



EQUATORIAL
RESOURCES LTD

ACN 009 188 694

NOTICE OF GENERAL MEETING

**A General Meeting of the Company to be held at Conference Room,
Ground Floor, 28 The Esplanade, Perth, Western Australia 6000 on
Wednesday, 28 August 2024 at 10.00am (AWST)**

This Notice and the accompanying Explanatory Memorandum 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 Secretary by telephone on +61 8 9322 6322

Shareholders are urged to vote by lodging the Proxy Form attached to this Notice.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Equatorial Resources Limited (**Company**) will be held at Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia 6000 on Wednesday, 28 August 2024 at 10.00am (AWST) (**Meeting**).

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.equatorialresources.com.au/> and the ASX announcements platform.

The Explanatory Memorandum 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 regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 26 August 2024 at 5.00pm (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1 Resolution 1 – Issue of Consulting Fee Right to John Welborn under the Consultancy Agreement

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

"That, pursuant to and in accordance with Part 2D.2 of the Corporations Act (including sections 200B, 200C and 200E of the Corporations Act), Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) and for all other purposes, Shareholders approve the issue of the Consulting Fee Right to Mr John Welborn under the Consultancy Agreement on terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Mr John Welborn or any associate.

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

- (a) it is case as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution;
- (b) it is not cast on behalf of the person or an associate of the person described above.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution 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 Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Greg Swan
Company Secretary

Dated: 24 July 2024

EXPLANATORY MEMORANDUM

1 Introduction

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 Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia 6000 on Wednesday, 28 August 2024 commencing at 10.00am (AWST).

This Explanatory Memorandum should be read in conjunction with and forms part of this Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2	Action to be taken by Shareholders
Section 3	Consultancy Agreement
Section 4	Resolution 1 – Issue of Consulting Fee Right to Mr John Welborn under the Consultancy Agreement
Schedule 1	Definitions and Interpretation
Schedule 2	Independent Expert's Report

A Proxy Form is located at the end of this Explanatory Memorandum.

2 Action to be taken by Shareholders

Shareholders should read this Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Proxies

A Proxy Form is enclosed with this 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 detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders 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.

Proxy Forms must be received by the Company no later than 10.00am (AWST) on, Monday, 26 August 2024, being at least 48 hours before the Meeting.

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

2.2 Attendance at the Meeting

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, the Company will notify Shareholders accordingly via the Company's website at <https://www.equatorialresources.com.au/> and the ASX announcements platform.

3 Consultancy Agreement

3.1 Background

The Company has entered into an agreement with Mr John Welborn (**Consultancy Agreement**) pursuant to which Mr Welborn is engaged as a consultant to provide services in connection with the Company's international Arbitration Proceeding (**Services**) at the International Centre for Settlement of Investment Disputes against the Republic of Congo to which the Company's Mauritian subsidiary, EEPL Holdings (**EEPL**), is a party in relation to the expropriation of and other measures taken by the Republic of Congo against the company's investments in the Badondo iron ore project and the Mayoko-Moussondji iron ore project (together, the **Congo Projects**) (**Arbitration Proceeding**). Further detail in the background to the Arbitration Proceeding is contained in the Independent Expert's Report.

Mr Welborn has been a director of the Company since 2010 and was Managing Director and CEO of the Company for a number of years between 2010 – 2015 and again from 2020 to 2023. During his time as Managing Director, Mr Welborn played an important role in the Company's development of the Congo Projects and liaising with various government departments to assist with the development of the projects. Due to his long history with the Company and intimate knowledge of the Congo Projects and the subsequent expropriation of and other measures taken against the projects by the Republic of Congo, Mr Welborn is a key individual within the Company to assist with progressing the Arbitration Proceeding.

It is anticipated that progressing the claim through the various stages of the Arbitration Proceeding may extend over a number of years and will involve a significant amount of effort and contribution from Mr Welborn, the other Directors and the management team. Given Mr Welborn's other full-time roles with other companies and his previous active involvement in the development of the Congo Projects and the Arbitration Proceeding, the Company considers it necessary to engage Mr Welborn as a consultant to provide Services in relation to the Arbitration Proceeding.

Material terms of the Consultancy Agreement

The material terms of the Consultancy Agreement are as follows:

(a) **(Term)**

- (i) The Consultancy Agreement is for an initial period of three years and will be automatically extended for a period of two years if (i) the Arbitration Proceeding has not concluded within the initial three-year period, (ii) the Company has not received any Company Compensation (defined below) during the initial three-year period, or (iii) an appeal (which includes an annulment application) is filed.
- (ii) Mr Welborn has the option to extend the term for an additional two years if the Arbitration Proceeding are not concluded within the five year period, the Company has not received any Company Compensation (defined below) during the five year period or an appeal (which includes an annulment application) is filed.

(b) **(Termination rights)**

- (i) The Company may terminate the Consultancy Agreement by 30 days' notice if (i) there is a material breach by Mr Welborn which is not remedied within 14 days, or (ii) Mr Welborn commits an act of gross negligence, fraud, serious misconduct, or a criminal offence.
- (ii) If Resolution 1 is not passed by Shareholders, and the Company and Mr Welborn have not agreed on an alternative commercial means to compensate Mr Welborn for his services within 30 days of the date of the Shareholder Meeting, either the Company or Mr Welborn may terminate the Consultancy Agreement with immediate effect by giving notice in writing to the other party.

(c) **(Services provided)** Under the Consultancy Agreement, Mr Welborn has agreed to provide various Services to the Company in relation to the Arbitration Proceeding, including:

- (i) assist in the preparation, management and completion of the Arbitration Proceeding and any subsequent annulment proceeding in relation to the Arbitration Proceeding;
- (ii) attend any hearings in relation to the Arbitration Proceeding, as reasonably required by the Company; and
- (iii) do all other acts or things reasonably required by the Company in connection with the Arbitration Proceeding.

(d) **(Consulting Fee Right)**

- (i) In consideration for the Services, the Company has agreed to issue Mr Welborn a right entitling him to receive from the Company 5% of the net compensation received by the Company (**Dispute Compensation**), after deductions of all relevant costs such as payments to litigation funders (if any), entitlements by other shareholders of EEPL Holdings, costs incurred in the enforcement of any award in the Arbitration Proceeding and

costs incurred in funding the Arbitration Proceeding (**Net Company Compensation**), in connection with the Claims or Arbitration Proceeding (**Consulting Fee**) (**Consulting Fee Right**). The issue of the Consulting Fee Right is subject to Shareholder approval pursuant to Resolution 1 and is a non-transferrable right.

- (ii) If any part of Net Company Compensation is received or recovered in cash, whether in part payments or in full, the Company shall pay Mr Welborn the Consulting Fee. For the avoidance of doubt, the obligation to pay the Consulting Fee does not arise upon the Company, EEPL or any of their related bodies corporate (as applicable) becoming entitled to receive any cash Dispute Compensation and only arises upon actual receipt of the relevant cash amounts by the Company;
- (iii) If any part of the Net Company Compensation is received as non-cash compensation, Mr Welborn is entitled to receive 5% of the non-cash Net Company Compensation and the Company shall hold 5% of the non-cash Net Company Compensation on trust for Mr Welborn (as beneficial owner). If the relevant non-cash Net Company Compensation is capable of being assigned or transferred to Mr Welborn, the parties will act reasonably and in good faith to take all reasonable actions to give effect to the assignment or transfer of the relevant part of the Net Company Compensation to Mr Welborn, subject to any third party approvals.
- (iv) If the Net Company Compensation is not capable of being held on trust or assigned to Mr Welborn, then the parties must confer and agree on the manner in which Mr Welborn may receive the benefits of the Consulting Fee Right within 60 days. If an agreement cannot be reached in this time, upon request by Mr Welborn, the Company must:
 - (A) use reasonable endeavours to sell 5% of the relevant non-cash Net Company Compensation to a third party on terms consented to by Mr Welborn and remit the relevant proceeds to Mr Welborn in satisfaction of the Consulting Fee; and
 - (B) if the Company has not been able to sell 5% of the relevant non-cash Net Company Compensation to a third party within 12 months of Mr Welborn's request, the parties must discuss and agree on an equitable arrangement to provide Mr Welborn with the benefit of the Consulting Fee for fair market value. If the parties cannot agree on an equitable arrangement within 60 days, then the parties must enter a confidential mediation process.
- (e) **(Reimbursement of costs and payment for certain services)**
 - (i) The Company has agreed to pay Mr Welborn a fixed fee of \$2,000 (plus GST) per day or part thereof where Mr Welborn is required to travel to provide Services outside of Perth, Western Australia, as approved by the Company, for more than three (3) consecutive days or more than seven (7) days in a thirty (30) day period (inclusive of travel days).
 - (ii) The Company has also agreed to reimburse Mr Welborn for out of pocket expenses incurred in performance of the Services, subject to the Company's prior approval for any expense exceeding \$2,000.

3.2 Independent Expert's Report

The Company has engaged BDO (**Independent Expert**) to consider whether the issue of financial benefits under the Consultancy Agreement to Mr Welborn is fair and reasonable to non-associated Shareholders for the purposes of Part 2D.2 and Chapter 2E.

The Independent Expert has concluded that the issue of financial benefits to Mr Welborn pursuant to the Consultancy Agreement is fair and reasonable.

The Independent Expert's Report is contained in Schedule 2 and Shareholders are encouraged to read the report in full.

4 Resolution 1 – Issue of Consulting Fee Right to Mr John Welborn under the Consultancy Agreement

4.1 General

Resolution 1 seeks Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200C and 200E of the Corporations Act) and Chapter 2E of the Corporations Act (including section 208 of the Corporations Act) to approve the issue of Consulting Fee Right to Mr Welborn pursuant to the terms and conditions of the Consultancy Agreement.

If Resolution 1 is not passed, the Company and Mr Welborn will consider and decide on alternative commercial means to compensate Mr Welborn for the Services provided by him within 30 days of the date of the Meeting, failing which either the Company or Mr Welborn will be entitled to terminate the Consultancy Agreement with immediate effect.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

Pursuant to the Consultancy Agreement, Mr Welborn is entitled to be issued the Consulting Fee Right, subject to shareholder approval, for provision of Services by him in connection with the Arbitration Proceeding.

The issue of the Consulting Fee Right under the Consultancy Agreement constitutes the giving of financial benefit to a related party as Mr Welborn is a related party by reason of being a Director.

The Company has elected to seek Shareholder approval pursuant to section 208 of the Corporations Act for the issue of Consulting Fee Right to Mr Welborn.

4.3 Part 2D.2 of Corporations Act

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the company or its related bodies corporate or associated with the transfer of the whole or any part of the undertaking or property of the Company. A person who holds a managerial or executive office includes a member of Key Management Personnel and therefore, Mr Welborn is part of the Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

In accordance with section 200C of the Corporations Act, to give a benefit in connection with the transfer of the whole or any part of the undertaking or property of the Company to a person who holds a managerial or executive office in the Company or a Related Body Corporate (or their associate), the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A "benefit" for the purposes of sections 200B and 200C of the Corporations Act is defined broadly and can include an entitlement to a payment from the Company.

Whilst sections 200B and 200C of the Corporations Act are not expected to apply, given the uncertain nature of the Arbitration Proceeding and when the Company will receive the Dispute Compensation (and consequently, the Company Compensation) as noted in Section 0, the Company is seeking Shareholder approval, for the avoidance of doubt, for the benefits which arise from the Consultancy Agreement in connection with either of their retirements from office or arising in connection with the transfer of part of the property of the Company (**Part 2D.2 Benefits**).

4.4 Specific Information required by section 200E of the Corporations Act

The following information is provided for the purposes of obtaining Shareholder approval for the purposes of section 200E of the Corporations Act for the provision of the Part 2D.2 Benefits to Mr Welborn.

The value of the benefits relating to the Part 2D.2 Benefits provided to Mr Welborn which may arise cannot be ascertained at present. However, the matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the amount (if any) of Dispute Compensation the Company is awarded;
- (b) any payment to or priority payment arrangements with any litigation funders (if any) of the Arbitration Proceeding;
- (c) any costs incurred by the Company in funding or progressing the Arbitration Proceeding or the Claim and any costs incurred which are associated with obtaining or enforcement of any awards or appeals;
- (d) any entitlement from the other shareholder of EEPL to any its pro rata share of any Dispute Compensation; and

- (e) in connection with Sections 4.4(b) to 4.4(d) (inclusive), the amount (if any) of Company Compensation (as defined in Section 3.1).

The Independent Expert has also determined in its Independent Expert's Report that the provision of the Part 2D.2 Benefits to Mr Welborn is fair and reasonable to non-associated Shareholders.

4.5 Specific information required by section 219 of the Corporations Act

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval for the purposes of section 219 of the Corporations Act for the financial benefits to be received by Mr Welborn under the Consultancy Agreement:

- (a) the Consulting Fee Right under the Consultancy Agreement is being provided to Mr Welborn pursuant to Resolution 1;
- (b) Mr Welborn is entitled to the Consulting Fee Right, being an entitlement to receive 5% of Net Company Compensation (as defined in Section 3.1);
- (c) the Directors (excluding Mr Welborn) recommend that Shareholders vote in favour of Resolution 1. Mr Welborn has a material interest in the outcome of Resolution 1 and therefore believe it inappropriate to make a recommendation;
- (d) the value of the Consulting Fee Right cannot be ascertained at present and the value will be dependent on the factors described in Section 4.4. However, the Company has obtained the opinion of the Independent Expert who has determined in its Independent Expert's Report that the Consulting Fee Right under the Consultancy Agreement is fair and reasonable to non-associated Shareholders;
- (e) effective from 1 December 2023, Mr Welborn receives non-executive Director fees of \$30,000 per annum. Mr Welborn's remuneration for the financial years ending 30 June 2023 and 2022 is also detailed below:

	Financial Year	Short-term benefits		Post-employment benefits	Share-based payments	Total
		Salary & fees	Cash bonus			
		\$	\$	\$	\$	\$
John Welborn	2023	300,000	-	27,500	172,696	500,196
	2022	300,000	-	27,500	374,881	702,381

- (f) the current security holdings of Mr Welborn (and/or his nominee(s)) are as follows:

Director	Shares	Options
John Welborn	7,500,000	4,000,000

- (g) a voting exclusion statement is included in the Notice for the purposes of Resolution 1; and
- (h) other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 1.

4.6 Board Recommendation

The Board (excluding Mr Welborn) recommends that Shareholders vote in favour of Resolution 1.

Schedule 1

Definitions and Interpretation

1 Definitions

In this Notice (and the accompanying Explanatory Memorandum), unless the context otherwise requires:

Arbitration Proceeding has the meaning given to that term in Section 3.1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

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

Board means the board of Directors from time to time.

Chairperson means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Equatorial Resources Limited ACN 009 188 694.

Constitution means the constitution of the Company.

Consultancy Agreement has the meaning given to that term in Section 3.1.

Consulting Fee has the meaning given to that term in Section 3.1.

Consulting Fee Right has the meaning given to that term in Section 3.1.

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

Director means a director of the Company.

Dispute Compensation has the meaning given to that term in Section 3.1.

Eligible Shareholder means a Shareholder on the Record Date, other than an Overseas Shareholder.

Explanatory Memorandum means the explanatory memorandum contained in this Notice.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd.

Independent Expert's Report means the report of the Independent Expert in Schedule 2.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Notice or **Notice of Meeting** means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Part 2D.2 Benefits has the meaning given to that term in Section 4.3

Party means a party to the Consultancy Agreement.

Proxy Form means the proxy form attached to this Notice.

Resolution means the resolution detailed in this Notice as the context requires.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Shares, Options or Performance Rights issued by the Company.

Services has the meaning given to that term in Section 3.1.

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

Shareholder means a registered holder of a Share.

Term means a period of three years from the date of the Consultancy Agreement or as amended from time to time.

VWAP means volume weighted average price

Schedule 2
Independent Expert's Report

Equatorial Resources Limited

Independent Expert's Report

28 June 2024



Financial Services Guide

28 June 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Equatorial Resources Limited ('Equatorial') to provide an independent expert's report on the proposal to provide Non-Executive Director, Mr John Welborn, with a 'financial benefit' as defined by the Corporations Act 2001 ('the Act'). You are being provided with a copy of our report because you are a shareholder of Equatorial and this Financial Services Guide ('FSG') is included in the event you are also classified under the Act as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Equatorial to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$29,500.



Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Equatorial.

Other Assignments

In the two years prior to the date of this report, BDO Corporate Finance (WA) Pty Ltd provided valuation and advisory services to Equatorial for total fees of approximately \$3,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Equatorial for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Compensation Arrangements

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority ('AFCA') which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Comparable Claims and Incentive Programs

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28 June 2024

The Directors
Equatorial Resources Limited
Level 9
28 The Esplanade
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

Equatorial Resources Limited ('**Equatorial**' or '**the Company**'), through its Mauritian Subsidiary EEPL Holdings ('**EEPL**'), is party to an international arbitration at the International Centre for Settlement of Investment Disputes ('**ICSID**'), brought by EEPL against the Republic of Congo ('**Congo**') in relation to EEPL's investments in two iron ore projects located in the Sangha and Niari regions of Congo ('**Arbitration**'). The Arbitration relates to actions taken by Congo against EEPL's investment in those two iron ore projects ('**Claims**').

Equatorial has entered into a consultancy agreement with Mr John Welborn ('**Mr Welborn**'), a Non-Executive Director of Equatorial, pursuant to which, Mr Welborn has agreed to provide services to the Company ('**Consultancy Agreement**'). As payment for these services Mr Welborn will receive a right which entitles him to receive 5% of the company compensation ('**Consulting Fee Right**'), being any royalty, property, recovery, or other benefit received by the Company, EEPL or any of their related bodies in connection with the Claims or the Arbitration after deductions ('**Company Compensation**').

As a Non-Executive Director, Mr Welborn is considered a related party of the Company. As such, the Company has determined to seek shareholder approval under Chapter 2D.2 and Chapter 2E of the Corporations Act 2001 ('**Corporations Act**' or '**the Act**') to issue the Consulting Fee Right to Mr Welborn. This approval allows for payment of benefits should Mr Welborn retire from his position of employment, subject to continuing to meet the conditions of his participation.

2. Summary and opinion

2.1 Requirement for the report

The directors of Equatorial have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether the Consulting Fee Right proposed to be paid to Mr Welborn ('**Proposed Transaction**') is fair and reasonable to the non-associated shareholders of Equatorial ('**Shareholders**').

Our Report is prepared pursuant to Part 2D.2 and Chapter 2E of the Corporations Act and is to be included with the Notice of Meeting to assist the Shareholders in their decision on whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- Whether the Consulting Fee Right which may be paid to Mr Welborn will result in a fair outcome for Shareholders;
- Whether the participation of Mr Welborn following his retirement from office, and subject to his contribution to the Arbitration, will result in a fair outcome for Shareholders;
- Other factors which we consider to be relevant to Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not be approved.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to Shareholders.

2.4 Fairness

ASIC regulatory guidance (RG 111.57) states that a transaction is Fair if the value of the benefit to be provided by the entity to a related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer, and a knowledgeable and willing, but not anxious, seller acting at arm's length.

In considering Fairness we have relied on two assessments. Assessment One is a comparative analysis with like management incentive programs (MIPs). Assessment Two considers whether the value of the benefits that may be provided to Mr Welborn are equal to or less than the consideration provided to Equatorial (RG 111.57).

In assessing whether the Proposed Transaction is Fair to the non-associated Shareholders of Equatorial, we require a fairness conclusion on both assessments. That is that the Equatorial MIP falls within the comparable range of other MIPs, *and* the benefits that may be provided to Mr Welborn are equal to or less than the consideration to be received by Equatorial.

Section 7 of this Report sets out our analysis of both assessments under which we determined that the Proposed Transaction is Fair.

2.5 Reasonableness

We have considered the analysis in Section 9 of this report, in terms of both

- advantages and disadvantages of the Proposed Transaction; and
- the position of Shareholders if the Proposed Transaction is not approved.

Having considered the above we are of the opinion that the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position of Shareholders if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
9.2	The Proposed Transaction is Fair	9.3	Loss of Company Compensation proceeds
9.2	Equatorial retains historical and working knowledge of the Badondo and Mayoko-Moussondji' Claims	9.3	Unknown value of the benefit
9.2	Equatorial is entitled to 95% of any Company Compensation received/recovered following a successful Claim		
9.2	The Consultancy Fee Right is capped at 5%		
9.2	The benefit will be paid from the Company Compensation		
9.2	The Consultancy Fee Right is conditional		
9.2	No Shareholder dilution		

Other key matters we have considered include:

Section	Description
9.1	Consequences of not approving the Proposed Transaction
9.4	Other Considerations

3. Scope of the Report

3.1 Purpose of the Report

3.1.1. Chapter 2E Related Party financial benefits

Chapter 2E of the Act requires a public company to obtain shareholder approval when giving a financial benefit to a related party unless an exception applies and the directors of the company choose not to rely on that exception.

What constitutes a financial benefit, who are related parties, and the exceptions to shareholder approval are set out under Chapter 2E. The exceptions that may apply in these circumstances include an arm's length exception and reasonable remuneration exception however, the directors of Equatorial have decided instead of seeking to rely on these exceptions that it is in the best interests of all parties to seek shareholder approval.

When shareholder approval is sought, the company must lodge with the ASIC the material that will be put to members. RG 76 sets out the information expected to be in the explanatory statements to the resolution being put to shareholders and requires, when necessary, an independent valuation of the financial benefit, particularly if the financial benefit is an issue of securities or involves the sale or purchase of an asset.

The Consultancy Agreement does not include the issue of securities or sale or purchase of an asset however it does involve a capped percentage of any Company Compensation awarded to Equatorial following successful Claims. The financial benefit to Mr Welborn is capped at 5% of the company compensation amount (see Section 4. 1).

BDO has been commissioned to provide an opinion on whether the financial benefit to be provided to Mr Welborn is Fair and Reasonable to the Shareholders of Equatorial.

3.1.2. Part 2D.2 Retirement from office benefits

Part 2D.2 of the Act restricts the benefits which can be given to individuals who hold a managerial or executive office in connection with the retirement from their position of employment in a company or its related bodies corporate or associated with the transfer of the whole or any part of the undertaking or property of the Company. To give a benefit in connection with an individual's retirement from an office, a company must obtain the approval of Shareholders.

The meaning of benefit, managerial and executive office and the exemptions to shareholder approval are set out under Part 2D.2. Given the uncertain nature and timing of the Claim, the directors of Equatorial have determined they will seek the approval of Shareholders to issue Mr Welborn the Consulting Fee Right (see Section 4.2) should he retire from his position. This remains subject to him continuing to meet the conditions of the Consultancy Agreement.

BDO has been commissioned to provide an opinion on whether the payment of any Part 2D.2 benefits are Fair and Reasonable to the Shareholders of Equatorial.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that when an expert assesses whether a related party transaction is 'Fair and Reasonable' for the purposes of Chapter 2E this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'Fair' and 'Reasonable'. An expert should not assess whether the transaction is Fair and Reasonable based simply on a consideration of the advantages and disadvantages of the proposal.

The consideration of a related party transaction under RG111 also requires the expert to opine on whether the resolutions proposed result in a control transaction. As stated in section 3.1, the Proposed Transaction does not include the issue of shares, nor does it result in an acquisition or increase a controlling stake in Equatorial and therefore it is not a control transaction. The benefit to be provided to Mr Welborn, in the form of an amount, likely cash, will be paid out of any successful company compensation.

There are no statutory or regulatory requirements for an independent expert's opinion on the fairness and reasonableness of benefits received under Part 2D.2 of the Act however, we have determined that the guidance for related party transactions under RG 111 is relevant.

As such, we have used RG 111 as a guide for our analysis and have not treated the Proposed Transaction as if it was a control transaction, asset acquisition, or disposal. Rather, the benefits are in the form of long-term incentive remuneration.

3.3 Adopted basis of evaluation

RG 111.57 states that a transaction is Fair if the value of the benefit to be provided by the entity to a related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer, and a knowledgeable and willing, but not anxious, seller acting at arm's length.

As we do not consider the Proposed Transaction to be a control transaction a control premium is not relevant to our analysis on fairness.

A proposed related party transaction is reasonable if it is fair. It might also be reasonable if despite being not fair the expert believes that there are sufficient reasons for shareholders to vote for the transaction.

If an expert concludes that a related party transaction is not fair, but reasonable, the expert should clearly explain the meaning of this opinion and why the expert has reached this conclusion.

Having regard to the above, BDO has completed its analysis in three parts, taking all material terms of the Consultancy Agreement into account.

The first two go to the fairness of the Proposed Transaction (see Section 8 'Is the Proposed Transaction Fair?') and the third and fourth to reasonableness of the Proposed Transaction. (see Section 9 'Is the Proposed Transaction Reasonable?').

The four parts are:

- A comparison of the Consulting Fee Right against similar arbitration cases and consultancy agreements;
- A comparison between the benefits agreed by Mr Welborn against the amount to be received by Equatorial;
- An opinion on the reasonableness of the Consultancy Fee as a form of remuneration, and
- An investigation into other significant factors to which Shareholders might give consideration, before approving the Proposed Transaction, after reference to the fairness assessment described above.

It is important to note that an assessment of remuneration for reasonableness is a different test to Fair and Reasonable.

Reasonable Remuneration is an assessment between company and individual taking into consideration the circumstances of both whereas a reasonableness assessment for a Fair and Reasonable opinion is based on the advantages, disadvantages and consequences of not approving a transaction.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Consultancy Agreement

On 12 March 2024, Equatorial executed a consultancy agreement with Mr Welborn, pursuant to which, Mr Welborn agreed to provide services to the Company in relation to the Arbitration and the Claims. According to the terms of the Consultancy Agreement, Mr Welborn is to receive a right which entitles him to receive 5% of the Company Compensation, being any royalty, property, recovery, or other benefit received by the Company, EEPL or any of their related bodies in connection with the Claims or the Arbitration after deductions.

4.1 Key Terms

Term and Termination

The Consultancy Agreement is to remain in effect for an initial period of three years from the date of execution ('Term'). The Term shall be automatically extended by a period of two years if:

- The Claims have not been resolved or the Arbitration has not been concluded within the initial three-year period; or
- The Company has not received any compensation during the initial three-year term; or
- Following conclusion of any hearing in relation to the Arbitration and/or the Claims, an appeal is filed.

Additionally, if the term is extended in the manner set out above, Mr Welborn may also at his sole election extend the term for a further period of two years if:

- The Claims have not been resolved or the Arbitration has not concluded within a five-year period; or
- The Company has not received any compensation during the five-year term; or
- Following conclusion of any hearing in relation to the Arbitration and/or the Claims, an appeal is filed.

The Term may otherwise be extended by mutual agreement between Mr Welborn and the Company.

The Consultancy Agreement may only be terminated:

- By Equatorial giving no less than 30 days' written notice where Mr Welborn has committed a material breach of the Consultancy Agreement and such breach is not remedied within 14 days after notice is given by Equatorial to Mr Welborn requesting the breach to be remedied;
- By Equatorial giving no less than 30 days' written notice where Mr Welborn commits an act of gross negligence, fraud or serious misconduct or a criminal offence;
- By Mr Welborn with immediate effect by giving notice in writing to Equatorial if Equatorial fails to convene a general meeting of shareholders in order to obtain the necessary shareholder approvals in connection with the Consultancy Agreement within 150 days of execution of the Consultancy Agreement; or
- By either Equatorial or Mr Welborn with immediate effect by giving notice in writing to the other party if the shareholders of Equatorial do not approve the necessary shareholder approvals in connection with the Consultancy Agreement at the general meeting of shareholders and the parties have not mutually agreed alternative commercial means to compensate Mr Welborn under the Consultancy Agreement within 30 days of the date of the general meeting of shareholders.

Services

The services Mr Welborn is to provide to the Company in relation to the Arbitration and the Claims are as follows:

- Assist with identification, pursuit, negotiation and completion of all settlement opportunities relating to the Claims in consultation with the Company and the solicitors;
- Assist with management, coordination and development of all proceedings relating to the Claim as reasonably requested by the Company;
- Attend any hearings relating to the Claims and be reasonably available to the Company as required;
- Assist in the discovery process and contribute key witness testimony as reasonably requested by the Company;
- Assist, to the extent reasonably requested by the Company or its solicitors, with the preparation and filing of all documents relating to the Claim, including but not limited to any rejoinders or post hearing briefs;
- Assist with management and coordination of all quantum experts, as reasonably requested by the Company or its solicitors;
- Assist with management, coordination and development of all proceedings to enforce an award and/or collect any recover relating to the Claims;
- Assist with management, coordination and development of any appeal or annulment proceedings relating to the Claims made by any party to the relevant proceeding;
- Travel as required to give effect to the above as reasonably requested by the Company; and
- Do all other acts or things reasonably required by the Company in connection with the Claim.

(together, the 'Services')

Payment remuneration

Subject to Shareholder approval, the Company must issue to Mr Welborn a right which entitles him to receive from the Company, 5% of the Company Compensation (as defined below) ('Consulting Fee'). The Consulting Fee Right is not transferrable.

Company Compensation means the dispute compensation, being any royalty, property (including mining tenements/titles), recovery or other benefit received by or on behalf of the Company, EEPL or any of their related bodies corporate in connection with the Claims or the Arbitration received by the Company ('Dispute Compensation') determined after deductions for the following:

- any payment to or priority payment arrangements with any litigation funders of the Claims;
- any entitlement from the other shareholder of EEPL to any of its pro rata share of any Dispute Compensation;
- any costs incurred which are associated with obtaining or enforcement of any awards or appeals, including but not limited to any costs associated with any litigation funders of the Claims; and
- any costs incurred by the Company in funding or progressing the Arbitration or the Claims.

('Company Compensation')

The Consulting Fee is payable regardless of whether or not:

- the Dispute Compensation is received during the Term or afterwards;

- the Services contributed to the receipt by the Company of the Company Compensation;
- the Arbitration resulted in the receipt by the Company of the Company Compensation; or
- the Arbitration is paused, suspended, withdrawn, discontinued or otherwise ended as part of a settlement relating to the Claims.

If any part of the Dispute Compensation is received or recovered in cash, whether in part payments or in full, the Company shall pay Mr Welborn 5% of each cash payment received or recovered by the Company. The obligation to pay the Consulting Fee does not arise upon the Company, EEPL or any of their related bodies corporate becoming entitled to receive any cash dispute compensation and only arises upon actual bank receipt of the relevant cash amounts of the Company Compensation into a bank account of the Company.

If any part of the Dispute Compensation is received as non-cash compensation, Mr Welborn is entitled to receive 5% of the non-cash Company Compensation and the company shall hold 5% of such Company Compensation on trust for Mr Welborn. If the relevant non-cash Company Compensation is capable of being assigned or transferred to Mr Welborn, Mr Welborn and the Company will act reasonably and in good faith to take all reasonable actions to give effect to assignment or transfer of such Company Compensation to Mr Welborn. If the relevant non-cash Company Compensation is not capable of being held on trust or assigned to the Consultant, then Equatorial and Mr Welborn must confer and try and agree the manner in which Mr Welborn may receive the benefit of the non-cash Company Compensation within 60 days.

5. Profile of Equatorial and the Claims

5.1 Overview

Equatorial is an Australian Securities Exchange ('ASX') listed exploration and development company focused on advancing its existing mineral assets in Africa as well as searching for new opportunities in the resource sector. In 2023, Equatorial acquired the Nimba Alliance Iron Ore Project ('Nimba Project') located in Guinea, West Africa. The Company also had an interest in two iron ore projects located in the Republic of Congo ('Congo'), being the Badondo Iron Ore Project ('Badondo') and the Mayoko-Moussondji Iron Ore Project ('Mayoko-Moussondji'). As announced by Equatorial, investments in Badondo and Mayoko-Moussondji were expropriated and subjected to other unlawful measures by the Congolese Government as part of a wider campaign to dispossess foreign mining companies of their iron ore interests in Congo. Equatorial, through its subsidiary, EEPL, has referred its investment dispute with Congo to arbitration at ICSID. The arbitration is currently ongoing. Equatorial was incorporated in 1986 and gained admission onto the ASX in 1987. Equatorial is headquartered in Perth, Australia.

The current board of directors of Equatorial are:

- Ian Middlemas - Chairman;
- John Welborn - Non-Executive Director (*resigned as Managing Director and Chief Executive Officer on 30 November 2023*);
- Robert Behets - Non-Executive Director; and
- Mark Pearce - Non-Executive Director.

5.2 Projects

Nimba Project

The Nimba Project is located in the Nimba Iron Ore Corridor in Guinea, West Africa, and comprises two exploration permits, being the Nimba West (100% owned) and Nimba North (56% owned) permits covering approximately 198 square kilometres ('km²') and 107km², respectively. Equatorial successfully completed the acquisition of the Nimba Project, via an acquisition of the 100% issued capital of a Singaporean private company, Companhia Rio de Ferro Pte. Ltd., on 31 July 2023. As consideration, the Company issued the vendors 5,000,000 shares in Equatorial at an issue price of \$0.15 and will issue a further 5,000,000 shares upon the renewal or extension of the Nimba West permit.

Between 2003 and 2015, extensive historical work was undertaken at the Nimba Project including geophysics, detailed mapping, drilling, mineralogy and beneficiation studies, mine engineering and transport studies. Recent exploration endeavours have centred on five iron ore targets. Exploration field work was carried out during the December 2023 quarter, focused on two of the targets, being T5 and Detrital.

The Nimba Project is positioned within a cluster of iron ore projects in the region, which includes Fortescue Metals Group Limited's Al Maktoum Co's North Nimba Project and Rio Tinto Limited's Simandou Project. The Nimba Project is also located in close proximity to the Lamco bulk commodity railway in Liberia and the Port of Buchanan in Liberia.

Badondo

Badondo is a potentially large scale iron ore project located in the northwest Congo, situated amongst several other significant iron ore projects.

Equatorial held the exploration license for Badondo and had undertaken exploration work on the project tenements. In 2016, the Company lodged a Mining License Application for Badondo. Despite numerous meetings and additional submissions to the Congolese Government over a period of several years, the Congolese Government ultimately rejected the Mining License Application.

A dispute with Congo arose in November 2020, when the Congolese Government rejected Equatorial's application for a Mining License for Badondo. Equatorial subsequently became aware that the Congolese Government had granted a newly formed, company called Sangha Mining Development SASU ('**Sangha Mining**') a Mining Licence over the Badondo tenements.

There is a bilateral investment treaty between Congo and the Republic of Mauritius for the Reciprocal Promotion and Protection of Investments ('**Treaty**'). The Treaty is what is known as a bilateral investment treaty ('**BIT**') and provides for disputes between Mauritian investors (such as EEPL) and Congo to be resolved by international arbitration if an amicable settlement cannot be achieved within six months from the date notice of the dispute is given.

In December 2020, EEPL instructed its lawyers, Clifford Chance, to issue to Congo a Notice of Dispute and Request for Negotiations under the Treaty ('**Notice**'). In the Notice, EEPL informed Congo that the measures taken against EEPL's investments in Badondo and Mayoko-Moussondji (discussed below) violated various provisions of the Treaty.

No settlement was reached following the issuance of the Notice, and EEPL subsequently commenced international arbitration against Congo at ICSID. EEPL is claiming compensation for the expropriation of its investment in Badondo. EEPL continues to assert its wholly owned Congolese subsidiary, Congo Mining Exploration Limited SARL has a legitimate and appropriate entitlement to a valid mining license for Badondo. An arbitral tribunal has now been constituted under the Treaty and EEPL is in the process of presenting its case against Congo in the form of written submissions supported by evidence.

Mayoko-Moussondji

Mayoko-Moussondji is located in the southwest of Congo. Equatorial carried out exploration and development activities at the project from 2010. In 2014, Equatorial was granted a 25-year Mining Licence for the project and in 2015, Equatorial completed the sale of the project to Midus Global Limited ('**Midus Global**'), receiving net proceeds of \$4.7 million and the right to receive a 2% royalty on all future production from the project, calculated on the value of all sales of ore extracted, produced, sold or otherwise disposed of from the project. The Company's Mauritian subsidiary, EEPL, has a beneficial entitlement to that royalty right.

In 2021, the Congolese Government issued a decree withdrawing the Mining License for Mayoko-Moussondji, which was owned by Congo Mining Limited, a wholly owned subsidiary of Midus Global.

As Equatorial, had a right to receive a 2% royalty on all future production from Mayoko-Moussondji, Equatorial, through EEPL, has included a claim against Congo for compensation for the losses it suffered as a result of the withdrawal of the Mining License from for Mayoko-Moussondji.

5.3 Claims

Statement of Claim by Equatorial

In April 2022, the arbitral tribunal responsible for adjudicating EEPL's claims was constituted. In accordance with the procedural calendar for the arbitration, EEPL presented its full case against Congo in March 2023. Supported by documentary, witness and expert evidence, the written Statement of Claim (referred to in the Arbitration as EEPL's Memorial on the Merits) included:

- Factual background to EEPL's investments in Congo and the dispute;
- A detailed statement of the legal basis for each claim brought against Congo;
- A number of witness statements; and
- Reports from several independent experts covering the technical aspects and valuation of EEPL's investments in Badondo and Mayoko-Moussondji, demonstrating damages ranging from US\$394 million to US\$1,134 million (excluding interest and costs). These reports were subsequently updated (per the Company's ASX announcement on 6 June 2024), and demonstrate damages ranging from US\$395 million to US\$1,254 million (excluding interest and costs).

Counter-Memorial filed by the Congo

In August 2023, Congo filed a Counter-Memorial, which set out Congo's defence to EEPL's claims, further including three counterclaims against EEPL based on the following allegations:

- EEPL was liable for the payment of certain surface fees in relation to the Badondo Project;
- EEPL was liable for certain environmental remediation works at the site of the Badondo Project; and
- EEPL had abusively commenced the Arbitration.

On the basis of these counterclaims, Congo claimed that it was entitled to be compensated by EEPL.

Preliminary objection filed by Equatorial

In September 2023, EEPL filed a preliminary objection to Congo's counterclaims, arguing that the counterclaims fell outside the tribunal's jurisdiction, and that Congo's counterclaims should therefore be dismissed. Subsequently, in November 2023, Congo filed a response to EEPL's preliminary objection and in the following month, EEPL filed a reply to Congo's response.

Congo's counterclaims dismissed by the ICSID tribunal

In January 2024, the ICSID tribunal ruled that it had no jurisdiction to hear Congo's counterclaims and they were dismissed in their entirety. In March 2024, the tribunal rendered a Decision on Jurisdiction over the Respondent's Counterclaims, confirming its January 2024 decision and providing detailed reasons for its conclusion that it lacked jurisdiction over Congo's counterclaims.

EEPL's Reply Memorial was filed on 6 June 2024. The Reply Memorial contained EEPL's response to the entirety of the Congo's defence, as set out in its Counter-Memorial. The Reply Memorial also included updated reports from independent expert witnesses demonstrating the value of the compensation that EEPL is claiming from Congo to range from US\$395 million to US\$1,254 million. Equatorial anticipates that the final hearing in the ICSID arbitration will take place in March 2025, and the final award may be rendered around six to 12 months thereafter (indicative timing only).

A full timeline of the Arbitration to date is set out below:

Date	Development
29 October 2021	The Secretary-General registers EEPL's request for the institution of arbitration proceedings.
5 January 2022	Following appointment by the Claimant, John M. Townsend (U.S.) accepts his appointment as arbitrator.
3 February 2022	Following appointment by the Respondent, Aimery de Schoutheete (Belgian) accepts his appointment as arbitrator.
25 April 2022	Following appointment by agreement of the parties, Erica Stein (Belgian/U.S.) accepts her appointment as presiding arbitrator.
26 April 2022	The Tribunal is constituted in accordance with Article 37(2)(b) of the ICSID Convention. Its members are Erica Stein (Belgian/U.S.), President, appointed by agreement of the parties; John M. Townsend (U.S.), appointed by the Claimant; and Aimery de Schoutheete (Belgian), appointed by the Respondent.
4 August 2022	The Tribunal holds a first session by video conference.
31 August 2022	The Tribunal issues Procedural Order No. 1 concerning procedural matters.
14 March 2023	EEPL files a memorial on the merits.
29 March 2023	Congo files a request to address the objections to jurisdiction as a preliminary question.
4 April 2023	Congo withdraws its request to address the objections to jurisdiction as a preliminary question.
7 August 2023	Congo files a counter-memorial on the merits, including counterclaims.
18 September 2023	EEPL files preliminary objections on the Respondent's counter-claims pursuant to ICSID Arbitration Rule 41(1).
5 October 2023	The Tribunal issues Procedural Order No. 2 concerning procedural matters.

Date	Development
15 November 2023	Congo files observations on the Claimant's preliminary objections on the Respondent's counter-claims pursuant to ICSID Arbitration Rule 41(1).
17 November 2023	The Tribunal issues Procedural Order No. 3 concerning production of documents.
21 December 2023	EEPL files a reply on its preliminary objections on the Respondent's counter-claims pursuant to ICSID Arbitration Rule 41(1).
12 January 2024	The Tribunal issues a decision on EEPL's preliminary objections on the Respondent's counter-claims pursuant to ICSID Arbitration Rule 41(1) (with reasons to follow).
14 March 2024	The Tribunal renders a Decision on Jurisdiction over the Respondent's Counterclaims
6 June 2024	EEPL files a reply on the merits.

Source: ICSID

5.4 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-23	Audited as at 30-Jun-23	Audited as at 30-Jun-22
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	15,661,749	16,661,528	18,451,595
Trade and other receivables	73,883	33,128	45,777
TOTAL CURRENT ASSETS	15,735,632	16,694,656	18,497,372
NON-CURRENT ASSETS			
Exploration and evaluation assets	1,993,924	-	-
TOTAL NON-CURRENT ASSETS	1,993,924	-	-
TOTAL ASSETS	17,729,556	16,694,656	18,497,372
CURRENT LIABILITIES			
Trade and other payables	2,071,730	2,472,054	292,884
Provisions	18,582	15,944	4,223
TOTAL CURRENT LIABILITIES	2,090,312	2,487,998	297,107
TOTAL LIABILITIES	2,090,312	2,487,998	297,107
NET ASSETS	15,639,244	14,206,658	18,200,265
EQUITY			
Contributed equity	179,022,193	178,173,624	178,173,624
Reserves	1,409,819	1,095,975	900,334
Accumulated losses	(163,536,384)	(163,367,443)	(159,176,049)
Equity attributable to equity holders of the parent	16,895,628	15,902,156	19,897,909
Non-controlling interests	(1,256,384)	(1,695,498)	(1,697,644)
TOTAL EQUITY	15,639,244	14,206,658	18,200,265

Source: Equatorial's reviewed financial statements for the half year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents of \$16.66 million as at 30 June 2023 decreased to \$15.66 million as at 31 December 2023. This decrease primarily related to payments made to suppliers, employees and others of \$1.37 million, in addition to payments associated with the acquisition of the Nimba Project and share issue costs, which was partly offset by interest earned of \$0.38 million.
- Trade and other receivables comprise of accrued interest, GST/VAT receivable and other receivables at amortised cost.
- Exploration and evaluation assets solely relate to the Nimba Project.
- Non-controlling interests relate to the Company's strategic alliance agreement with Rock Mining SARL ('Rock Mining') entered into on 3 February 2020 to advance the development of Badondo. As consideration for entering into the alliance agreement and provision of these services, Rock Mining was granted a 20% interest in EEPL which is the 100% owner of Congo Mining Exploration Ltd SARL. A non-controlling interest representing 20% of the net assets in EEPL and Congo Mining Exploration Ltd SASRL has been recognised.

5.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-23 \$	Audited for the year ended 30-Jun-23 \$	Audited for the year ended 30-Jun-22 \$
Interest income	446,673	538,914	128,861
Total income	446,673	538,914	128,861
Exploration and evaluation expenses	(244,366)	(35,105)	(62,429)
Corporate and administrative expenses	(288,179)	(581,660)	(605,844)
Business development expenses	(385,443)	(955,642)	(964,922)
Arbitration expenses	(79,391)	(2,960,036)	(127,253)
Share-based payment benefit/(expense)	381,180	(195,703)	(374,881)
Net change in fair value of financial assets	-	-	(15,256,667)
Loss before income tax	(169,526)	(4,189,232)	(17,263,135)
Income tax expense	-	-	-
Loss for the period from continuing operations	(169,526)	(4,189,232)	(17,263,135)
Attributable to:			
Equity holders of the parent	(168,941)	(4,191,394)	(17,260,979)
Non-controlling interests	(585)	2,162	(2,156)
Other comprehensive income	29	(78)	157
Total comprehensive (loss)/income for the period, net of tax	(169,497)	(4,189,310)	(17,262,978)

Source: Equatorial's reviewed financial statements for the half year ended 31 December 2023 and audited financial statements for the years ended 30 June 2023 and 30 June 2022

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Net change in fair value of financial assets relates to the Company's investment in Salt Lake Potash Limited. Following the appointment of Voluntary Administrators, Receivers and Managers, the Company determined that the fair value of its investment in Salt Lake Potash Limited was nil as at 30 June 2022.

6. Approach adopted to assess Fairness

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

In assessing the Proposed Transaction we must determine the value of any benefit to be received by Mr Welborn.

The benefit that may be received by Mr Welborn (being the Consulting Fee Right) is payable upon the fulfilment of the services per the Consultancy Agreement, as set out in Section 4.1.

The benefit will only be received following a successful Claim/s, receipt of the Dispute Compensation, and after deductions for certain costs (see Section 4.1).

To assess the value of the benefit we have considered an assessment of absolute and relative value. Absolute value examines the intrinsic value of an asset or company and its shares without comparing it to others. Relative value is based on a comparison with the value of like assets, or companies across appropriate criteria. A relative value is a Market Value (see methodology outlined under Appendix 2).

To assess the benefit by relying on an absolute value approach requires the expert to value the benefit to be received by Mr Welborn against the consideration being received by Equatorial.

The benefit is 5% of any Company Compensation received by Equatorial. This Consulting Fee is to be received by Mr Welborn after the satisfaction of all Claim distribution and associated costs. The consideration to be received by Equatorial is the value of the ongoing contribution of Mr Welborn to the Arbitration and, any benefit Shareholders will receive from a successful Claim.

Appropriateness of valuation methodology

In determining the appropriateness of these methodologies in assessing the fairness of the Proposed Transaction, the Dispute Compensation amount sought by Equatorial through the Arbitration should be considered.

As outlined in Equatorial's announcement on 6 June 2024, EEPL's Reply Memorial includes updated reports from independent expert witnesses covering the technical aspects and value of EEPL's investments in Badondo and Mayoko-Moussondji, demonstrating the value of the compensation that EEPL is claiming from Congo to range from US\$395 million to US\$1,254 million, depending on the valuation methodology adopted.

Taking the above into consideration BDO has determined that an assessment of a reasonably reliable absolute value of a Claim amount based on the above methodologies, or the Claim quantum to approximate the quantity of any benefit to be received is not available to us because:

- The Company's receipt of the Dispute Compensation sought, if any, is dependent on an eventual award to be rendered by the international tribunal constituted to hear EEPL's Claims against Congo, who will utilise parameters justifiable under the law applicable to the Arbitration;
- We would be required to pre-empt the Dispute Compensation and valuation methodologies based on assumed parameters without reference to the eventual award to be rendered by tribunal and therefore our assumptions may not be reliable or reasonably based;
- Final submissions from both EEPL and Congo are not yet known as neither have been filed yet with the arbitral tribunal responsible for adjudicating the Arbitration; and
- The probability of a successful Claim and the time required to achieve an outcome cannot be reliably estimated; and
- Even if EEPL's Claims are successful and the arbitral tribunal ultimately renders an award in favour of EEPL, the Company's receipt of any Dispute Compensation remains wholly dependent on the successful enforcement and recovery of the award against the assets of Congo. We note that the enforcement of arbitral awards in sub-Saharan Africa pose a number of issues and risks and we are unable to determine the probability of EEPL successfully enforcing and recovering any award against Congo.

As a consequence of the above, we have concluded that it is not appropriate, possible, or in the best interests of Shareholders to value EEPL's Claims using an absolute value approach.

We are also unable to approximate an absolute value for contributions made by Mr Welborn because the duration and extent of the Services to be provided by Mr Welborn are unknown.

We have determined that the most appropriate approach is therefore a relative value approach. We have undertaken this assessment in two ways:

- A comparison of the Consulting Fee against similar arbitration cases and management incentive programs ('MIPs'), and
- A comparison between the benefit that may be received by Mr Welborn against the residual amount of the Dispute Compensation to be received by Equatorial (referred to as Company Compensation).

To conclude that the Proposed Transaction is Fair to the non-associated Shareholders of Equatorial, we require a fairness conclusion on both assessments. That is that the Consulting Fee falls within the comparable range of other arbitration cases and MIPs, and the benefit that may be provided to Mr Welborn is equal to or less than the Company Consideration to be received by Equatorial.

7. Analysis of Fairness

7.1 Assessment One

BDO has conducted an extensive search of various sources, including the World Bank’s International Centre for Settlement of Investment Disputes caseload, and the United Nations Trade and Development Investment Dispute Navigator, to identify comparable arbitration claims with state-based enterprises or governments. We then identified those companies that had implemented incentive structures comparable to the Consulting Agreement.

Comparability of an incentive program was on the basis that participants in the program were:

- Primarily directors and management;
- Retained on a percentage of any damages or settlement amount received, and
- Awarded according to an assessment on contribution to the Claim.

The search was not industry specific.

The following six companies were identified as having undergone arbitration and have incentive programs comparable to the Consulting Agreement.

All companies are listed on a Stock Exchange and identification of the incentive programs was likely made possible as a result of their remuneration and incentive disclosure obligations to shareholders. Other comparable incentive programs may exist however not identifiable as the information is not publicly available.

Further details on each of the companies and claims can be found under Appendix 3.

Company	Participants	Max. % Gross Proceeds Awarded	Max. % Net Proceeds Awarded
Equatorial	Director		5%
Prairie Mining Limited	Directors, KMP, and management staff		6%
Crystallex International Corp.	Key executives		10% up to US\$700m 2% over US\$700m
Eco Oro Minerals Corp.	Key personnel	5%	
Gabriel Resources Ltd	Directors, key management, employees, experts	7.5% up to US\$500m 2.5% over US\$500m	
Gold Reserve Inc.	Directors, executives, employees, and consultants	1.28% up to US\$200m 6.4% thereafter	
Rusoro Mining Ltd. (Two success fees to be awarded)	Lenders, directors, and management Directors and management	15%	2%*

*This is in addition to any entitlement under the 15%

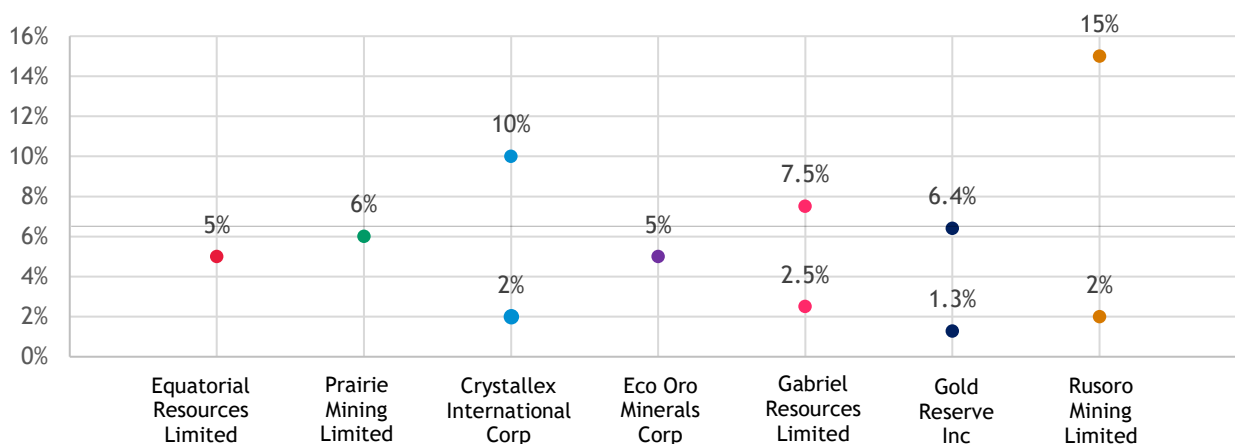
Source: BDO Analysis

In plotting each of the comparable arbitration incentive programs in the following diagram we have assumed that all distributions will be a percentage of gross rather than net proceeds. This is because we cannot accurately estimate the amount of claim proceeds under the comparisons. This means that the

Equatorial, Prairie Mining Limited, Crystallex International Corp, and the Rusoro Mining Ltd distributions percentages are in effect assumed to be on the basis of gross rather than net proceeds.

We have also considered Crystallex International Corp, Gabriel Resources Ltd, and Gold Reserve Inc. under both the lower and higher percentage scenarios depending on final claim amount.

Fairness Assessment One - All assumed as a % of Gross Proceeds



Source: BDO Analysis

In determining a range of percentages, we have excluded Rusoro as the terms of the two MIPs are not sufficiently transparent to make a confident assessment of their comparability to the Equatorial MIP. The 15% MIP takes into account discounted services and the forgiveness of select obligations of the participants and the 2% program is likely to take this into consideration.

MIP Ranges	Low %	Midpoint %	High %
Percentage of Net Proceeds*	2	6	10
Percentage of Gross Proceeds	1.28	4.39	7.5

*There is only one comparable MIP (Crystallex).

Conclusion on Assessment One

As the maximum benefit (5% Consulting Fee) of the Company Compensation that may be received by Mr Welborn is within the net and gross proceeds ranges it is considered Fair under this assessment.

7.2 Assessment Two

If the Claim is successful, Mr Welborn will receive 5% of the Company Compensation received or recovered, provided he has been assessed by the Company as having fulfilled the Services as per the Consultancy Agreement. If he has not contributed as per the Consultancy Agreement, he will not receive the Consultancy Fee and the amount will remain with Equatorial.

The maximum proportion of the Company Compensation to be received by Mr Welborn and Equatorial is set out in the following table.

Interested Party	Max. % of the Company Compensation
Equatorial	95%
Mr Welborn Non-Executive Director	5%
	100%

Source: BDO Analysis

Conclusion on Assessment Two

To be assessed as Fair under RG 111.57 the benefit that may be provided to Mr Welborn is to be equal to or less than the Company Compensation provided to Equatorial.

As the maximum benefit (percentages) of the Company Compensation that may be provided to Mr Welborn is less than the percentage allocated to Equatorial, it is considered Fair under this assessment.

We therefore conclude that the benefit that may be provided under the Proposed Transaction is Fair under this assessment.

8. Is the Proposed Transaction Fair?

The benefit to be received by Mr Welborn is Fair if the value of the benefit that may be provided by Equatorial under the Consultancy Agreement is equal to or less than the value of the Services being provided by Mr Welborn to Equatorial.

As we are not able to reliably determine the absolute value of the Claim or the value of the Services to be provided by Mr Welborn (for the reasons set out in Section 6), we have made our fairness assessment as follows:

- A comparison of the Consulting Fee Right against similar arbitration cases and MIPs (see Section 7.1), and
- A comparison between the Consulting Fee Right to be received by Mr Welborn against the Company Compensation to be received by Equatorial (see Section 7.2).

Under both of these assessments, we have concluded that the benefit that may be provided to Mr Welborn is Fair.

9. Is the Proposed Transaction Reasonable?

In assessing whether the Proposed Transaction is Reasonable to Shareholders we have:

1. Considered the consequences of not approving the Proposed Transaction; and
2. Considered the advantages and disadvantages to Shareholders of approving the Proposed Transaction.

9.1 Consequences of not approving the Proposed Transaction

If the Proposed Transaction is not approved the Consultancy Agreement may lapse or be amended. If this were to happen Mr Welborn would need to agree to new terms. There is a risk Mr Welborn may not agree to new terms, taking the view that he is not being appropriately incentivised to contribute to a possibly lengthy Arbitration or that his continued contribution to the Arbitration is unlikely to advance his career or skill set in the same manner as expending that effort elsewhere.

Should he no longer contribute to the Arbitration (as a key witness or otherwise), the ability of Equatorial to fulfil the Claim solicitors' requests, as and when required, may be compromised, particularly given his history of the Claims, which could adversely affect the successful pursuit of the Claims.

9.2 Advantages of approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is Fair	As set out in Sections 7 and 8 of this Report the Proposed Transaction has been assessed as fair. RG 111 states that an offer is reasonable if it is fair.
Equatorial retains historical and working knowledge of the Badondo and Mayoko-Moussondji' Claims	Mr Welborn has historical and working knowledge of Badondo, Mayoko-Moussondji and the Claims. Per the terms of the Consultancy Agreement, Mr Welborn has agreed to continue to support the Claim Solicitors (and act as a key witness) for the duration of the Claim proceedings. This is likely to give the Claim proceedings an increased chance of success.
Equatorial is entitled to 95% of any Company Compensation received/recovered following a successful Claim	The majority of any Company Compensation amount received following a successful will remain with Equatorial to cover damages resulting from the expropriation of the Badandoo Project and Mayoko-Moussoundji Project.
The Consultancy Fee Right is capped at 5%	The Consultancy Fee Right is capped at 5% of the Company Compensation.

Advantage	Description
The benefit will be paid from the Company Compensation	The benefit to Mr Welborn will be distributed from the received/recovered Company Compensation following a successful Claim or settlement, not from existing Equatorial cash. If the Company is unable to enforce the award against the assets of Cogo, Mr Welborn will not receive a payment.
The Consultancy Fee Right is conditional	Mr Welborn will not receive a benefit if the Claim is lost, the Company discontinues its legal action, or the Company has determined he has not contributed to or fulfilled his Services per the Consultancy Agreement.
No Shareholder dilution	The Consultancy Agreement does not include the issue of Equatorial shares and therefore will not result in shareholder dilution or a change in control.

9.3 Disadvantages of Approving the Proposed Transaction

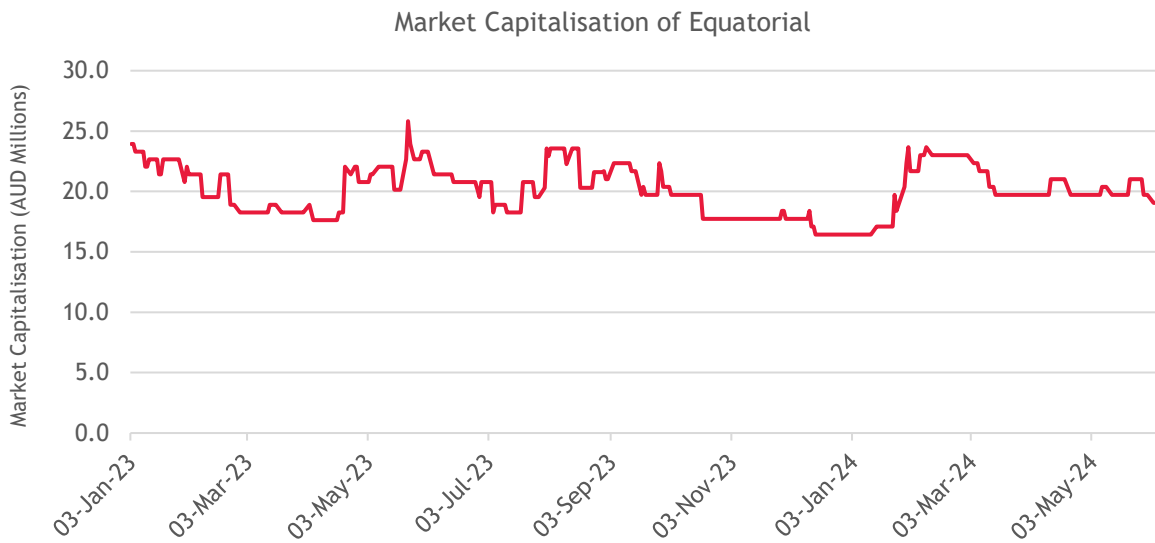
If the Resolutions are approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Loss of Company Compensation proceeds	Shareholders will forgo 5% of any Company Compensation received by Equatorial.
Unknown value of the benefit	The value of any Company Compensation amount and therefore the benefit that may be received by Mr Welborn will not be known until an outcome on the Claim is achieved.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information, we believe that the Benefit is Reasonable for Shareholders.

9.4 Other Considerations

EEPL'S Reply Memorial included updated reports from several independent experts covering the technical aspects and valuation of EEPL's investments in Badondo and Mayoko-Moussondji, demonstrating damages ranging from US\$395 million to US\$1,254 million (excluding interest and costs). These assessments indicate a maximum financial benefit to Mr Welborn of between US\$20 million and US\$63 million. However, we note that current market prices of Equatorial do not reflect the potential upside from a successful Claim (at the valuation ranges set out above), with market capitalisations of Equatorial ranging from approximately A\$16 million to A\$24 million over the last 18 months. A chart setting out the market capitalisation of Equatorial from January 2023 is set out below.



Source: Bloomberg

As noted in section 6, the probability of a successful Claim and the time required to achieve an outcome cannot be reliably estimated; and even if EEPL's Claims are successful and the arbitral tribunal ultimately renders an award in favour of EEPL, the Company's receipt of any Dispute Compensation remains wholly dependent on the successful enforcement and recovery of the award against the assets of Congo. We note that the enforcement of arbitral awards in sub-Saharan Africa poses a number of issues and risks and we are unable to determine the probability of EEPL successfully enforcing and recovering any award against Congo.

10. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Equatorial.

11. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report;
- Reviewed financial statements of Equatorial for the half year ended 31 December 2023;
- Audited financial statements of Equatorial for the years ended 30 June 2023 and 30 June 2022
- Consultancy Agreement between Mr Welborn and Equatorial dated 12 March 2024;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Equatorial.

12. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$29,500 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Equatorial in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Equatorial, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Equatorial and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Equatorial and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Equatorial, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Equatorial and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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13. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and a non executive member of the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

14. Disclaimers and consents

This report has been prepared at the request of Equatorial for inclusion in the Notice of Meeting which will be sent to all Equatorial Shareholders. Equatorial engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to provide Non-Executive Director, Mr John Welborn, a payment for the services to be provided to the Company in relation to an international investment dispute concerning a Mauritian subsidiary of the Company, EEPL Holdings, whereby the payment is 5% of the total dispute compensation .

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to [NAME]. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications, it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances.

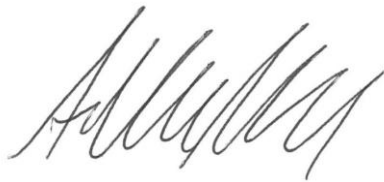
Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Equatorial, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers
Director



Sherif Andrawes
Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Arbitration	International arbitration, brought about by EEPL against the Republic of Congo, concerning EEPL's investments in two iron ore projects located in Congo
Badondo Project	The Badondo Iron Ore Project
Benefit	A right to be received by Mr Welborn which entitles him to 5% of the dispute compensation, being any royalty, property, recovery or other benefit received by the Company, EEPL or any of their related bodies in connection with the Claim or the Arbitration after deductions
BDO	BDO Corporate Finance (WA) Pty Ltd
Claim	Claims brought by Equatorial and EEPL against the Republic of Congo in relation to actions taken by the Republic of Congo against EEPL's investments in two iron ore projects
The Company	Equatorial Resources Limited
Company Compensation	The Dispute Compensation received by Equatorial after deductions for any payment to or priority payment arrangements with any litigation funders of the Claim, any entitlement from the other shareholder of EEPL to any of its pro rata share of any Dispute Compensation, any costs incurred which are associated with obtaining or enforcement of any awards or appeals, including but not limited to any costs associated with any litigation funders of the Claim, and any costs incurred by the Company in funding or progressing the Arbitration or the Claim.

Reference	Definition
Congo Projects	the Badondo Project and the Mayoko-Moussoundji Project
Consultancy Agreement	An agreement entered into between Equatorial and Mr Welborn to provide services to the Company in connection with the Arbitration in the ICSID
Consulting Fee	A right to be received by Mr Welborn which entitles him to 5% of the dispute compensation, being any royalty, property, recovery or other benefit received by the Company, EEPL or any of their related bodies in connection with the Claim or the Arbitration after deductions
Consulting Fee Right	A right receivable by Mr Welborn from Equatorial entitling him to 5% of the total dispute compensation
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Cash Flows
Dispute Compensation	Any royalty, property (including mining tenements/titles), recovery or other benefit received by or on behalf of the company, EEPL, or any of their related bodies corporate in connection with the Claims or Arbitration
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EEPL	EEPL Holdings
Equatorial	Equatorial Resources Limited
FME	Future Maintainable Earnings
FSG	Financial Services Guide
ICSID	International Centre for Settlement of Investment Disputes
Km	Kilometres
Km ²	Square kilometres
Mayoko-Moussoundji	The Mayoko-Moussoundji Iron Ore Project

Reference	Definition
Midus Global	Midus Global Limited
MIPs	Management incentive programs
Mr Welborn	Mr John Welborn
NAV	Net Asset Value
Nimba Project	The Company's Nimba Alliance Iron Ore Project
Proposed Transaction	The proposed Consultancy Fee (being 5% of the Dispute Compensation) to be paid to Non-Executive Director, Mr Welborn, for providing Services in connection with the Arbitration
QMP	Quoted market price
Rock Mining	Rock Mining SARL
Rio Tinto	Rio Tinto Limited
our Report	This Independent Expert's Report prepared by BDO
Ours	BDO Corporate Finance (WA) Pty Ltd
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Shareholders	Non associated shareholders of Equatorial
Term	The term of the Consultancy Agreement, being three years following the date of execution
Treaty	An agreement between the Government of the Republic of Congo and the Government of the Republic of Mauritius for the Promotion and Reciprocal Protection of Investments
Us	BDO Corporate Finance (WA) Pty Ltd
We	BDO Corporate Finance (WA) Pty Ltd

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The Directors

BDO Corporate Finance (WA) Pty Ltd

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5 Spring Street

Perth, WA 6000

Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted market price basis

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market-based assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Comparable Claims & Incentive Programs

It is important to note that the circumstances of each claim and the terms of the incentive programs and any other performance rewards offered by each of the following companies will vary to Equatorial however, the terms of the following incentive programs are those that are publicly available and sufficiently comparable.

1. **Prairie Mining Limited (Prairie)** (now known as GreenX Metals Limited)

An Australian Securities Exchange listed coking coal exploration and development company with a principle focus on its Jan Kraski and Debiensko mines located in Poland.

On 1 July 2020, Prairie announced that it had secured \$18 million through a litigation funding agreement with LCM Funding UK Limited to pursue international arbitration claims against the Republic of Poland. Subsequently, Prairie established a MIP to retain key management personnel who have important historical information and knowledge on the Jan Karski and Debiensko mines and can contribute to the efficient progression of the Claim.

The MIP provides that if the Claim is successful and Prairie receives damages proceeds, 6% of these proceeds will be directed to the MIP for distribution to its participants. The MIP requires that each participant must satisfy specific Claim related duties and if they do so, each participant may be entitled to a pre-defined percentage of the proceeds received by the MIP.

On 9 September 2020, the Company announced that it had formally commenced international arbitration proceedings by serving Notices of Arbitration under both the Energy Charter Treaty and the Australia-Poland Bilateral Investment Treaty on the Republic of Poland. Prairie's Claim for damages included the value of historic expenditure in developing the Jan Karski and Debiensko Projects, lost profits, and damages arising as a result of the Polish Government's acts and omissions, accrued interest related to any damages, and all arbitration costs. Prairie claimed damages of approximately USD\$1,140.6 million.

In November 2022, Prairie reported the conclusion of the Claim against the Republic of Poland under the treaties. The hearing took place in London and lasted two weeks. Following completion of the hearing, the tribunal is to render an award in due course with no specific date available for the tribunal decision.

The Claim remains pending.

2. **Crystallex International Corporation (Crystallex)**

A Canadian mining company listed on the OTCQB and had the right to develop Las Cristinas, a gold deposit in Venezuela.

On February 10 2012, Crystallex filed a Memorial on the Merits with the World Bank's ICSID against Venezuela. The claim request arose out of the Government's termination of the claimant's mine operation contract over a gold deposit situated in Las Cristinas.

On 16 April 2012, an MIP designed to ensure the retention of key executives until the arbitration was completed, agreed upon, and later approved by an independent Board Committee.

The purpose of the MIP was to ensure that Crystallex was able to retain and incentivise key management employees to remain for the arbitration proceedings against Venezuela.

The MIP reserved 10% of the net proceeds of the Arbitration award up to US\$700m and reduced to 2% of any proceeds above US\$700m as a discretionary retention pool for key management employees. The participants and amounts to be awarded to individuals is based on contribution and at the discretion of the independent Board Committee. Any balance remaining in the discretionary retention pool after the payment of all retention payments is to be returned to Crystallex. In exercising its discretion the Committee is to take into consideration the amount awarded, speed of proceedings, personal and legal risks, and the opportunity cost to the individual in staying with Crystallex.

In May 2012, the MIP was challenged, along with other unrelated finance terms by noteholders to Crystallex however no amendments to the MIP were made.

Arbitration was decided in favour of Crystallex however proceedings continue.

3. Eco Oro Minerals Corp. (Eco Oro)

A Toronto Stock Exchange-listed precious metals exploration and development company which held mining rights over 50% of a concession area of the Angostura gold and silver deposit in Columbia.

In 2016 Eco Oro is alleged to have been deprived of its mining rights following a decision by the Colombian National Mining Agency. The concession area was found to fall within the Santurbán Páramo, an environmental conservation zone. The Mining Agency's actions followed the decision of Colombia's Constitutional Court that broadened restrictions on mining in high-mountain ecosystems known as páramos (sources of the country's freshwater supply), striking down legal provisions that had stabilised the rights of mining projects in those areas negotiated before 2010.

13 January 2017, the Eco Oro announced that the Board had implemented an MIP to incentivise key personnel on the successful prosecution and collection of the arbitration claim against Colombia under the Canada-Colombia Free Trade Agreement. Implementation of the MIP was a requirement under the terms of an investment agreement entered into by Eco Oro and Trexs Investments, LLC on July 21, 2016.

An independent Board Committee was appointed to administer the MIP which was to grant individuals cash retention amounts not exceeding, in aggregate, 7% of gross proceeds from the arbitration. The Committee was required to take into consideration the amount of the proceeds received from arbitration and the time dedicated by each participant to the proceedings.

On 1 August 2017, Eco Oro announced that a settlement had been reached with shareholders that included an amendment to the MIP to reduce the cash retention pool from 7% to 5% of the total gross proceeds of the arbitration claim.

On 20 March 2018, following protracted negotiations, Eco Oro filed a Memorial on the Merits with the World Bank's International Centre for Settlement of Investment Disputes (ICSID) seeking USD\$764m in compensation for damages as a result of Colombian State measures affecting rights under the Angostura mining title.

The Claim remains pending.

4. Gabriel Resources Ltd (Gabriel)

A Canadian resource company listed on the TSX-V with the principle focus of the exploration and development of the Rosia Montana gold and silver project in Romania. Gabriel holds an 80.69% interest and 19.31% held by a state-owned mining company.

On 21 July 2015, Gabriel filed a request for arbitration before the World Bank's ICSID against Romania. The claim arising out of the allegedly discriminatory measures relating to the approval of an

environmental impact assessment and the issuance of an environmental permit required to start the exploitation of Gabriel's Rosia Montana mining project.

In December 2015, the Board, following the recommendation of the Compensation Committee, adopted a key employee engagement plan (**KEEP**) to support the ICSID Arbitration process. The purpose of the KEEP is an arbitration-related incentive program to incentivise the long-term participation of directors, key management, employees, and other expert contributors in pursuing the ICSID Arbitration to a successful conclusion.

In July 2016, the Claimants established a trust to provide a legal form for the implementation of the KEEP. The trust provides that, subject to specified definitions, terms, and conditions, the Claimants pay, or procure the payment, to the trust following receipt of the gross proceeds (less certain deductions and applicable taxes) of any award from the ICSID Arbitration in the form of cash equal to:

- (i) 7.5% of the first US\$500 million of the gross proceeds; and
- (ii) 2.5% of any amount of proceeds in excess of US\$500 million.

Gabriel states that the trust agreement sets out factors to be taken into account by the trustees in determining the amount of distributions to individual beneficiaries and that subject to certain limitations and mandatory minimum payment requirements in certain circumstances, the trustees have broad discretion (in the allocation to beneficiaries of any monies paid into the trust by the Claimants) to recognise the contribution of each beneficiary.

The Claim remains pending.

5. Gold Reserve Inc. (Gold Reserve)

A Canadian gold producer and explorer company listed on the TSX-V and QTCQX and in October 2009 initiated the Brisas Arbitration claim under the World Bank's ICSID to obtain compensation for the losses caused by the actions of Venezuela that terminated a mining project known as the Brisas Project in Venezuela.

On September 22, 2014, Gold Reserve was granted an Award in relation to the claim totalling US\$740.3 million and US\$240 for the sale of mining data.

Gold Reserve maintains a bonus plan administered by the independent directors and intended to compensate participants, including executive officers, employees, directors, and consultants for their past and present contributions to Gold Reserve. The bonus pool under the Plan is comprised of the gross proceeds collected or the fair value of any consideration realised less applicable taxes multiplied by 1.28% of the first US\$200 million and 6.4% thereafter.

As of June 30, 2020, the total cumulative estimated obligation under the terms of the Bonus Plan from the sale of the mining data and collection of the Award was approximately US\$4.4 million, of which approximately US\$45 thousand remains payable to Bonus Plan participants.

6. Rusoro Mining Ltd. (Rusoro)

A Canadian gold producer and explorer company listed on the TSX-V with business activities of the acquisition, exploration, development, and operation of a range of early-stage to advanced development stage projects in the Republic of Venezuela (**Venezuela**).

On September 16 2011, the Venezuelan government, enacted a law-decree reserving to the government exclusive rights for the extraction of gold in Venezuela. The Decree mandated the expiration of all mining concessions held by the Rusoro, subject to negotiation. Until March 14, 2012, Rusoro held a 95% controlling interest in the Choco 10 mine and a 50% interest in the Isidora mine, which Rusoro operated as

part of a joint operation with the Venezuelan government. Rusoro also held interests in various exploration and development projects in Venezuela.

In June 2012, Rusoro entered into a litigation funding agreement with a subsidiary of the Calunius Litigation Risk Fund LP. Under the terms of the Litigation Funding Agreement, the Funder agreed to assist in the funding of Rusoro's legal costs in relation to the international arbitration proceedings against Venezuela on a non-recourse basis. In April 2019, an addendum to the agreement allowed for continued access to the remaining funding for the purpose of pursuit of the compensation awarded.

In addition to the Litigation Funding Agreement Rusoro has also provided contingent success fees to select stakeholders, including the Lenders of the Convertible Loan and the board of directors and management of Rusoro, in consideration for their discounted services or forgiveness of select obligations. The terms, clauses, and priority of the contingent fee agreements are varied, but generally provide each party a contingent success fee based on the successful outcome of the litigation and final settlement. Rusoro estimates the aggregate potential exposure related to these contingent success fees will not exceed 15% of the Award.

In July 2012, Rusoro filed a Request for Arbitration under the Additional Facility Rules of the World Bank's ICSID against Venezuela.

In October 2012, Rusoro entered into a trust agreement and a contribution agreement whereby it agreed to pay to a trust established for the board of directors and management of Rusoro a success fee equal to 2% of the proceeds received by Rusoro in respect of the legal proceedings it has commenced against the Venezuela for compensation for the nationalisation of the Rusoro gold assets. The Trustee is empowered to allocate the success fee amongst the board of directors and management of Rusoro as they deem appropriate.

On August 22, 2016, Rusoro was awarded compensation of US\$967.77 million plus pre and post award interest. No value has been accrued for the Award as at June 30, 2020, and the ultimate receipt, final settlement amount and the timing of the receipt of the Award is uncertain.

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EQUATORIAL RESOURCES LIMITED

ACN 009 188 694

PROXY FORM

The Company Secretary
Equatorial Resources Limited

By delivery:

Level 9, 28 The Esplanade
PERTH WA 6000

By post:

PO Box Z5083
PERTH WA 6831

By email:

voting@equatorialresources.com.au

By facsimile:

+61 8 9322 6558

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Further instructions are provided overleaf.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s of the Company hereby appoint:

The Chairperson
(mark box)

OR if you are NOT appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy to act generally 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 Equatorial Resources Limited to be held at the Conference Room, Ground Floor, 28 The Esplanade, Perth, Western Australia 6000 on Wednesday, 28 August 2024 commencing at 10.00am (AWST) and at any adjournment or postponement of such meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is []% of the Shareholder's votes / [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available proxies in favour of Resolution 1. If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Step 2 – Instructions as to Voting on the Resolution

INSTRUCTIONS AS TO VOTING ON THE RESOLUTION

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain*
Resolution 1 Issue of Consulting Fee Right to Mr John Welborn			

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority on a poll.

The Chairperson intends to vote all available proxies in favour of each Resolution.

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

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

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 that 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 an electronic 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 electronically by e-mail or by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831, or by email to voting@equatorialresources.com.au or by Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (AWST).