
EPIC RESOURCES LIMITED

ACN 146 530 378

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00am (Perth time)

DATE: Friday, 18 November 2011

PLACE: Blue Horse Corporate
Suite 2, Level 3
1292 Hay Street
West Perth Western Australia

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6140 2449

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (Perth time) on 18 November 2011 at:

Blue Horse Corporate, Suite 2, Level 3, 1292 Hay Street, West Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important. You may vote by attending the meeting in person, by proxy or authorised representative.

VOTING IN PERSON

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

VOTING BY PROXY

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 11.00am (Perth time) on 18 November 2011 at Blue Horse Corporate, Suite 2, Level 3, 1292 Hay Street, West Perth, Western Australia.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.30pm (Sydney time) on 16 November 2011.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company from the date of incorporation of the Company (24 September 2010) to 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR FALDI ISMAIL

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Faldi Ismail, a Director, retires by rotation, and being eligible, is re-elected as a Director."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ROBERT JEWSON

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Robert Jewson, a Director who was appointed on 5 September 2011, retires, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR FRANCIS DE SOUZA

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

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Francis De Souza, a Director who was appointed on 21 September 2011, retires, and being eligible, is re-elected as a Director."

4. RESOLUTION 4 – APPOINTMENT OF AUDITOR

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 327B of the Corporations Act 2001 (Cth) and for all other purposes, Pitcher Partners Corporate & Audit (WA) Pty Ltd (ABN 17 111 032 930), having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company."

5. RESOLUTION 5 – NON-EXECUTIVE DIRECTORS' REMUNERATION

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

"That, for the purposes of clause 13.8 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase in the total aggregate fixed sum per annum to be paid to Non-Executive Directors by \$100,000 to \$300,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director 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.

Voting Prohibition Statement

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

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

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – ADOPTION OF EPIC DIRECTOR SHARE PLAN

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 7.2 (exception 9(b)), Section 260C(4) of the Corporations Act and for all other purposes, approval is given for the Directors to implement and maintain a director share plan to be called the "Epic Director Share Plan" and to issue Shares under that plan from time to time upon the terms and conditions set out in the Epic

Director Share Plan (the terms of which are summarised in the Explanatory Statement)."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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

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

However, the above prohibition does not apply if:

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

7. RESOLUTION 7 – ISSUE OF SHARES TO ROBERT JEWSON UNDER THE EPIC DIRECTOR SHARE PLAN

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

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to provide a loan to Robert Jewson, a Director, to acquire up to 250,000 Shares pursuant to the Epic Director Share Plan and otherwise on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), Robert Jewson and any associates of Robert Jewson and, if ASX has expressed an opinion under ASX Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

8. **RESOLUTION 8 – ISSUE OF SHARES TO FRANCIS DE SOUZA UNDER THE EPIC DIRECTOR SHARE PLAN**

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

"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to provide a loan to Francis De Souza, a Director, to acquire up to 250,000 Shares pursuant to the Epic Director Share Plan and otherwise on the terms and conditions set out in the Explanatory Statement."

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), Francis De Souza and any associates of Francis De Souza and, if ASX has expressed an opinion under ASX Listing Rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person and any associates of that person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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

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

However, the above prohibition does not apply if:

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

9. **RESOLUTION 9 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report

as contained in the Company's annual financial report for the financial year ended 30 June 2011."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

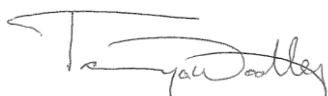
However, a person described above may vote on this Resolution if:

(c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and

(d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

DATED: 17 OCTOBER 2011

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Tanya Woolley', written over a horizontal line.

**TANYA WOOLLEY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (Perth time) on 18 November 2011 at Blue Horse Corporate, Suite 2, Level 3, 1292 Hay Street, West Perth, Western Australia.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the period since the incorporation of the Company on 24 September 2010 until 30 June 2011 together with the declaration of the directors, the directors' report, and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.epicresources.com.au or www.asx.com.au

2. RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR FALDI ISMAIL

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has three Directors and accordingly one must retire.

Mr Faldi Ismail, the Director longest in office, retires by rotation and seeks re-election.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ROBERT JEWSON

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director 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 Robert Jewson will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR FRANCIS DE SOUZA

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director 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 Francis De Souza will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

5. RESOLUTION 4 – APPOINTMENT OF AUDITOR

The Directors of a public company must appoint an auditor within one month of registration. The directors have appointed Pitcher Partners Corporate & Audit (WA) Pty Ltd as the Company's auditor.

The auditor of a public company so appointed within one month of registration holds office until the first annual general meeting of the Company. The auditor must be re-appointed at the first annual general meeting so that they may continue to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for Pitcher Partners to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Pitcher Partners has given its written consent to act as the Company's auditor subject to shareholder approval of this resolution.

If this resolution is passed, the appointment of Pitcher Partners as the Company's auditor will take effect at the close of this Annual General Meeting.

6. RESOLUTION 5 – NON-EXECUTIVE DIRECTORS' REMUNERATION

Pursuant to clause 13.8 of the Constitution and ASX Listing Rule 10.17, the total aggregate fixed sum per annum to be paid to the Non-Executive Directors from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Non-Executive Directors as the Non-Executive Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 5 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the Non-Executive Directors by \$100,000 to \$300,000.

The total aggregate fixed sum per annum has been increased to accommodate additional expertise to be added to the Board with a view to progressing the Company's projects further.

7. RESOLUTION 6 – ADOPTION OF EPIC DIRECTOR SHARE PLAN

7.1 General

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors of a high calibre, the Company has established the “Epic Director Share Plan” (**Director Plan**).

Resolution 6 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the issue of Shares under the Director Plan (**Director Plan Shares**) as an exception to ASX Listing Rule 7.1. An issue under an employee incentive scheme will only fall within exception 9(b) of ASX Listing Rule 7.2 if the securities are issued under a scheme approved by shareholders within three years before the date of issue.

If Resolution 6 is passed, the Company will have the ability to issue Director Plan Shares to eligible participants under the Director Plan over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

Shareholder approval pursuant to ASX Listing Rule 10.14 will still be required before any Director Plan Shares can be issued to Directors under the Director Plan.

The Directors have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Director Plan is an appropriate method to:

- (a) reward Directors for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate the Directors; and
- (d) assist to retain the services of valuable Directors.

The Director Plan will be used as part of the remuneration planning for executive Directors. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. The Director Plan will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers that it is appropriate for non-executive Directors to participate in the Director Plan given the size of the Company.

No Director Plan Shares have yet been issued under the Director Plan.

A summary of the terms and conditions of the Director Plan is set out below and a full copy of the Director Plan is available for inspection at the Company's registered office until the date of the General Meeting.

7.2 Summary of the terms and conditions of the Director Plan

Set out below is a summary of the terms and conditions of the Director Plan:

- (a) **Eligibility:** Participants in the Director Plan must be Directors of the Company or any of its subsidiaries (**Director Participants**).

- (b) **Administration of Director Plan:** The Board, or a duly appointed committee of the Board, is responsible for the operation of the Director Plan.
- (c) **Participation:** The Board determines the entitlement of Director Participants in the Plan, having regard to:
 - (i) the seniority of the Director Participant and the position the Director Participant occupies with the Company or any subsidiary;
 - (ii) the length of service of the Director Participant with the Company and its subsidiaries;
 - (iii) the record of employment of the Director Participant with the Company and its subsidiaries;
 - (iv) the potential contribution of the Director Participant to the growth and profitability of the Company and its subsidiaries; and
 - (v) any other matters which the Board considers relevant.
- (d) **Invitations:** The Board may issue an invitation to the Director Participant to participate in the Director Plan. The invitation will:
 - (i) invite applications for the number of Director Plan Shares specified in the invitation;
 - (ii) specify the issue price for the Director Plan Shares;
 - (iii) invite applications for a loan up to the amount payable in respect of the Director Plan Shares accepted by the Director Participant in accordance with the invitation;
 - (iv) specify an acceptance period; and
 - (v) specify any other terms and conditions attaching to the Director Plan Shares.

The number of Director Plan Shares will be determined at the absolute discretion of the Board.

- (e) **Issue price:** the issue price of each Director Plan Share will be not less than:
 - (i) the weighted average trading price of the Shares on ASX during the five trading days immediately before the offer date plus 20%; or
 - (ii) 20 cents.
- (f) **Director Loan:** A Director Participant who is invited to subscribe for Director Plan Shares may also be invited to apply for a loan up to the amount payable in respect of the Director Plan Shares accepted by the Director Participant (**Director Loan**), on the following terms:
 - (i) the Director Loan must be made solely to the Director Participant and in the name of that Director Participant;
 - (ii) the Director Loan will be interest free;

- (iii) the Director Loan will be non-recourse (refer to Section 8.2(s) for further details in respect of the nature of the Director Loan);
- (iv) the Director Loan made available to a Director Participant shall be applied by the Company directly toward payment of the issue price of the Director Plan Shares;
- (v) the term of the Director Loan, the time in which repayment of the Director Loan must be made by the Participant and the manner for making such payments shall be determined by the Board and set out in the invitation;
- (vi) the amount repayable on the Director Loan by the Director Participant will be the lesser of:
 - (A) the issue price of the Director Plan Shares multiplied by the number of Director Plan Shares issued less any cash dividends paid in respect of the Director Plan Shares and applied by the Company to reduce the amount of the Director Loan and any amount of the Director Loan repaid by the Director Participant; and
 - (B) the last sale price of the Shares on ASX on the date of repayment of the Director Loan multiplied by the number of Director Plan Shares issued, or, if there are no transactions on that day, the last sale price of the Shares prior to that date, or, if the Director Plan Shares are sold by the Company, the amount realised by the Company from that sale;
- (vii) any bonus payments (being payments of more than \$1,000 above the Director Participant's remuneration (as reviewed from time to time)) which are paid to the Director Participant will be applied by the Company on behalf of the Director Participant to repayment of the amount outstanding under the Director Loan and any surplus of the bonus payment will be paid to the Director Participant;
- (viii) a Director Participant must repay the Director Loan in full prior to expiry of the term of the Director Loan but may elect to repay the Director Loan amount in respect of any or all of the Director Plan Shares (in multiples representing not less than 1,000 Director Plan Shares) at any time prior to expiry of the term of the Director Loan;
- (ix) any fees, charges and stamp duty payable in respect of a Director Loan will be payable by the Director Participant;
- (x) the Company shall have a lien over the Director Plan Shares in respect of which a Director Loan is outstanding and the company shall be entitled to sell those Director Plan Shares in accordance with the terms of the Director Plan; and
- (xi) Director Plan Shares will not be tradeable by a Director Participant on ASX until the Director Loan amount in respect of those Director Plan Shares has been repaid and the Company will retain the share certificate in respect of such Director Plan Shares until the Director Loan has been repaid.

- (g) **Immediate repayment of the Director Loan:** If, prior to repayment of a Director Loan by a Director Participant, the Director Participant dies or becomes bankrupt then the Participant (or his or her personal representative) shall elect, by serving written notice on the Company within twenty one days of such event occurring, one of the following two alternatives:

(i) to have the Company either:

(A) place the Director Plan Shares to persons who are excluded offerees for the purpose of Section 708 of the Corporations Act, at a price being not less than 80% of the weighted average of the prices at which Shares were traded on ASX over the five days prior to the sale; or

(B) sell the Director Plan Shares on ASX,

and apply the proceeds of the sale in repayment of the Director Loan. If the proceeds exceed the amount of the Director Loan, the Company will then apply the balance to pay all reasonable expenses of the sale and then refund the surplus, if any, to the Director Participant. Once the Company has sold the Director Plan Shares and applied the proceeds of sale against the Director Loan, the Director Loan shall be deemed to be fully satisfied and the Director Participant shall have no further liability to the Company in respect of the Director Loan; or

(ii) to repay the Director Loan within 12 months in the event of the death or bankruptcy of the Director Participant and, upon repayment in full of the Director Loan, have the Director Plan Shares fully vested in their name.

If such a notice is not served within twenty one (21) days of the event occurring the Director Participant shall be deemed to have elected the alternative described in sub-paragraph (i) above.

- (h) **Director Plan limit:** The Company must ensure that the total number of Director Plan Shares on issue does not exceed 16% of the issued capital of the Company at any time. For the avoidance of doubt, a Share will cease to be a Director Plan Share once the Director Loan has been repaid in relation to it.

- (i) **Restriction on transfer:** Director Participants may not sell or otherwise deal with a Director Plan Share until the Director Loan amount in respect of that Director Plan Share has been repaid and until the expiry of the qualifying period in respect of the Director Plan Shares, if any, that may be imposed by the Board and set out in the invitation.

- (j) **Quotation on ASX:** The Company will apply for each Director Plan Share to be admitted to trading on ASX upon issue of the Director Plan Share and any restrictions on transfer of the Director Plan Shares set out in the invitation have expired.

- (k) **Rights attaching to Director Plan Shares:** Director Plan Shares will rank equally in all respects (other than with respect to any restrictions on transfer specified above or otherwise imposed by the Board) with other Shares on issue.

8. RESOLUTIONS 7 AND 8 – ISSUE OF SHARES TO DIRECTORS UNDER THE EPIC DIRECTOR SHARE PLAN

8.1 General

It is proposed that Robert Jewson and Francis De Souza (together, the **Participating Directors**) will participate in the Director Plan by each being issued Director Plan Shares (in the amounts set out below) and by receiving a loan from the Company to fund the subscription price for those Director Plan Shares in accordance with the terms and conditions of the Director Plan, a summary of which is set out in Section 7.2 of this Explanatory Statement.

Robert Jewson and Francis de Souza are all current Directors of the Company and are therefore eligible to participate in the Director Plan.

Shareholder approval is required for the issue of Director Plan Shares to the Participating Directors pursuant to ASX Listing Rule 10.14 and Section 208 of the Corporations Act and for the provision of the loan to the Participating Directors pursuant to Section 208 of the Corporations Act.

8.2 Shareholder Approval (Section 208 of the Corporations Act)

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act provides that, for a public company to give a financial benefit to a related party of the company, the company must:

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

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

The provision of a loan and the issue of Director Plan Shares by the Company constitute the giving of a financial benefit, and as Directors, each of the Participating Directors is considered to be related parties of the Company.

In accordance with the requirements of Sections 217 to 227 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of Director Plan Shares and the provisions of loans by the Company to fund payment of the subscription price of the Director Plan Shares:

- (a) as Directors, the Participating Directors are each related parties of the Company to whom proposed Resolutions 7 and 8 would permit the financial benefit to be given;
- (b) the nature of the financial benefit to be given to Mr Jewson is the issue of 250,000 Director Plan Shares and a loan in respect of the subscription price for those Director Plan Shares;
- (c) the nature of the financial benefit to be given to Mr De Souza is the issue of 250,000 Director Plan Shares and a loan in respect of the subscription price for those Director Plan Shares;
- (d) the Director Plan Shares will be issued, and the loans will be provided, under the terms and conditions of the Director Plan, a summary of which is

set out in Section 7.2 of this Explanatory Statement. The subscription price for the Director Plan Shares shall be determined in accordance with the terms of the Director Plan and the amount of the loan provided to the Participating Directors shall be calculated accordingly. If the price of the Shares increases, the Participating Directors will benefit from the price increase, however, the Company will not receive any additional benefit;

- (e) the repayment term of each loan to the Participating Directors shall be four (4) years;
- (f) as at the date of this Notice of Meeting, the Participating Directors hold the following securities in the Company:

Director	Shares	Options
Robert Jewson	Nil	Nil
Francis De Souza	435,000	Nil

- (g) the remuneration and emoluments payable by the Company to the Participating Directors for both the current financial year and previous financial year are set out below:

Director	Current Financial Year 2012	Previous Financial Year 2011
Robert Jewson	36,000 (plus GST)	Nil
Francis De Souza	36,000 (plus GST)	Nil

- (h) in the event Resolution 7 and 8 are approved, a total of 500,000 Director Plan Shares will be allotted and issued. This will increase the number of Shares on issue from 29,125,000 to 29,625,000 (assuming that no Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Holder	No. Shares held as at date of this Notice	Percentage of issued capital held as at date of this Notice (%)	No. Shares held after Director Plan Shares issued to Participating Directors	Percentage of issued capital after Director Plan Shares issued to Participating Directors (%)
Robert Jewson	Nil	0	250,000	0.84
Francis De Souza	435,000	1.49	685,000	2.31
Unrelated Shareholders	28,690,000	98.51	28,690,000	96.84
TOTAL	29,125,000	100	29,625,000	100

- (i) the issue price at which Director Plan Shares will be issued to the Participating Directors will be not less than:

- (i) the weighted average trading price of the Shares on ASX during the five trading days immediately before the offer date plus 20%;
or
- (ii) 20 cents;
- (j) the subscription funds will be loaned to the Directors in accordance with the terms of the Director Plan;
- (k) the value of the financial benefit to be provided to each of the Participating Directors will be equal to the number of Director Plan Shares issued to them multiplied by the issue price as set out in paragraphs (e) and (j) above, being the subscription funds loaned to the Participating Directors to acquire the Director Plan Shares;
- (l) the Company commenced trading on ASX on 14 February 2011, the trading history of Shares on ASX since that date is set out below:

	Price	Date
Highest	27 cents	16, 17, 25, 28 February 2011 30, 31 March 2011
Lowest	15 cents	8 September 2011
Last	17.5 cents	13 September 2011

- (m) the primary purpose for the provision of the loan and issue of the Director Plan Shares to Robert Jewson is to provide a market linked incentive package in his capacity as Non-Executive Director and to assist in the reward, retention and motivation of Robert Jewson in the ongoing operations and strategic direction of the Company whilst maintaining the Company's cash reserves. The Board (other than Robert Jewson) considered the extensive experience and reputation of Robert Jewson, the current market-price of Shares and current market practices when determining the number of Director Plan Shares to be issued to Robert Jewson. The Board considers the issue of the Director Plan Shares to Robert Jewson to be reasonable upon the terms proposed;
- (n) the primary purpose for the provision of the loan and issue of the Director Plan Shares to Francis De Souza is to provide a market linked incentive package in his capacity as Non-Executive Director and to assist in the reward, retention and motivation of Francis De Souza in the ongoing operations and strategic direction of the Company whilst maintaining the Company's cash reserves. The Board (other than Francis De Souza) considered the extensive experience and reputation of Francis De Souza, the current market price of Shares and current market practices when determining the number of Director Plan Shares to be issued to Francis De Souza. The Board considers the issue of Director Plan Shares to Francis De Souza reasonable on the terms proposed and in the circumstances, given the necessity to attract and retain the highest calibre of professionals to the Company;
- (o) the Directors consider that there may be a potential opportunity cost to, and benefit foregone by, the Company in providing the loans to the Participating Directors upon the proposed terms insofar as:

- (i) there is no interest payable on the loans by the Participating Directors; and
 - (ii) the loans are non-recourse. Therefore, if the price of the Shares is less than the issue price at the date of repayment of the loans, the Company is unlikely to recoup the full face value of the loans;
- (p) the Company will not incur any costs or fees in relation to issuing the Director Plan Shares to the Participating Directors, other than:
 - (i) listing fees will be payable to ASX. These fees are not expected to be any more than \$1,500 (ASX to advise);
 - (ii) a value equal as determined in accordance with the accounting standards attached to the issue of the Director Plan Shares to each Participating Director will be included as wages for the purpose of pay roll tax. If this value together with other wages paid by the Company during any month exceeds a defined threshold, then pay roll tax may become payable by the Company;
- (q) if the Director Plan Shares are not issued to the Participating Directors, the Company could remunerate the Directors for additional amounts or issue alternative equity securities to Directors.

The Board considered these alternative remuneration options and considered the issue of the Director Plan Shares as the best alternative because it is in the best interest of the Company and provides a market linked incentive to the Participating Directors.

In addition, the Board considers it reasonable for the remuneration of the Directors to have a cash component and a Share equity component to further align the Participating Directors' interests with Shareholders.

As outlined above, there are alternate options available to issuing Director Plan Shares in respect of remunerating the Directors and accordingly, Shareholders should consider the above matters carefully before deciding how to vote on these Resolutions.

Shareholders should also note that the loans to be provided to the Participating Directors to fund the subscription price for Director Plan Shares in accordance with the terms and conditions of the Director Plan (as summarised in Section 7.2 of this Explanatory Statement) will have a significant effect on the Company's balance sheet.

By way of example, on the assumption that Resolutions 7 to 8 are passed, all of the Director Plan Shares are issued to the Participating Directors (being a total of 500,000 Director Plan Shares) and the issue price is 20 cents per Director Plan Share, the net asset position of the Company will be increased by \$100,000 (being the total value of the loans to the Participating Directors).

While this increase is significant, Shareholders should note that due to the nature of the "asset" being a non-recourse loan, the loans are considered assets of the Company and there is a possibility that they will not be repaid. Therefore, the impact of the loans on the Company's balance sheet should be considered in this context.

In addition, if the Company was to enter into any funding arrangements in the future which are reliant on a prescribed debt-asset ratio and subject to certain contingencies, the nature of the non-recourse loans may affect the Company's borrowing capacity;

- (r) Robert Jewson who does not have a material personal interest in the outcome of Resolutions 8 recommends that Shareholders vote in favour of Resolutions 8 for the reasons set out in sub-paragraphs (n) and (q) above. Mr Jewson is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8.

Robert Jewson declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution; and

- (s) Francis De Souza who does not have a material personal interest in the outcome of Resolutions 7 and recommends that Shareholders vote in favour of Resolutions 7 for the reasons set out in sub-paragraphs (m) and (q) above. Mr De Souza is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7;

Francis De Souza declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution; and

- (t) Faldi Ismail who does not have a material personal interest in the outcome of Resolutions 7 and 8 recommends that Shareholders vote in favour of Resolutions 7 and 8 for the reasons set out in sub-paragraphs (m), (n) and (q) above. Mr Ismail is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 and 8.

8.3 Shareholder approval (ASX Listing Rule 10.14)

ASX Listing Rule 10.14 provides that a company must not permit a director of the company to acquire securities under an employee incentive scheme without the approval of shareholders for the acquisition. The Director Plan is considered to be an employee incentive scheme for the purposes of the ASX Listing Rules.

In accordance with ASX Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolutions 7 and 8:

- (a) the maximum number of securities that may be issued to the Participating Directors under Resolutions 7 and 8 is 500,000 Director Plan Shares;
- (b) the issue price of the Director Plan Shares will be as set out in Section 7.2(i) above;
- (c) no Director Plan Shares have yet been issued under the Director Plan;
- (d) Directors may participate in the Plan;
- (e) the Company will provide a loan to each of the Participating Directors to fund the payment for the subscription price for the Director Plan Shares. The Participating Directors will be required to repay their respective loans in

full within 4 years. The loan will otherwise be provided on the terms and conditions described in Section 7.2(f) and (g) of this Explanatory Statement;

- (f) it is proposed that the Director Plan Shares will be issued on one date within 12 months from the date of the General Meeting, however, the Company reserves the right to issue the Director Plan Shares progressively; and
- (g) other than any restriction on trading described in the loan terms in Section 7.2, the Director Plan Shares issued pursuant to Resolutions 7 and 8 will rank equally with all other Shares on issue.

9. RESOLUTION 9 – ADOPTION OF REMUNERATION REPORT

9.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 9 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 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 as Directors is approved will be 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 financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

9.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are outlined in the Remuneration Report or any Closely Related Party as your proxy to vote on this Resolution 9, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 9, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 9.

9.3 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons 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.

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

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

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

10. ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+61 8) 6140 2449 if they have any queries in respect of the matters set out in these document

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Company means Epic Resources Limited (ACN 146 530 378).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Proxy Form means the proxy form accompanying the Notice.

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

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

Shareholder means a holder of a Share.

ANNEXURE A – NOMINATION OF AUDITOR

The Board of Directors

Dear Sirs

NOMINATION OF PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD AS AUDITOR OF EPIC RESOURCES LIMITED.

I, Faldi Ismail, being a shareholder of Epic Resources Limited, hereby nominate Pitcher Partners Corporate & Audit (WA) Pty Ltd of for appointment as auditor of Epic Resources Limited at its 2011 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2011 Annual General Meeting of Epic Resources Limited as required by section 328B (3) of the Corporations Act 2001.

Signed:



Faldi Ismail

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PROXY FORM

**APPOINTMENT OF PROXY
EPIC RESOURCES LIMITED
ACN 146 530 378**

ANNUAL GENERAL MEETING

SRN/HIN

I/We

of

being a member of Epic Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 11.00am (Perth time), on 18 November 2011 at Blue Horse Corporate, Suite 2, Level 3, 1292 Hay Street, West Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 9: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 9, the proxy will be prevented from casting your votes on Resolution 9. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 9, you must direct your proxy how to vote on Resolution 9.

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 5 to 8** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 5 to 8 and that votes cast by the Chair of the Annual General Meeting for Resolutions 5 to 8 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 5 to 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 5 to 8.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Re-Election of Director – Faldi Ismail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of Director – Robert Jewson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Director – Francis De Souza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Non-Executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Adoption of Epic Director Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Shares to Robert Jewson Under the Epic Director Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Shares to Francis De Souza Under the Epic Director Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Member(s): **Date:** _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

EPIC RESOURCES LIMITED
ACN 146 530 378

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) Post to Epic Resources Limited, PO Box 1974, West Perth WA 6872; or
 - (b) Facsimile to the Company on facsimile number +61 8 6314 1587; or
 - (c) Email to the Company at tanya@bluehorse.com.au,

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

Proxy forms received later than this time will be invalid.

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