents and an expiry date of 4 April 2025 and immediately vest and Tranche 2 Options with an exercise price of \$1.00 and an expiry date of 4 April 2026 and have a vesting hurdle. The full terms of each of the Tranche 1 Options and Tranche 2 Options are set out in Schedule 2. Options are being issued under the Employee Incentive Plan as the Directors consider this incentive is a cost effective and efficient reward and incentive and will preserve the cash reserves of the Company as opposed to the payment of cash compensation. The value of the Options with the disclosure of the assumptions is set out in Section 2.2(h) above.
- (g) The securities are intended to be issued within 1 week of the Meeting.
- (h) The Options will be issued for no consideration and there is no issue price.
- (i) The material terms of the Employee Incentive Plan are summarised in Schedule 1.
- (j) No loan will be made to any of the Directors in relation to the issue of the Options under the Employee Incentive Plan.
- (k) Details of any securities issued under the Employee Incentive Plan to Listing Rule 10.14 parties will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Incentive Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

YANDAL RESOURCES LIMITED
ACN 108 753 608

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

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

"**ASX**" means the ASX Limited (ACN 008 624 691).

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

"**Board**" means the Board of Directors of the Company.

"**Chair**" or "**Chairman**" means the chairperson of the Company.

"**Company**" or "**YRL**" means Yandal Resources Limited (ACN 108 753 608).

"**Constitution**" means the constitution of the Company.

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

"**Directors**" mean the directors of the Company from time to time.

"**Employee Incentive Plan**" means the Yandal Resources Employee Incentive Plan, with the terms summarised in Schedule 1.

"**equity securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

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

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for a Share.

"**Performance Right**" means a right to acquire a Share subject to the satisfaction of applicable vesting conditions.

"**Resolution**" means a resolution referred to in the Notice.

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

"**Shareholder**" means a registered holder of Shares in the Company.

"**Tranche 1 Options**" means Options with the terms set out in Schedule 2.

"**Tranche 2 Options**" means Options with the terms set out in Schedule 2.

"**WST**" means Western Standard Time, Perth, Western Australia.

"**A\$**" or "**\$**" means Australian dollars unless otherwise stated.

SCHEDULE 1

Terms of Employee Incentive Plan

- 1. Purpose**

The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer Options or Performance Rights to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants**

Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities ("Eligible Participants").
- 3. Offers**

Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.
- 4. Expiry Date**

The expiry date of any Options or Performance Rights will be determined by the Board.
- 5. Vesting Conditions and Lapse**

An Option or Performance Right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the Options or Performance Rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles.

An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.
- 6. Shares issued on vesting**

Each Option or Performance Right entitles the holder to one fully paid ordinary share on exercise or vesting.
- 7. Transferability and quotation**

An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the Options or vesting of the Performance Rights.
- 8. No voting or dividend rights**

The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.
- 9. No participation rights**

The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
- 10. Limitation on number of securities**

Securities to be issued under the Employee Incentive Plan in any 3 year period must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit being any offer to a person outside Australia, an offer not requiring disclosure to investors because of

section 708 of the Corporations Act or an offer made under a disclosure document.

11. Administration of the Employee Incentive Plan

The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.

12. Operation

The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.

13. Application of Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)*

Subdivision 83A-C (deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.

SCHEDULE 2

Terms of Options (Resolutions 2 and 3)

Tranche 1 Options

The terms of the Tranche 1 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.
2. The exercise price of the Options is 50 cents (Exercise Price).
3. The Options are exercisable at any time prior to 5.00 pm WST on 4 April 2025 (Expiry Date).
4. The Options are only transferable with Board approval. The Options are not intended to be quoted.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
6. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Tranche 2 Options

The terms of the Tranche 2 Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share) upon exercise of the Option.
2. The exercise price of the Options is \$1.00 (Exercise Price).
3. Subject to paragraph 4, the Options are exercisable at any time prior to 5.00 pm WST on 4 April 2026 (Expiry Date).
4. The Options may only be exercised if the Director being, or associated with, the holder continues as a Director until 4 April 2023.
5. The Options are only transferable with Board approval. The Options are not intended to be quoted.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Prior to the Expiry Date, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am on Tuesday, 17 May 2022**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/yrl2022gm>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am on Tuesday, 17 May 2022**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/yrl2022gm>
+ 61 2 9290 9655

📠 **By Fax**

✉ **By Mail**

Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia



In Person

Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Yandal Resources Limited

ACN 108 753 608

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Yandal Resources Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **159 Stirling Highway, Nedlands, Western Australia on Thursday, 19 May 2022 at 10:00 am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2 & 3 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2 & 3 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2 & 3). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	Election of Director – Gregory Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Issue Options to Gregory Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue Options to Timothy Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022

Contact Email.....

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible)