

YANDAL RESOURCES LIMITED

ACN 108 753 608

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**For the Annual General Meeting of Shareholders
to be held as a hybrid meeting on Friday, 19 November 2021 at 2:00pm (WST)
at Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia
where attendance can be by person or via a live online webcast**

IMPORTANT INFORMATION: Due to the COVID-19 pandemic, the Meeting will be held as a hybrid meeting. If you are a Shareholder and you wish to virtually attend the Meeting, please follow the instructions set out on page 2 of this Notice.

Shareholders are urged to vote by lodging the Proxy Form.

ATTENDANCE AT ANNUAL GENERAL MEETING AND HOW TO VOTE

Time and Place of Meeting

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

Quest Kings Park	Commencing
54 Kings Park Road	at 2:00pm (WST)
West Perth, Western Australia, 6005	on Friday, 19 November 2021

and will be available to Shareholders electronically through a virtual meeting accessible online.

Given the significant health concerns by reason of the COVID-19 pandemic and resulting travel restrictions, the Company considers that it is appropriate to hold the Meeting as a hybrid meeting which includes online attendance. Shareholders may therefore attend the meeting virtually. If the situation in relation to COVID-19 changes in a way that affects the Company's ability to partly conduct an in-person meeting, the Company reserves the right to hold the Meeting as an entirely virtual meeting.

Voting

To vote in person, attend the Meeting in person. However, the Company recommends that you consider attending the Meeting virtually. Shareholders attending the meeting in person will be requested to log on to the virtual platform to vote. Instructions will be provided during the meeting.

Shareholders who wish to virtually attend the Meeting will be able to do so through <https://web.lumiagm.com/398978915>.

Shareholders who wish to participate in the Meeting online may do so:

- from their computer, by entering the URL into their browser: <https://web.lumiagm.com/398978915>; or
- from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com/398978915>.

Shareholders can log in to the Meeting by entering:

- their username, which is their '**Voting Access Code**', which can be located on the first page of their Proxy Form or Notice of Meeting email; and
- their password, which is the postcode registered to their holding if they are an Australian shareholder. Overseas shareholders should refer to the User Guide (published on the Company's website) for their password details.

If you have been nominated as a third-party proxy, please contact Boardroom on 1300 737 760 (in Australia) or +61 2 9290 9600 (overseas).

More information regarding virtual participation in the Meeting can be found in the User Guide by visiting www.yandalresources.com.au.

Shareholders participating in the Meeting online will be able to listen to proceedings, ask questions relevant to the business of the Meeting and vote on the resolutions to be considered at the Meeting, online.

Please note that if you have previously submitted a Proxy Form and you elect to vote online at the Meeting, your proxy's authority to vote will be revoked for any Resolutions where you have cast an online vote.

Voting by Proxy

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

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

YANDAL RESOURCES LIMITED
ACN 108 753 608

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Yandal Resources Limited will be held at Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia and via live webcast online (web.lumiagm.com/398978915) on Friday, 19 November 2021 at 2:00pm (WST) for the purpose of transacting the following business.

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

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

AGENDA

GENERAL BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2021."

Voting exclusion:

A vote in respect of the Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company.

RESOLUTION 2 – ELECTION OF DIRECTOR – TIMOTHY KENNEDY

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

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

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% CAPACITY

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

"That, the Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER EMPLOYEE INCENTIVE SCHEME

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

"That the issue of up to 7,500,000 equity securities under the 'Employee Incentive Plan' for a period of 3 years from the Meeting is approved under and for the purposes of Listing Rule 7.2 Exception 13(b) and for all other purposes, on the terms set out in the Explanatory Statement."

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

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

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

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

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the chair of the Meeting; and
 - (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

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

RESOLUTION 5 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO LORRY HUGHES

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

"That the issue up to 1,200,000 Performance Rights to Lorry Hughes or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

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

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

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

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

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

However, the above prohibition does not apply if:

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

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

RESOLUTION 6 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO TIMOTHY KENNEDY

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

"That, subject to the passing of Resolution 2, the issue up to 450,000 Performance Rights to Timothy Kennedy or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

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

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

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

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

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

However, the above prohibition does not apply if:

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

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

RESOLUTION 7 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO KATINA LAW

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

"That the issue up to 450,000 Performance Rights to Katina Law or her nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee

Incentive Plan or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

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

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

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

However, the above prohibition does not apply if:

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

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

RESOLUTION 8 – APPOINTMENT OF AUDITOR

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

"That, subject to ASIC consent being received by the Company for Rothsay Auditing to resign as auditor of the Company, for the purposes of section 327B(1) of the Corporations Act and all other purposes, HLB Mann Judd having been nominated by a Shareholder and having consented in writing to act as auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolutions 1 and 4 to 7. The Proxy Form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolutions 1 and 4 to 7 even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolutions 1 and 4 to 7.
4. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.
5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 17 November 2021 at 5.00pm (WST).
6. If using the Proxy Form, please complete, sign and return it to the Company's registered office in accordance with the instructions on that form. Voting online is available.

By order of the Board



Bianca Taveira
Company Secretary

Dated: 15 October 2021

YANDAL RESOURCES LIMITED
ACN 108 753 608

EXPLANATORY STATEMENT

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

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

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.yandalresources.com.au.

Shareholders will be offered the following opportunities including by the virtual meeting platform:

- (a) discuss the annual financial report for the financial period ended 30 June 2021;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2021.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

2.2 **Voting Consequences**

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

2.3 **Previous voting results**

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

2.4 **Proxy restrictions**

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for this Resolution.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution.

The Chairman intends to vote all undirected proxies in favour of this Resolution. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on this Resolution, by signing and returning the Proxy Form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2021. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. **RESOLUTION 2 – ELECTION OF DIRECTOR – TIMOTHY KENNEDY**

Rule 7.3(f) of the Company's Constitution provides that any Director appointed by the Board as an additional director holds office until the next following annual general meeting and is eligible for election at that meeting. Additionally, Listing Rule 14.4 provides that a Director appointed as an additional director must not hold office (without re-election) past the next annual general meeting.

Mr Timothy Kennedy was appointed by the Board as an additional Director on 17 February 2021.

Mr Timothy Kennedy holds office until this Meeting and, being eligible, offers himself for election as a Director of the Company.

Mr Timothy Kennedy is the Non-Executive Chairman of the Company. Details of the qualifications and expertise of Mr Kennedy is set out in the Company's 2021 Annual Report.

The Board of the Company recommends the election of Mr Timothy Kennedy as a Director.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% CAPACITY

4.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An "*eligible entity*" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Specific information required by Listing Rule 7.3A

(i) Period for which approval is valid

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the Company's next annual general meeting.
- (c) The time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(ii) Minimum price at which equity securities may be issued

Any equity securities issued under Listing Rule 7.1A must be in an existing quoted class of the eligible entity's equity securities and issued for a cash consideration per security which is not less than 75% of the volume weighted average market price for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (b) if the securities are not issued within 10 Trading Days of the date in paragraph (a), the date on which the securities are issued.

(iii) Purposes for which funds raised may be used

Equity securities can only be issued under Listing Rule 7.1A for a cash consideration. Funds raised by the issue of equity securities under Listing Rule 7.1A may be used for the continued development of the Company's current assets, the acquisition of new assets or other investments (including expenses associated with such acquisition), and for general working capital.

(iv) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the equity securities in that class may be significantly lower on the issue date than on the date of the Shareholder approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for variable "A" in the formula in Listing Rule 7.1A.2. This includes one example that assumes that "A" is double the number of Shares on issue at the time of the approval under Listing Rule 7.1A and that the price of Shares has fallen by 50%.

Number of Shares on Issue (Variable "A" in Listing Rule 7.1A.2)	Number of Shares issued under additional 10% capacity	Dilution		
		Funds raised based on issue price of 25 cents	Funds raised based on issue price of 50 cents	Funds raised based on issue price of \$1.00
		(50% decrease in current issue price)	(Current issue price)	(100% increase in current issue price)
100,439,953 (Current)*	10,043,995	\$2,510,999	\$5,021,998	\$10,043,995
150,659,930 (50% increase)	15,065,993	\$3,766,498	\$7,532,996	\$15,065,993
200,879,906 (100% increase)	20,087,991	\$5,021,998	\$10,043,995	\$20,087,991

*The number of Shares on issue (variable "A" in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. The current Shares on issue are the Shares on issue as at 29 September 2021.
2. The issue price set out above is the closing price of the Shares on the ASX on 29 September 2021.

3. The Company issues the maximum number of equity securities available under the additional 10% capacity.
4. No Options are exercised into Shares before the date of the issue of the equity securities.

(v) Allocation Policy

The Company's allocation policy for the issue of equity securities under the additional 10% capacity will depend on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

The allottees under the additional 10% capacity have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company and may include new investors who have not previously been Shareholders.

(vi) Equity securities issued under Listing Rule 7.1A.2 in the previous 12 months

The Company has not issued or agreed to issue any equity securities under Listing Rule 7.1A.2 in the 12 months preceding this Meeting.

(vii) Voting Exclusion Statement

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5. **RESOLUTION 4 – APPROVAL TO ISSUE SECURITIES UNDER EMPLOYEE INCENTIVE SCHEME**

5.1 **Background**

The Board adopted the Employee Incentive Plan on 16 October 2018 to enable the Company to issue Options or Performance Rights to eligible participants being employees (full and part-time), directors, relevant contractors, casual employees and prospective parties in these capacities.

The Employee Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth and assist with reward and retention of eligible participants.

The Employee Incentive Plan is an employee incentive scheme in accordance with the Listing Rules.

The Employee Incentive Plan was established before the Company was listed on ASX and the terms of the Employee Incentive Plan were summarised in the Company's initial public offer prospectus of 19 October 2018. This has meant that securities issued under the Employee Incentive Plan for a period of 3 years until 18 October 2021 to eligible participants that are not Directors or Listing Rule 10.14 parties, are excluded in calculating the placement limit in Listing Rule 7.1.

The Employee Incentive Plan is in accordance with ASIC Class Order 14/1000, as amended, which expanded the class of financial products that could be offered (ie performance or incentive rights can be issued as well as shares and options) and expanded the categories of persons who can participate (ie certain contractors and casual employees).

A summary of the Employee Incentive Plan is set out in Schedule 1.

5.2 Listing Rule 7.2 Exception 13(b)

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Although Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Employee Incentive Plan itself, Listing Rule 7.2 Exception 13(b) provides that an issue of securities under an employee incentive scheme (such as the Employee Incentive Plan) will not be included in calculating the Company's placement limit in Listing Rule 7.1 if it is made within 3 years after shareholders approve the issue of equity securities under the scheme as an exception to the placement limit.

By this Resolution, the Company is seeking approval to issue securities under the Employee Incentive Plan for a period of 3 years from the Meeting to eligible participants who are not Directors or Listing Rule 10.14 parties, so that the issue of securities is excluded in calculating the placement limit in Listing Rule 7.1.

This will enable the Company to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval to such issues under Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with issues of securities under the Employee Incentive Plan for a period of 3 years from the Meeting and these issues will be excluded in calculating the Company's placement limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval.

If this Resolution is not passed, any issues of securities under the Employee Incentive Plan will be included in calculating the Company's placement limit in Listing Rules 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval.

For Shareholders to approve the issue of securities under the Employee Incentive Plan for a period of 3 years from the Meeting, the following information is provided to Shareholders in accordance with Listing Rule 7.2 Exception 13(b):

- (a) A summary of the Employee Incentive Plan is set out in Schedule 1. Options or Performance Rights may be issued under the Employee Incentive Plan to eligible participants.
- (b) The number of securities issued under the Employee Incentive Plan since the Company listed on ASX on 14 December 2018 is 600,000.

- (c) The maximum number of equity securities proposed to be issued under the Employee Incentive Plan following Shareholder approval sought by this Resolution is 7,500,000 equity securities.

Any equity securities proposed to be issued under the Employee Incentive Plan to a Director or Listing Rule 10.14 party will require separate Shareholder approval under Listing Rule 10.14 of the Listing Rules.

5.3 Recommendation

The Board recommends that Shareholders approve the issue of securities under the Employee Incentive Plan as it will allow the Company to issue such securities for the benefit of eligible participants for a period of 3 years from the Meeting whilst preserving the Company's placement limit in Listing Rule 7.1 and will provide flexibility in the manner in which the Employee Incentive Plan is managed.

6. RESOLUTIONS 5 TO 7 – APPROVAL TO ISSUE PERFORMANCE RIGHTS TO DIRECTORS

6.1 General

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

Resolutions 5 to 7 seek Shareholder approval so that the Company may issue Performance Rights to each of the Directors under the Employee Incentive Plan. The approval to issue Performance Rights to Timothy Kennedy (Resolution 6) is conditional on his re-election as a Director (Resolution 2).

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

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

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

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

For the purposes of Chapter 2E, each of the Directors is a related party of the Company.

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

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

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

The related parties are Lorry Hughes (Resolution 5), Timothy Kennedy (Resolution 6) and Katina Law (Resolution 7) or their nominees.

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

The proposed financial benefit to be given is the issue of Performance Rights.

There are 3 classes of Performance Rights being Class B Performance Rights, Class C Performance Rights and Class D Performance Rights. They each have different performance conditions.

The terms of the Performance Rights including the service and performance conditions are set out in Schedule 2.

The numbers of Performance Rights proposed to be issued to the Directors are:

	Class B Performance Rights	Class C Performance Rights	Class D Performance Rights	Total Performance Rights to related party
Lorry Hughes	400,000	400,000	400,000	1,200,000
Timothy Kennedy	150,000	150,000	150,000	450,000
Katina Law	150,000	150,000	150,000	450,000
Total	700,000	700,000	700,000	2,100,000

(c) **Reasons and basis for giving the benefit and Directors recommendation**

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

By Resolutions 5, 6 and 7 the Company is proposing to issue Performance Rights to each of the Directors.

The purpose of the issue of the Performance Rights is to incentivise the Directors to continue to provide ongoing dedicated services to the Company and provide remuneration linked to the performance of the Company. The benefit will only be received upon the relevant service and performance condition being satisfied.

The Performance Rights are also a way of granting an incentive while preserving the Company's cash reserves.

The Directors independent of the particular Director to be issued the Performance Rights consider that the particular number and terms of the Performance Rights to be issued to that particular Director in each case constitutes an appropriate number to adequately reward and incentivise them in the circumstances in light of their effort, skill and experience and when considered together with their other remuneration as a Director (as detailed below).

The Company acknowledges that the issue of the Performance Rights to Timothy Kennedy and Katina Law as non-executive Directors may be contrary to guidelines for non-executive director remuneration in the ASX Corporate Governance Principles and Recommendations, 4th Edition suggesting that non-executive directors should not receive performance based remuneration. However, the Directors independent of the particular Director consider the issue of the Performance Rights to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

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

the Resolutions.

Lorry Hughes abstains from making a recommendation to Shareholders on Resolution 5 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

Timothy Kennedy abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

Katina Law abstains from making a recommendation to Shareholders on Resolution 7 as she has a material personal interest in the outcome as the recipient of the Performance Rights.

(d) **Dilution**

The passing of the Resolutions would have the effect of issuing the Directors (or their nominees) a total of 2,100,000 Performance Rights.

If any of the Performance Rights vest, Shares will issue which will have the effect of diluting the shareholding of existing Shareholders. If all of the Performance Rights vest so that 2,100,000 Shares are issued, the effect would be to dilute the shareholding of the existing Shareholders by approximately 2.05% (based on the total number of Shares that will be on issue at the date of this Notice of 100,439,953 Shares).

(e) **Current total remuneration package**

The current total remuneration package for each of the Directors are set out below.

The current remuneration package received by Lorry Hughes is \$295,900 per annum plus statutory superannuation.

The current remuneration package received by Timothy Kennedy is \$65,000 per annum plus statutory superannuation.

The current remuneration package received by Katina Law is \$55,000 per annum plus statutory superannuation.

(f) **Existing relevant interests**

At the date of this Notice, the Directors have the following relevant interest in securities of the Company.

	Shares	Options
Lorry Hughes	4,141,381	1,088,182 ¹
Timothy Kennedy	40,000	0
Katina Law	597,500	1,000,000 ¹

1. The Options have an exercise price of 25 cents and an expiry date of 31 December 2021.

(g) **Trading history**

The following table gives details of the highest, lowest and the latest closing market price

of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing price
Highest price	18 May 2021	67 cents
Lowest price	7 October 2021	29 cents
Latest price	14 October 2021	45 cents

(h) **Valuation of the Performance Rights**

The Company's independent advisers, RSM Australia Pty Ltd, have valued the Performance Rights to be issued to the Directors. The Class B, Class C and Class D Performance Rights have been valued using the Hoadley Trading & Investment Tools Barrier 1 valuation model.

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

Input	Class B Performance Rights	Class C Performance Rights	Class D Performance Rights	Note
Number of Performance Rights	700,000	700,000	700,000	
Underlying Share spot price	50 cents	50 cents	50 cents	1
Barrier Price	\$1.00	\$2.00	\$3.00	2
Dividend yield	Nil	Nil	Nil	3
Risk free rate	0.02%	0.02%	0.23%	4
Expected future volatility	85%	85%	85%	5
Expiry date of Performance Rights	1 July 2022	1 July 2023	1 July 2024	6
Service and Performance condition	Yes	Yes	Yes	7

Note 1: The underlying share spot price used for the purpose of the valuation is based on the closing Share price of 50 cents on 29 September 2021.

Note 2: The Share price performance condition for the Performance Rights is a volume weighted average price requirement as set out in Schedule 2 which is \$1.00 for the Class B Performance Rights, \$2.00 for the Class C Performance Rights and \$3.00 for the Class D Performance Rights.

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

Note 4: The risk free rate for the Class B Performance Rights and the Class C Performance Rights is based on the Commonwealth Government 2 year bond rate at 29 September 2021. The risk free rate for the Class D Performance Rights is based on the Commonwealth Government 3 year bond rate at 29 September

2021.

Note 5: The expected future volatility was calculated from the Company's historical trading volatility over 1, 2 and 3 year periods.

Note 6: The expiry dates are 1 July 2022 for the Class B Performance Rights, 1 July 2023 for the Class C Performance Rights and 1 July 2024 for the Class D Performance Rights.

Note 7: The service and performance conditions for each class of Performance Rights is set out in Schedule 2.

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

	Number and Value of Performance Rights		
	Class B Performance Rights	Class C Performance Rights	Class D Performance Rights
Lorry Hughes	400,000 Performance Rights – 18.77 cents each (\$75,080)	400,000 Performance Rights – 16.94 cents each (\$67,760)	400,000 Performance Rights – 19.22 cents each (\$76,880)
Timothy Kennedy	150,000 Performance Rights – 18.77 cents each (\$28,155)	150,000 Performance Rights – 16.94 cents each (\$25,410)	150,000 Performance Rights – 19.22 cents each (\$28,830)
Katina Law	150,000 Performance Rights – 18.77 cents each (\$28,155)	150,000 Performance Rights – 16.94 cents each (\$25,410)	150,000 Performance Rights – 19.22 cents each (\$28,830)

(i) **Other information**

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

6.3 Listing Rule 10.14

By Resolutions 5 to 7, the Company is proposing to issue Performance Rights to each of its Directors under the Employee Incentive Plan, which is an employee incentive scheme ("**Issue**").

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

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

unless it obtains the approval of its shareholders.

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

Resolutions 5 to 7 seek the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14.

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

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

6.4 **Listing Rule 10.15**

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

- (a) The securities will be issued to Lorry Hughes or his nominees (Resolution 5), Timothy Kennedy or his nominees (Resolution 6) and Katina Law or her nominees (Resolution 7).
- (b) Each of the persons referred to above is a Director and is a Listing Rule 10.14.1 party.
- (c) The number of securities the Company will issue is up to 1,200,000 Performance Rights to Lorry Hughes or his nominees (Resolution 5), up to 450,000 Performance Rights to Timothy Kennedy or his nominees (Resolution 6) and up to 450,000 Performance Rights to Katina Law or her nominees (Resolution 7).
- (d) The current total remuneration package of each of the Directors is set out in Section 6.2 above.
- (e) The securities that have previously been issued to the Directors the subject of Resolutions 5, 6 and 7 under the Employee Incentive Plan is:
 - (i) Lorry Hughes – Nil;
 - (ii) Timothy Kennedy – Nil; and
 - (iii) Katina Law – Nil.
- (f) The securities to be issued are 3 classes of Performance Rights, the terms of which are set out in Schedule 2. These classes of Performance Rights are being issued under the Employee Incentive Plan as the Directors consider this incentive is a cost effective and efficient reward and incentive and will preserve the cash reserves of the Company as opposed to the payment of cash compensation. The value of the Performance Rights with the disclosure of the assumptions is set out in Section 6.2(h) above.
- (g) The securities will be issued no later than 3 years after the date of the Meeting and are intended to be issued within 1 week of the Meeting.
- (h) The Performance Rights will be issued for no consideration and there is no issue price.
- (i) The material terms of the Employee Incentive Plan are summarised in Schedule 1.

- (j) No loan will be made to any of the Directors in relation to the issue of the Performance Rights under the Employee Incentive Plan.
- (k) Details of any securities issued under the Employee Incentive Plan to Listing Rule 10.14 parties will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

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

7. RESOLUTION 8 – APPOINTMENT OF AUDITOR

7.1 Background

The Company's current auditor, Rothsay Auditing, has notified the Company that it has applied to ASIC to resign as auditor of the Company pursuant to section 329(5) of the Corporations Act. As of the date of this Notice, ASIC consent for the resignation has not been received.

Accordingly, this Resolution, which contemplates the appointment of a new auditor, is subject to ASIC consent being obtained to the resignation of the current auditor.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated HLB Mann Judd to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure 1 of this Notice.

HLB Mann Judd has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, subject to receipt of ASIC consent in relation to the resignation of the Company's current auditor, under this Resolution, Shareholder approval is being sought to appoint HLB Mann Judd as the auditor of the Company.

7.2 Recommendation

The Directors of the Company recommend that Shareholders vote in favour of appointing HLB Mann Judd as the Company's auditor.

YANDAL RESOURCES LIMITED
ACN 108 753 608

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Trading Day**" has the same meaning as in the Listing Rules.

"**VWAP**" means volume weighted average price.

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

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

SCHEDULE 1

Terms of Employee Incentive Plan (Resolution 4)

- 1. Purpose** The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer Options or Performance Rights to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants** Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities ("Eligible Participants").
- 3. Offers** Subject to any necessary Shareholder approval, the Board may offer Options or Performance Rights to Eligible Participants for nil consideration.
- 4. Expiry Date** The expiry date of any Options or Performance Rights will be determined by the Board.
- 5. Vesting Conditions and Lapse**

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

An Option or Performance Right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.
- 6. Shares issued on vesting** Each Option or Performance Right entitles the holder to one fully paid ordinary share on exercise or vesting.
- 7. Transferability and quotation** An Option or Performance Right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or Performance Rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the Options or vesting of the Performance Rights.
- 8. No voting or dividend rights** The Options or Performance Rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or Performance Rights are vested and the underlying Shares have been issued.
- 9. No participation rights** The Options or Performance Rights do not entitle the holder to participate in the issue of securities unless the Options or Performance Rights are exercised or vested and Shares have been issued before the record date for determining entitlements.
- 10. Limitation on number of securities** Securities to be issued under the Employee Incentive Plan in any 3 year period must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit being any offer to a person outside

Australia, an offer not requiring disclosure to investors because of section 708 of the Corporations Act or an offer made under a disclosure document.

- 11. Administration of the Employee Incentive Plan**

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

The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.
- 13. Application of Subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)***

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

SCHEDULE 2

Terms of Performance Rights (Resolutions 5, 6 and 7)

The terms of the Performance Rights will be as follows:

Class of Performance Rights	Service Condition	Performance condition
Class B Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until 1 June 2022.	<p>(a) On or before 1 July 2022 the volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is \$1.00 or more;</p> <p style="text-align: center;">or</p> <p>(b) On or before 1 July 2022 a Takeover Event occurs where the bidder pays a price of \$1.00 or more per Share.</p>
Class C Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until 1 June 2023.	<p>(a) On or before 1 July 2023 the volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is \$2.00 or more;</p> <p style="text-align: center;">or</p> <p>(b) On or before 1 July 2023 a Takeover Event occurs where the bidder pays a price of \$2.00 or more per Share.</p>

Class of Performance Rights	Service Condition	Performance condition
Class D Performance Rights	The holder or the holder's representative remains engaged as an employee or Director until 1 June 2024.	<p>(a) On or before 1 July 2024 the volume weighted average price of the Company's Shares over 20 consecutive Trading Days on which the Shares trade is \$3.00 or more;</p> <p>or</p> <p>(b) On or before 1 July 2024 a Takeover Event occurs where the bidder pays a price of \$3.00 or more per Share.</p>

For the purposes of the terms of the Performance Rights, “*Takeover Event*” means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where the bidder achieves control of more than 50% of the ordinary shares or a court grants an order approving a compromise or scheme where the ordinary shares are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).

The other terms of the Performance Rights will be:

- (a) (Conversion) Upon satisfaction of the relevant performance condition and service condition, each Performance Right will, at the election of the holder, vest and convert into one Share..
- (b) (No Consideration payable) No consideration will be payable upon the vesting and conversion of the Performance Rights.
- (c) (No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.
- (d) (No dividend rights) A Performance Right does not entitle a holder to any dividends.
- (e) (No rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) (Not transferable) A Performance Right is not transferable.
- (g) (Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) (Quotation of Shares on conversion) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.
- (i) (No participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

- (j) (No other rights) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (k) (Lapse) If the performance condition relevant to a Performance Right has not been satisfied by the relevant expiry date, then the Performance Rights will automatically lapse.

ANNEXURE 1

**NOTICE OF NOMINATION OF AUDITOR
(Resolution 8)**

The Company Secretary
Yandal Resources Limited
159 Stirling Highway
NEDLANDS WA 6009

Dear Company Secretary

Nomination of Auditor

I, David O'Farrell of Zinfandel Exploration Pty Ltd, being a member of Yandal Resources Limited, hereby nominate HLB Mann Judd of Level 4, 130 Stirling Street, Perth, Western Australia for appointment as auditor of Yandal Resources Limited at the Company's next annual general meeting or any adjournment thereof.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting for the 2021 Annual General Meeting of Yandal Resources Limited in accordance with section 328B(3) of the Corporations Act.

Yours faithfully



D O'Farrell
Zinfandel Exploration Pty Ltd



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 02:00pm (WST) on Wednesday 17 November 2021**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/yrl2021agm>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **02:00pm (WST) on Wednesday, 17 November 2021**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Lodge your Proxy Form:

- 🖥 **Online** <https://www.votingonline.com.au/yrl2021agm>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Yandal Resources Limited

ACN 108 753 608

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **Virtually** and at **Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia on Friday, 19 November 2021 at 2:00pm (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1,4,5,6,7 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1,4,5,6,7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1,4,5,6,7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Timothy Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Additional 10% Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue Securities Under Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue Performance Rights to Lorry Hughes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue Performance Rights to Timothy Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Performance Rights to Katina Law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021

Contact Email.....