

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 29 November 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 29 November 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 27 November 2016 at 10.00am (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 2016, 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 2016 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 Nicholas Rowley

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

"That Mr Nicholas Rowley, who was appointed on 20 September 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."

4. Resolution 3 – Re-election of Director – Mr Alexander Passmore

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

"That Mr Alexander Passmore, who was appointed on 20 September 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."

5. Resolution 4 – Ratification of Prior Issue - Shares

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

"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the allotment and issue of 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

6. Resolution 5 – Issue of Director Options - Mr Nicholas Rowley

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 2, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 8,000,000 Director Options to Mr Nicholas Rowley (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 Rowley (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.

7. Resolution 6 – Issue of Director Options – Mr Alexander Passmore

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 3, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 8,000,000 Director Options to Mr Alexander Passmore (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 Alexander Passmore (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.

8. Resolution 7 – 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, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 2,500,000 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 Michael 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.

9. Resolution 8 – Approval of 10% Placement Facility

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 8 by any person who may participate in the issue of Equity Securities under this Resolution 8 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 8 is passed and any associates of those persons.

However, the Company will not disregard a vote if:

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

Voting Prohibition for Resolutions 5, 6 and 7

A vote on Resolutions 5, 6 and 7 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 27 October 2016

BY ORDER OF THE BOARD



Michael Naylor
Company Secretary
Equator Resources Limited

EQUATOR RESOURCES LIMITED

ACN 127 411 796

EXPLANATORY MEMORANDUM

10. Introduction

10.1 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 29 November 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.

10.2 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.

10.3 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 2016;
- (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.

11. Resolution 1 – Adoption of Remuneration Report

11.1 General

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Annual Report.

If at least 25% of the votes on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2017 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2017 annual general meeting. All of the Directors who were in office when the Company's 2017 Directors' report 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 is approved will be the directors of the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote***. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you elect to appoint the Chair as your proxy, you ***do not*** need to direct the Chair how you wish them to exercise your vote on Resolution 1.

11.2 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

12. Resolution 2 – Re-election of Director – Mr Nicholas Rowley

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 Rowley was appointed as a Director on 20 September 2016. Pursuant to Rule 7.1(h) of the Constitution, Mr Rowley will retire and seek re-election.

Mr Rowley holds a Bachelor of Commerce from the University Of Notre Dame Western Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. Mr Rowley previously worked for Bell Potter Securities Ltd for 9 years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international Institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as Director of Corporate Development for ASX listed Galaxy Resources.

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

13. Resolution 3 – Re-election of Director – Mr Alexander Passmore

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 Passmore was appointed as a Director on 20 September 2016. Pursuant to Rule 7.1(h) of the Constitution, Mr Passmore will retire and seek re-election.

Mr Passmore is an experienced corporate executive with a strong financial and technical background. He has managed the arrangement of debt and equity financing for many well-known resources companies and has a wealth of experience in project evaluation. Most recently he managed the WA Natural Resources Business of Commonwealth Bank of Australia (Institutional Banking and Markets) which comprised a substantial portfolio of loan, hedge, trade finance and working capital products to ASX listed and multinational resource company counterparties. Prior to this, Mr Passmore held senior roles at Patersons Securities including Director-Corporate Finance and Head of Research. Mr Passmore holds a BSc (Hons) in Geology from the University Of Western Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia.

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

14. Resolution 4 – Ratification of Prior Issue - Shares

14.1 General

In May 2016 the Company completed a placement of 205,000,000 Shares pursuant to a Prospectus dated 16 May 2016, at an issue price of \$0.01 per Share, to raise approximately \$2,050,000 before costs. The Company had previously obtained shareholder approval to issue 175,000,000 of the Placement Shares at its 2015 Annual General Meeting. The remaining 30,000,000 Placement Shares were issued within the Company's 15% capacity pursuant to ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 30,000,000 of the Placement Shares that were not previously approved by shareholders (**Share Ratification**).

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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

14.2 Technical Information Required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 30,000,000 Shares were allotted;
- (b) the issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to new and existing investors pursuant to a Prospectus dated 16 May 2016, none of whom were related parties of the Company; and
- (e) the funds raised from this issue will be used for further exploration and assessment of the Company's existing assets, business development and evaluation opportunities, corporate and administrative overheads and working capital.

15. Resolutions 5 to 7 - Issue of Director Options

15.1 Background

The Company is seeking Shareholder approval to issue a total of 18,500,000 Director Options to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor in accordance with section 208 of the Corporations Act and Listing Rule 10.11. The Company proposes to issue the Director Options to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor as follows:

Recipient	Number and Class	Expiry Date	Exercise Price
Mr Nicholas Rowley	8,000,000 Director Options	30 November 2019	\$0.03
Mr Alexander Passmore	8,000,000 Director Options	30 November 2019	\$0.03
Mr Michael Naylor	2,500,000 Director Options	30 November 2019	\$0.03

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.

The benefit from the Director Options will only be received if the Company's Share Price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to issue the Director Options in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

15.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As Directors, Mr Nicholas Rowley, Mr Alexander Passmore and Mr Naylor are related parties of the Company within the meaning specified under section 228 of the Corporations Act by virtue of being Directors. Further, the provision of the Director Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Options under Resolutions 5 to 7 to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor, respectively, as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 7:

(a) The related party to whom the financial benefit is to be given

Mr Nicholas Rowley (and/or his nominee), Mr Alexander Passmore (and/or his nominee) and Mr Michael Naylor (and/or his nominee).

(b) The nature of the financial benefit

The maximum number of Director Options (being the nature of the financial benefit beign provided) to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor is as follows:

Recipient	Number and Class
Mr Nicholas Rowley	8,000,000 Director Options
Mr Alexander Passmore	8,000,000 Director Options
Mr Michael Naylor	2,500,000 Director Options
Total	18,500,000 Director Options

The Director Options will be issued on the terms set out in Schedule 2.

(c) Valuation of the financial benefits

The Company has engaged Stantons International to prepare independent valuations of the Director Options.

The Black-Scholes option pricing model has been applied in providing valuation information in respect to the Director Options to be issued to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor. Stantons International has determined that the Director Options has an implied value of \$0.006898 per Director Option.

Accordingly, the aggregate implied value of the Director Options to be issued to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor is as follows:

Recipient	Implied value each	Number	Value
Mr Nicholas Rowley	\$0.006898	8,000,000	\$55,184
Mr Alexander Passmore	\$0.006898	8,000,000	\$55,184
Mr Michael Naylor	\$0.006898	2,500,000	\$17,245
Total		16,000,000	\$127,613

The following variables and assumptions were used in the valuation:

- (i) A Share price of \$0.023 (assumed closing price on the day of the Annual General Meeting being the market price on ASX on 11 October 2016).
- (ii) A risk free interest rate of 1.71% (assumed on the day of the Annual General Meeting).
- (iii) An expiry date of 30 November 2019.
- (iv) An exercise price of \$0.03.
- (v) Volatility of 55%.
- (vi) No discount for non-transferability.
- (vii) The underlying Shares do not currently pay a dividend.

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.

(d) **Current remuneration and security interests**

Details of Mr Nicolas Rowley, Mr Alexander Passmore' and Mr Michael Naylor current annualised remuneration, as well as their security interests (both direct and indirect) in the Company as at the date of the Notice, are outlined below:

Director	Salary/fees	Security interests
Mr Nicholas Rowley	\$42,000 per annum (including superannuation)	<ul style="list-style-type: none">• 2,500,000 Fully Paid Ordinary Shares• Nil Options
Mr Alexander Passmore	\$42,000 per annum (including superannuation)	<ul style="list-style-type: none">• Nil Fully Paid Ordinary Shares• Nil Options
Mr Michael Naylor	\$60,000 per annum (including superannuation)	<ul style="list-style-type: none">• Nil Fully Paid Ordinary Shares• 1,500,000 Options (expiry 5 April 2020 and exercise price of \$0.02)

(e) **Dilution**

If all of the Director Options issued under Resolutions 5 to 7 were converted into Shares, a total of 18,500,000 Shares would be issued. This would increase the total number of Shares on issue from 249,978,380 to 268,478,380 (assuming no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by an aggregate of approximately 7.4% (being 3.2% by Mr Rowley, 3.2% by Mr Passmore and 1.0% by Mr Naylor).

(f) **Accounting**

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Director Options under Resolutions 5 to 7) will be recognised as an expense in respect of the services received.

(g) **Trading history**

As at the date of the Notice, the Company had 249,978,380 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.018 on 4 July 2016 and \$0.029 on 5 September 2016. The closing market sale price of the Company's Shares on the ASX on 12 October was \$0.023.

As at the date of the Notice, the Company had the following unlisted Options on issue:

Grant date	Expiry date	Exercise price	Number
27 April 2016	5 April 2020	\$0.02	15,000,000
25 May 2016	25 May 2020	\$0.02	60,000,000
30 June 2016	30 June 2019	\$0.02	1,000,000
			76,000,000

(h) **Terms of securities**

The terms of the Director Options are set out in Schedule 2.

(i) **Opportunity costs to the Company**

The primary purpose of the grant of Director Options to the related parties is to provide cost effective consideration to Mr Rowley, Mr Passmore and Mr Naylor for their ongoing commitment and contribution to the Company in their respective roles as Directors.

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

(j) **Intended use of funds raised**

There will be no funds raised in connection with the issue of the Director Options under Resolutions 5 to 7 as the Director Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Director Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Director Options at the discretion of the Board.

(k) **Directors' interests**

Mr Nicholas Rowley has a material personal interest in the outcome of Resolution 5 as the recipient of the Director Options. No other Director has a material personal interest in the outcome of Resolution 5.

Mr Alexander Passmore has a material personal interest in the outcome of Resolution 6 as the recipient of the Director Options. No other Director has a material personal interest in the outcome of Resolution 6.

Mr Michael Naylor has a material personal interest in the outcome of Resolution 7 as the recipient of the Director Options. No other Director has a material personal interest in the outcome of Resolution 7.

(l) **Directors' recommendations**

Mr Rowley declines to make a recommendation to Shareholders in relation to Resolution 5 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 6 and 7, Mr Rowley recommends that Shareholders vote in favour of Resolutions 6 and 7 for the following reasons:

- (i) the grant of the Director Options to Mr Passmore and Mr Naylor will align the interests of Mr Passmore and Mr Naylor with those of Shareholders;
- (ii) the grant of the Director Options to Mr Passmore and Mr Naylor is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Passmore and Mr Naylor; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options on the terms proposed.

Mr Passmore declines to make a recommendation to Shareholders in relation to Resolution 6 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 5 and 7, Mr Passmore recommends that Shareholders vote in favour of Resolutions 5 and 7 for the following reasons:

- (i) the grant of the Director Options to Mr Rowley and Mr Naylor will align the interests of Mr Rowley and Mr Naylor with those of Shareholders;
- (ii) the grant of the Director Options to Mr Rowley and Mr Naylor is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Rowley and Mr Naylor; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options on the terms proposed.

Mr Naylor declines to make a recommendation to Shareholders in relation to Resolution 7 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 5 and 6, Mr Naylor recommends that Shareholders vote in favour of Resolutions 5 and 6 for the following reasons:

- (i) the grant of the Director Options to Mr Rowley and Mr Passmore will align the interests of Mr Rowley and Mr Passmore with those of Shareholders;
- (ii) the grant of the Director Options to Mr Rowley and Mr Passmore is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Rowley and Mr Passmore; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options on the terms proposed.

In forming their recommendations, each Director considered the experience of the each other Director, the current market price of Shares and the current market practices when determining the basis of issue of the Director Options.

Mr Bontempo recommends that Shareholders vote in favour of Resolutions 5 to 7 for the following reasons:

- (i) the grant of the Director Options will align the interests of the recipients of the Director Options with those of Shareholders;
- (ii) the grant of the Director Options to Mr Rowley, Mr Passmore and Mr Naylor is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to those Directors; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options on the terms proposed.

In forming their recommendations, each Director considered the experience of the each other Director, the current market price of Shares and the current market practices when determining the basis of issue of the Director Options.

(m) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 5 to 7.

15.3 Information required by Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As Directors, Mr Nicolas Rowley, Mr Alexander Passmore and Mr Naylor are related parties of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Director Options under Resolutions 5 to 7 to Mr Nicolas Rowley, Mr Alexander Passmore and Mr Naylor as related parties of the Company.

The issue of the Director Options under Resolutions 5 to 7 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those Director Options (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolutions 7 and 8:

(a) **Name of the persons**

Mr Nicolas Rowley (and/or his nominee), Mr Alexander Passmore (and/or his nominee) and Mr Michael Naylor (and/or his nominee).

(b) **Maximum number of securities to be issued**

A total of 18,500,000 Director Options as follows:

Recipient	Number and Class
Mr Nicholas Rowley	8,000,000 Director Options
Mr Alexander Passmore	8,000,000 Director Options
Mr Michael Naylor	2,500,000 Director Options
Total	18,500,000 Director Options

(c) **Date by which the entity will issue the securities**

The Director Options will be issued as soon as practicable after the Annual General Meeting and, in any event, no later than 1 month after the Annual General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Relationship that requires Shareholder approval**

Mr Nicolas Rowley, Mr Alexander Passmore and Mr Michael Naylor are related parties of the Company by virtue of being directors of the Company.

(e) **Issue price of the securities**

The Director Options will be issued without payment of cash consideration, accordingly no funds will be raised.

(f) **Terms of the issue**

The terms of the Director Options are set out in Schedule 2.

(g) **Intended use of the funds raised**

There will be no funds raised in connection with the issue of the Director Options under Resolutions 5 to 7 as the Director Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Director Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Director Options at the discretion of the Board.

16. Resolution 8 – Approval of 10% Placement Facility

16.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as the market capitalisation of the Company immediately prior to despatch this Notice was approximately \$5,749,502 .

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 16.2(c) below).

The Directors believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

16.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company has the following Equity Securities on issue:

- (i) 249,978,380 Shares; and
- (ii) 76,000,000 Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (please refer to Section 16.2(c) above).

(e) **Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in Section 16.2(e)(i), the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

16.3 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in Section 16.3(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meetings of Shareholders; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.0115 50% decrease in market price	\$0.023 current market price	\$0.0345 50% increase in market price
Current variable "A" 249,978,380	10% voting Dilution	24,997,838	24,997,838	24,997,838
	Funds raised	\$287,475	\$574,950	\$862,425

50% increase in current variable "A" 374,967,570	10% voting Dilution	37,496,757	37,496,757	37,496,757
	Funds raised	\$431,212	\$862,425	\$1,293,638
100% increase in current variable "A" 499,956,760	10% voting Dilution	49,995,676	49,995,676	49,995,676
	Funds raised	\$574,950	\$1,149,900	\$1,724,850

Notes and assumptions:

1. Variable "A" in the above table is calculated with reference to the total shares on issue at the date of this Notice.
 2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 3. No Options are exercised into Shares before the date of the issue of the Equity Securities.
 4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 6. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 7. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 8. The issue price is \$0.023, being the closing price of the Shares on ASX on 12 October 2016.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- The Company may seek to issue the Equity Securities under the 10% Placement Facility for the exploration of its Acacia Frazer project in the Northern Territory, project identification as well as general working capital. The Company may also issue Equity Securities for non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release on valuation of the non-cash consideration that demonstrates that the deemed issue price of the Equity Securities complies with Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities.
- (d) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors which include the following:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing Shareholders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the financial situation and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but are likely to be Exempt Investors. The allottees will not be related parties of the Company.

If the Company is successful in acquiring new resource assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

- (e) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Schedule 1 - Definitions

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2016.

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 5 to 6, 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.

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.

Proxy Form means the proxy form attached to the Notice.

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.

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

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 of Director Options

The general rights and liabilities attaching to the Director 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 \$0.03 (**Exercise Price**) (on a post Consolidation basis) and the expiry date is 30 November 2019 (**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.

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EQUATOR RESOURCES LIMITED

ACN 127 411 796

PROXY FORM

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We

(details of registered shareholder)

being member(s) of **EQUATOR RESOURCES LIMITED** hereby appoint:

The Chairman of the Meeting (mark box)

☐

OR

If you are **NOT appointing the Chairman of the Meeting** as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of the Company to be held at Level 1, 35 Richardson Street, West Perth, Western Australia on 29 November 2016 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6 and 7 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

Important Note: The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Step 2 – Instructions as to Voting on Resolutions

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Nicolas Rowley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Alexander Passmore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Director Options – Mr Nicholas Rowley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Director Options – Mr Alexander Passmore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Director Options – Mr Michael Naylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 – Sign

Authorised signature/s

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

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

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

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

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

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

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

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

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

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting.

Lodge your vote:**By hand:**

Company Secretary
Equator Resources Limited
c/- Advanced Share Registry
110 Stirling Hwy
NEDLANDS, WA, AUSTRALIA,
6009

By post:

Company Secretary
Equator Resources Limited
c/- Advanced Share Registry
PO Box 1156
NEDLANDS, WA, AUSTRALIA,
6909

By facsimile:

+61 8 9262 3723