

EQUATOR RESOURCES LIMITED

ACN 127 411 796

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at
Level 1, 35 Richardson Street, West Perth, Western Australia
on 6 April 2016 at 10.00am (WST).

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9212 0104.

EQUATOR RESOURCES LIMITED

ACN 127 411 796

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Equator Resources Limited (**Company**) will be held at Level 1, 35 Richardson Street, West Perth, Western Australia on 6 April 2016 at 10.00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 4 April 2016 at 4.00pm (WST).

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

AGENDA

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the 2015 Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Note: The vote on Resolution 1 will be an advisory vote of Shareholders only, and will not bind the Directors or the Company.

Voting Prohibition: In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Director – Mr Jason Bontempo

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

"That Mr Jason Bontempo, who was appointed on 10 November 2015, retires in accordance with Rule 7.1(c) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Re-election of Director – Ms Shannon Robinson

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

"That Ms Shannon Robinson, who was appointed on 10 November 2015, retires in accordance with Rule 7.1(c) of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director."

5. Resolution 4 – Re-election of Director – Mr Michael Naylor

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

"That Mr Michael Naylor, who was appointed on 15 February 2016, retires in accordance with Rule 7.1(c) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

6. Resolution 5 – Consolidation of Capital

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, pursuant to and in accordance with section 254H of the Corporations Act, and for all other purposes, Shareholders approve and authorise the Directors to consolidate the issued capital of the Company on the basis that every 50 Shares be consolidated into one Share and that Options on issue be adjusted in accordance with the Listing Rules on the terms and conditions in the attached Explanatory Memorandum accompanying this Notice."

7. Resolution 6 – Authority to issue Creditor Shares

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 20,495,832 Shares to the Creditors (or their nominees) on the terms and conditions, set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Creditors and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates. 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.

8. Resolution 7 – Authority to issue Converting Loan Securities

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

*"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 25,000,000 Shares and 60,000,000 Lender Options (**Converting Loan Securities**) to the Lenders (or their nominees) on the terms and conditions, set out in the Explanatory Memorandum."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Lenders and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates. 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.

9. Resolution 8 – Authority to issue Placement Shares

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

*"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 175,000,000 Shares (**Placement Shares**) on the terms and conditions, set out in the Explanatory Memorandum."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any of their associates. 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.

10. Resolution 9 – Approve Director Participation in Share Placement – Mr Jason Bontempo

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 Shares to Mr Jason Bontempo (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Bontempo (and his nominee) and any of their associates. 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.

11. Resolution 10 – Issue of Director Options - Mr Jason Bontempo

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 8,500,000 Director Options to Mr Jason Bontempo (or his nominee) on the terms and conditions, set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Bontempo (and his nominee) and any of their associates. 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.

12. Resolution 11 – Issue of Director Options – Ms Shannon Robinson

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 4,000,000 Director Options to Ms Shannon Robinson (or her nominee) on the terms and conditions, set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ms Robinson (and her nominee) and any of their associates. 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.

13. Resolution 12 – Issue of Director Options - Mr Michael Naylor

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

"That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 1,500,000 Director Options to Mr Michael Naylor (or his nominee) on the terms and conditions, set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Naylor (and his nominee) and any of their associates. 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.

14. Resolution 13 – Approve issue of Shares in lieu of fees – MVP Capital

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

“That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 350,000 Shares to MVP Capital (or their nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by MVP Capital (and their nominee) and any of their associates. 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.

15. Resolution 14 – Issue of Advisor Options

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

“That, subject to and conditional upon the passing of all the Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue 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 those persons. 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.

16. Resolution 15 – Section 195 Approval

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

“That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice.”

17. Resolution 16 – Spill Resolution

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

“That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*
- (b) all vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting.”*

Voting Prohibition: In accordance with section 250R of the Corporations Act, a vote on this Resolution 16 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 17 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 16; or
 - (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
-

Voting Prohibition for Resolutions 10 to 12

A vote on Resolutions 10 to 12 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

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

Dated 4 March 2016

BY ORDER OF THE BOARD

Jason Bontempo
Director
Equator Resources Limited

EQUATOR RESOURCES LIMITED

ACN 127 411 796

EXPLANATORY MEMORANDUM

1. Introduction

1.1 General

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 35 Richardson Street, West Perth, Western Australia on 6 April 2016 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

1.2 Proxies

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

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

1.3 Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.equatorresources.com.au or by contacting the Company on +61 8 9212 0104.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2015;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;

- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

1.4 Recapitalisation Resolutions

Resolutions 5 to 13 (inclusive) are in respect of the Company's proposed recapitalisation transaction and are each inter-conditional on all of those Resolutions being approved. If any of Resolutions 5 to 13 (inclusive) are not passed, then all of these Resolutions will be taken to have been rejected by Shareholders.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The vote on Resolution 1 is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

2.2 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting within 90 days of the second annual general meeting (**Spill Meeting**).

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Voting Consequences

Before the date of the Meeting, the Company had not held an annual general meeting for the financial years since the 2012 financial year due to the Company's suspension from trading on ASX.

The Company has called for annual general meetings for financial years 2013 to 2014 to be held consecutively prior to this Meeting.

In the event that at the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were more than 25%, a Spill Resolution will be relevant for this Annual General Meeting, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report.

3. Resolution 2 – Re-election of Director – Mr Jason Bontempo

Rule 7.1(b) of the Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Bontempo was appointed as a Director on 10 November 2015. Pursuant to Rule 7.1(h) of the Constitution, Mr Bontempo will retire and seek re-election.

Jason Bontempo has 18 years' experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. Mr Bontempo has worked primarily in Australia and the UK providing corporate advice and the financing of resource companies on both the ASX and AIM markets including resource asset acquisitions and divestments. Mr Bontempo has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development. Jason is also currently a director of ASX listed companies Red Emperor Resources and Orca Energy Ltd.

The Board (other than Mr Bontempo, who is abstaining because of his interest in this Resolution) recommends that Shareholders vote FOR this Resolution.

4. Resolution 3 – Re-election of Director – Ms Shannon Robinson

Rule 7.1(b) of the Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Ms Robinson was appointed as a Director on 10 November 2015. Pursuant to Rule 7.1(h) of the Constitution, Ms Robinson will retire and seek re-election.

Shannon Robinson (LLB, B.Com, AAICD, GIA(cert)) is a former corporate lawyer specialising in providing corporate and strategic advice in relation to acquisitions and mergers, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance. Shannon is also currently a director of Spookfish Limited (ASX: SFI) and Fastbrick Robotics Limited (ASX: FBR) and Southern Crown Resources Limited (ASX: SWR).

The Board (other than Ms Robinson, who is abstaining because of her interest in this Resolution) recommends that Shareholders vote FOR this Resolution.

5. **Resolution 4 – Re-election of Director – Mr Michael Naylor**

Rule 7.1(b) of the Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Naylor was appointed as a Director on 15 February 2016. Pursuant to Rule 7.1(h) of the Constitution, Mr Naylor will retire and seek re-election. Michael Naylor has 20 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Mr Naylor has been involved in the management of mineral and resources focused public companies serving on the board and in the executive management team focusing on advancing and developing mineral resource assets and business development. Michael is also a member of the Chartered Secretaries Australia.

The Board (other than Mr Naylor, who is abstaining because of his interest in this Resolution) recommends that Shareholders vote FOR this Resolution.

6. **Resolution 5 – Consolidation of Capital**

6.1 **General**

Resolution 5 seeks Shareholder approval for the Company to undertake a consolidation of the number of Shares on issue on the basis that every 50 Shares held be consolidated into one Share.

6.2 **Effect of Consolidation**

The result of the Consolidation is that each Security holding will be reduced by 50 times its current level. Each Shareholder's proportional interest in the Company's share capital will remain unchanged as a result of the Consolidation. Any fractional entitlements of Security holders as a consequence of the Consolidation will be rounded up.

The change in capital structure of the Company following the Consolidation, which is subject to adjustments for rounding, is as follows:

Class of Security	Number on Issue (Pre- Consolidation)	Number on Issue (Post-Consolidation)
Shares	106,926,829	2,138,537

The Consolidation will take effect from the second Business Day after Shareholder approval is received pursuant to the Notice of Meeting (**Effective Date**).

As from the day that is four Business Days after the Effective Date, the Company may not register transfers on a pre-Consolidation basis. In the case of certificated holdings, this is the last day for the Company to accept transfers accompanied by certificates issued before the Consolidation.

The Company will send a notice to all Security holders not earlier than the fifth Business Day after the Effective Date and not later than the ninth Business Day after the Effective

Date advising of the number of Securities held by each Security holder both before and after the capital Consolidation.

Uncertificated security holding statements or certificates (as applicable) for the Securities will be sent to Security holders not earlier than the fifth Business Day after (but not including) the Effective Date and not later than the ninth Business Day after (but not including) the Effective Date.

The Company will, from the date that is five Business Days after the Effective Date, reject transfers accompanied by a certificate or holding statement that was issued before the Consolidation.

Where a Security holder has sold his or her Securities in the Company prior to the Consolidation of ordinary Shares and the Company receives a valid transfer executed by the Security holder together with a certificate (if applicable) for those Shares, the Company will send an uncertificated security holding statement or certificate (as applicable) for the new Shares to the transferee named in the transfer.

Resolution 5 is an ordinary resolution.

6.3 Capital Structure

On the basis that all Recapitalisation Resolutions are passed, and the maximum number of Securities are issued under Resolutions 6 to 15, the Company's capital structure following the Consolidation will be as follows:

Class of Security	Number on Issue (Post-Consolidation)
Shares	2,138,537
Creditor Shares	20,495,832
Converting Loan Shares	25,000,000
Share Placement ¹	175,000,000
Shares in lieu of fees	350,000
TOTAL SHARES	222,984,369
Unlisted Options (\$0.02, 4 years) ²	76,000,000

Notes:

1. This amount includes the 25,000,000 Shares to be issued to Jason Bontempo (or his nominees) as part of the Share Placement (and subject to Resolution 9).
2. This figure includes the Lender Options, Director Options and Advisor Options the subject of Resolutions 7, 10, 11, 12 and 14.

6.4 Timetable

Based upon the above, an indicative timetable assuming Shareholder approval is obtained will be as follows:

Date	Event
6 April 2016	Following shareholder approval Company announces shareholder approval of capital Consolidation.
7 April 2016	Last day for trading pre-capital Consolidation securities.
8 April 2016	Ex Date.
11 April 2016	Record Date. Last day to register transfers on a pre-capital Consolidation basis.
12 April 2016	First day to register transfers on a post-capital Consolidation basis.
18 April 2016	Latest date for Company to send notice to each security holder of pre and post capital Consolidation holdings.

7. Resolution 6 – Issue of Shares to Creditors

7.1 General

As announced by the Company on 11 November 2015, as part of the Company's recapitalisation proposal the Company entered into agreements with a majority of its creditors to convert their existing debts of approximately \$800,000 into a total of 20,845,832 Shares (on a post Consolidation basis). Resolution 6 seeks approval of the issue of 20,495,832 of these Shares (**Creditor Shares**). Approval for the remaining 350,000 of Shares (on a post Consolidation basis) is sought pursuant to Resolution 13. Issue of the Creditor Shares is subject to Shareholder approval.

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Creditor Shares in satisfaction of amounts outstanding to the various creditors pursuant to their debt repayment agreements (**Creditors**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Directors to issue the Creditor Shares during the period of 3 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.

7.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may issue is 20,495,832

Shares (on a post Consolidation basis) (**Creditor Shares**).

- (b) The Company will issue the Creditor Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is expected that the Creditor Shares will be issued on one date.
- (c) The Creditor Shares will be issued to the various trade creditors of the Company (or their nominees) (**Creditors**). None of the Creditors are related parties of the Company.
- (d) The Creditor Shares issued will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) No additional funds will be raised from the issue of the Creditor Shares as they will be issued to repay amounts owing to the Creditors pursuant to the debt repayment agreements.
- (f) A voting exclusion statement is included in the Notice.

8. Resolution 7 – Authority to issue Converting Loan Securities

8.1 General

As announced by the Company on 3 December 2015, the Company entered into various loan agreements with sophisticated investors known to the Company (**Lenders**), pursuant to which the Lenders agreed to provide a \$250,000 working capital convertible loan to the Company (**Converting Loan**). Conversion of the Converting Loan into Shares is subject to Shareholder approval.

As part of its proposed debt restructure, the Company will satisfy the repayment terms of the Converting Loan by issuing up to 25,000,000 Shares (at a deemed conversion price of \$0.01 per Share) and 60,000,000 Lender Options (on a post Consolidation basis) to the Lenders (together, the **Converting Loan Securities**).

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Converting Loan Securities in satisfaction of amounts outstanding pursuant to the Converting Loan.

A summary of Listing Rule 7.1 is provided in Section 7.1.

The effect of Resolution 7 will be to allow the Directors to issue the Converting Loan Securities during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 7 is an ordinary resolution.

8.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The maximum number of securities the Company may issue is 25,000,000 Shares and 60,000,000 Lender Options (on a post Consolidation basis) (**Converting Loan Securities**).
- (b) The Company will issue the Converting Loan Securities no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is expected that the

Converting Loan Securities will be issued on one date.

- (c) The Converting Loan Securities be issued to the Lenders. None of the Lenders are related parties of the Company.
- (d) The Shares issued will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Lender Options will be exercisable at \$0.02 (on a post Consolidation basis), will expire 4 years after their issue date and will otherwise be on the terms and conditions set out in Schedule 2.
- (f) No additional funds will be raised from the issue of the Converting Loan Securities as they will be issued to repay all amounts owing under the Converting Loan. The funds raised from the Converting Loan were used by the Company for general operating expenses and working capital purposes.
- (g) A voting exclusion statement is included in the Notice.

9. Resolution 8 – Approval of Share Placement

9.1 General

As part of its proposed recapitalisation, the Company seeks Shareholder approval for the allotment and issue of up to 175,000,000 Shares (on a post Consolidation basis) at an issue price of \$0.01 per Share to raise up to \$1,750,000 (**Share Placement**). The Company intends to undertake the Share Placement to the general public pursuant to a prospectus issued in accordance with the Corporations Act and to be lodged at ASIC shortly after the Meeting (**Prospectus**).

A summary of Listing Rule 7.1 is provided in Section 7.1.

The effect of Resolution 8 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 8 is an ordinary resolution.

9.2 Specific information required by Listing Rule 7.3

The following information is provided pursuant to and in accordance with Listing Rule 7.3:

- (a) The maximum number of Shares the Company intends to issue is 175,000,000 (on a post Consolidation basis).
- (b) The Company will issue the Placement Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Placement Shares will be issued at an issue price of \$0.01 each.
- (d) The Placement Shares will be issued to the general public and with the exception of up to 26,000,000 of the Placement Shares being issued to the Participating Directors, none of the Placement Shares will be issued to related parties of the Company.
- (e) The Shares to be issued are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.

- (f) The proposed use of funds is as follows:

Use of Funds	
Item	\$
Transaction costs associated with Reinstatement and Capital Raisings	\$360,000
Further exploration expenditure and assessment of Existing Assets	\$500,000
Corporate administration and overheads	\$390,000
Working capital	\$500,000
Total	\$1,750,000

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

10. Resolution 9 – Authority for the Directors to participate in the Share Placement

10.1 General

Pursuant to Resolution 8 the Company is seeking Shareholder approval for the allotment and issue of up to 175,000,000 Shares at an issue price of \$0.01 per Share (on a post Consolidation basis) to raise up to \$1,750,000 (**Share Placement**).

Mr Jason Bontempo, a Director, wishes to participate in the Share Placement (**Participating Director**). Resolution 9 seeks Shareholder approval for the allotment and issue of a total of 25,000,000 Shares to the Participating Director (or his nominees) arising from his participation in the Share Placement.

10.2 Chapter 2E of the Corporations Act

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.

It is the view of the Board that Shareholder approval under Chapter 2E of the Corporations Act is not required for the issue of Shares to Mr Bontempo and/or his nominees, as the issue of Shares falls within the exception under section 210 of the Corporations Act.

Section 210 of the Corporations Act provides that shareholder approval is not required for a company to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are on terms that are less favourable to the related party than would be given if the parties were dealing at arm's length.

In forming this view, the Board noted that the price of the Shares to be issued to the Participating Directors is the same as the price of the Shares to be issued under the

Share Placement which was set having regard for current market conditions and demand. Accordingly, the terms of the issue of Shares to the Participating Directors were negotiated on an arm's length basis and are reasonable in the circumstances.

10.3 ASX Listing Rule 10.11

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.

As the Share Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

10.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 9:

- (a) The Shares will be issued to Mr Jason Bontempo, and/or his nominees.
- (b) The maximum number of Shares the Company will issue to the Participating Director and/or his nominees under Resolution 9 (on a post Consolidation basis) is 25,000,000 Shares.
- (c) The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date.
- (d) The issue price will be \$0.01 per Share (on a post Consolidation basis), being the same as all other Shares issued under the Share Placement.
- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The funds raised will be used for the same purposes as all other funds raised under the Share Placement as set out in Section 9.2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participating Director to participating in the Share Placement as approval is being obtained under ASX Listing Rule 10.11.

11. Resolutions 10 to 12 - Issue of Director Options

11.1 Background

Pursuant to Resolutions 10 to 12, the Company proposes to grant a total of 14,000,000 Director Options (on a post Consolidation basis) to Mr Jason Bontempo, Ms Shannon Robinson and Mr Michael Naylor, and/or their nominees.

The primary purpose of the grant of the Director Options is to provide a performance linked incentive component in the Directors' remuneration packages to assist the Company in attracting, retaining, motivating and rewarding their performance, and to align their interests with those of Shareholders. 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 Director Options to be granted to the Directors is commensurate with their value to the Company.

Listing Rule 10.11 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. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options as approval is being obtained under ASX Listing Rule 10.11.

Each of the directors whom Director Options will be issued is a related party of the Company by virtue of being a Director of the Company.

The Board (other than each Director in relation to the issue of Director Options to them, in which case they decline to make a recommendation) supports the grant of Director Options to each of Jason Bontempo, Shannon Robinson and Robert Marusco.

11.2 Related Party Approval

The Company is not seeking Shareholder approval for the financial benefit covered by Resolutions 10 to 12 as the Board has resolved that the financial benefit to be provided to the Directors pursuant to the Director Options comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

11.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Options is provided as follows:

- (a) The Director Options will be issued to Mr Jason Bontempo, Ms Shannon Robinson and Mr Michael Naylor, and/or their nominees.
- (b) The maximum number of Director Options the Company can issue to each of the Directors and/or their nominees under Resolutions 10 to 12 (on a post Consolidation basis) is as follows:
 - (i) Mr Jason Bontempo – 8,500,000 Director Options;
 - (ii) Ms Shannon Robinson – 4,000,000 Director Options; and
 - (iii) Mr Michael Naylor – 1,500,000 Director Options.
- (c) The Company will issue the Director Options to the relevant Directors and/or their nominees no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Options will be issued on one date.
- (d) The Director Options will be issued for nil cash consideration. Accordingly, no funds will be raised from the issue of the Director Options.
- (e) The Director Options will be exercisable at \$0.02 (on a post Consolidation basis), will expire 4 years after their issue date and will otherwise be on the terms and conditions set out in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

12. Resolution 13 – Approve issue of Shares in lieu of fees – MVP Capital

12.1 General

The Company proposes to issue Shares to MVP Capital in lieu of \$94,921 of fees owed by the Company to MVP Capital for corporate services. MVP Capital is a related party of the Company by virtue of MVP Capital being an entity with associated a former Director of the Company, Mr Robert Marusco.

The Shares are to be issued as part of the debt restructure arrangements entered into by the Company designed to preserve the Company's cash resources. Should Shareholders not approve the issue of shares contemplated by these resolutions the outstanding fees will be paid in cash.

It is the view of the Board that Shareholder approval under Chapter 2E of the Corporations Act is not required for the issue of Shares to MVP Capital (and/or their nominees), as the issue of Shares falls within the exception under section 210 of the Corporations Act.

In forming this view, the Board noted that the equivalent issue price of the Shares to satisfy payment of \$94,921 in fees (being approximately \$0.27 per Share, on a post Consolidation basis) to be issued to MVP Capital is at a significant premium to the proposed capital raising price under the Share Placement (which was set having regard for current market conditions and demand). Accordingly, the terms of the issue of Shares pursuant to Resolution 13 were negotiated on an arm's length basis and are reasonable in the circumstances.

12.2 ASX Listing Rule 10.11

Listing Rule 10.11 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 Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Related Party Creditor Shares as approval is being obtained under ASX Listing Rule 10.11.

12.3 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of the Director Options is provided as follows:

- (a) The Related Party Shares will be issued to MVP Capital, and/or their nominees.
- (b) The maximum number of Related Party Shares the Company can issue under Resolution 13 (on a post Consolidation basis) is 350,000.
- (c) The Company will issue the Related Party Shares to MVP Capital and/or their nominees no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on one date.
- (d) No new cash funds will be raised by the issue of the Related Party Shares however the liability to pay the relevant fees to MVP Capital will be extinguished. Accordingly, no funds will be raised from the issue of the Shares.
- (e) A voting exclusion statement is included in the Notice.

13. Resolution 14 – Issue of Advisor Options

13.1 General

Resolution 14 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 2,000,000 Options (**Advisor Options**), in aggregate, to advisors and consultants of the Company (**Advisors**).

The Advisors have provided services as consultants to the Company. The Advisor Options are proposed to be issued to the Advisors to retain their services and to provide cost effective remuneration for their ongoing commitment and contribution to the Company.

A summary of Listing Rule 7.1 is provided in Section 7.1.

Resolution 14 is an ordinary resolution.

13.2 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) The Advisor Options will be issued to the Advisors (and/or their nominees). None of the recipients are related parties of the Company.
- (b) The maximum number of securities the Company may 2,000,000 Advisor Options.
- (c) The Company will issue the Advisor Options no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is expected that the Advisor Options will be issued on one date.
- (d) The Advisor Options will be issued for nil cash consideration as they will be issued to incentivise and reward the Advisors. Accordingly, no funds will be raised from issue of the Advisor Options.
- (e) The Advisor Options will be exercisable at \$0.02 (on a post Consolidation basis), will expire 4 years after their issue date and will otherwise be on the terms and conditions set out in Schedule 2.
- (f) A voting exclusion statement is included in the Notice.

14. Resolution 15 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a “material personal interest” are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 10, 11 and 12. In the absence of this Resolution 16, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 10, 11 and 12.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

15. Resolution 16 – Spill Resolution

If less than 25% of the votes cast on the remuneration report of the Company's 2014 Annual General Meeting are voted against adoption of the remuneration report considered at that meeting, the Chair will withdraw Resolution 16.

Additionally, if less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 16.

The Corporations Act requirements for Resolution 16 (being the Spill Resolution) are set out in Section 2.

The effect of Resolution 16 being passed is the Company will be required to hold a Spill Meeting within 90 days of the date of this Meeting and the vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

Schedule 1 - Definitions

Advisor Option means an Option issued pursuant to Resolution 14, and on the terms and conditions set out in Schedule 2.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2015.

Article means an article of the Constitution.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

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

Board means the board of Directors.

Chairman means the chairman of the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company means Equator Resources Limited ACN 127 411 796.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Director Option means an Option issued pursuant to Resolutions 10 to 12, and on the terms and conditions set out in Schedule 2.

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

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

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

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Lender Option means an Option issued pursuant to Resolution 7, and on the terms and conditions set out in Schedule 2.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share (and includes an Advisor Option, Director Option or Lender Option as the context requires).

Proxy Form means the proxy form attached to the Notice.

Recapitalisation Resolutions means each of Resolutions 5 to 13 (inclusive).

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

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Spill Meeting has the meaning set out in Section 2.2.

Spill Resolution has the meaning set out in Section 2.2.

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

VWAP means volume weighted average price.

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

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

Schedule 2 – Terms and Conditions of Options

The general rights and liabilities attaching to the Advisor Options, Director Options and Lender Options can be summarised as follows:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Each Option has an exercise price of \$0.02 (**Exercise Price**) (on a post Consolidation basis) and the expiry date is that date that is 4 years from the issue date of the Option (**Expiry Date**).
- (c) The Options are exercisable at any time after grant and on or prior to the Expiry Date.
- (d) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (f) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (g) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (i) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.
- (j) If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (k) No application for quotation of the Options will be made by the Company.
- (l) The Options are transferable provided that the transfer of the Options complies with section 707(3) of the Corporations Act.
- (m) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.