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8 July 2019

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: Notice of Extraordinary General Meeting (EGM)

Please find attached the Notice of Extraordinary General Meeting, Explanatory Statement and a sample Proxy Form that has been dispatched to shareholders for Sun Resources NL (ASX: SUR).

The EGM has been called to ratify shares issued under the Company's capacity under Listing rule 7.1 and 7.1A and consider resolutions associated with further funding, that will enable flexibility for the Company to be best placed to execute drilling of the Bowsprit-1 in 2019.

Yours faithfully
SUN RESOURCES NL



Jo-Ann Long
Company Secretary





SUN RESOURCES NL

ABN 69 009 196 810

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Tuesday 6 August 2019

Time of Meeting

10:00am AWST

Place of Meeting

Level 2, 30 Richardson Street, West Perth Western Australia

CONTENTS

- A. Notice of Extraordinary General Meeting
- B. Explanatory Statement
- C. Proxy Form

IMPORTANT NOTE

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the Extraordinary General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of Extraordinary General Meeting, Explanatory Statement and Proxy Form and are included in this booklet. Shareholders are urged to complete and return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting. A form for appointment of Corporate Representative can be provided by the Company.

QUESTIONS

If you have any queries regarding the contents of this booklet or in relation to the Extraordinary General Meeting, please contact the Company Secretary, Ms Jo-Ann Long on (08) 9321 9886.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting of the Shareholders of Sun Resources NL will be held on:

Tuesday 6 August 2019 commencing at 10:00am AWST

at: Sun Resources Office
Level 2, 30 Richardson Street, West Perth, Western Australia 6005

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10am AWST.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary, Ms Jo-Ann Long on facsimile number (+618) 9321 8161; or
- deliver to the Company Secretary at Level 2, 30 Richardson Street, West Perth, Western Australia 6005; or
- post to PO Box 1786, West Perth, Western Australia 6872; or
- send by email to admin@sunres.com.au,

so that it is received not later than 10am AWST on Sunday 4 August 2019.

Your Proxy Form is enclosed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Sun Resources NL will be held on Tuesday 6 August 2019 at 10:00am AWST, at the Sun Resources Office, Level 2, 30 Richardson Street, West Perth, Western Australia.

The following matters are to be considered at the meeting and Resolutions 1 to 7 (inclusive) are discussed in the Explanatory Statement to Shareholders which forms part of this notice.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Ratification of Issue of Securities

Ratification of issue of securities (Shares and Options) under Placement Capacity (Resolution 1)

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

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 18,750,000 fully paid ordinary Shares at A\$0.004 per share made in May 2019 (Tranche 1), made to Fastlane Australia Pty Ltd as described in the Explanatory Statement accompanying this Notice of Meeting, be ratified and approved.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of the participants in the placement as listed in the Explanatory Memorandum. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 – Ratification of Issue of Securities

Ratification of issue of securities (Shares and Options) under Placement Capacity (Resolution 2)

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

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 75,000,000 fully paid ordinary Shares at A\$0.002 per share with 50,000,000 free attaching unlisted Options (at an exercise price of \$0.004 per share and with an expiry date of 31 December 2020), in July 2019 (Tranche 2), made to sophisticated and professional investors as described in the Explanatory Statement accompanying this Notice of Meeting, be ratified and approved.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of the participants in the placement as listed in the Explanatory Memorandum. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a 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. Resolution 3 - Issue of 25,000,000 Shares and 16,667,667 Options to a Director on Conversion of untaken Salary – Alexander Parks

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 25,000,000 Shares and 16,667,667 Options to Alexander Parks (or his nominee) for the conversion of untaken salary in 2019, in the amount of \$50,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Mr Alexander Parks or an associate of Mr Alexander Parks. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 - Issue of 10,000,000 Shares and 6,667,667 Options to a Director for new funds and Conversion of Loan - Ian McCubbing

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 10,000,000 Shares and 6,667,667 Options to Ian McCubbing (or his nominee) for the subscription of \$10,000 of new money and conversion of an interest free loan of \$10,000 made to the Company in 2019, in the amount totalling \$20,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Ian McCubbing or an associate or Mr McCubbing. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 5 - Issue of 10,000,000 Shares and 6,667,667 Options to a Director for new funds and Conversion of Loan - William Bloking

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 10,000,000 Shares and 6,667,667 Options to William Bloking (or his nominee) for the subscription of \$10,000 of new

money and conversion of an interest free loan of \$10,000 made to the Company in 2019, in the amount totalling \$20,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: *The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr William Bloking or an associate of Mr Bloking. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

6. Resolution 6 - Issue of 11,000,000 Shares and 7,333,333 Options to CFO on Conversion of untaken Salary – Jo-Ann Long

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 11,000,000 Shares and 7,333,333 Options to Jo-Ann Long (or her nominee) for the conversion of untaken fees in 2019, in the amount of \$22,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: *The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Ms Jo-Ann Long or an associate of Ms Jo-Ann Long. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

7. Resolution 7 Pre-approval for Issue of up to 300 million Ordinary Shares to sophisticated investors

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve issue of up to 300 million fully paid ordinary Shares at a minimum price of 80% of the volume weighted average market price calculated over the 5 days on which sales in the securities were recorded before the day of issue. The Shares are to be issued within 3 months of the date of the approval to sophisticated and professional investors as described in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: *The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who is expected to participate in the placement, 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 Company). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Extraordinary General Meeting.

VOTING ENTITLEMENT

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

For the purposes of determining voting entitlements at the Extraordinary General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 10am AWST on Sunday 4 August 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to vote at the meeting in the event of a poll.

PROXIES

A Proxy Form with related information and instructions accompanies this Notice of Meeting.

CORPORATE REPRESENTATIVE

If a representative of a Shareholder corporation is to attend the meeting, the attached Appointment of Corporate Representative Form should be completed and produced prior to the meeting commencing.

Dated at Perth this 5th day of July 2019.

By order of the Board of Directors.



Jo-Ann Long

Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION AND BACKGROUND

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Extraordinary General Meeting of Sun Resources NL.

Shareholders at the Extraordinary General Meeting will be asked to consider resolutions:

- i. to Ratify the Placement of 18,750,000 Securities made in May 2019 (Tranche 1) and thus refresh the Company's placement capacity.
- ii. to Ratify the Placement of 75,000,000 Securities made in July 2019 (Tranche 2) and thus refresh the Company's placement capacity.
- iii. to approve the Issue of 25,000,000 ordinary Shares and 16,666,667 Options to Alexander Parks;
- iv. to approve the Issue of 10,000,000 ordinary Shares and 6,666,667 Options to Ian McCubbing;
- v. to approve the Issue of 10,000,000 ordinary Shares and 6,666,667 Options to William Bloking;
- vi. to approve the issue of 11,000,000 Shares and 7,333,333 Options to Jo-Ann Long;
- vii. to pre-approve the issue of up to 300,000,000 ordinary Shares to sophisticated investors

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Extraordinary General Meeting to be held at the Sun offices, Level2, 30 Richardson street, West Perth, Western Australia on Tuesday 6 August 2019 commencing at 10am AWST.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolutions or otherwise.

1. RESOLUTIONS 1 and 2– Ratification of the Issue of Shares and Options in 2019

Background

Tranche 1 (Resolution 1)

On 1 November 2018, the Company announced that it was undertaking a placement of 80 million ordinary shares (Shares) to sophisticated and professional investors to raise A\$320,000 (Placement) and an SPP at \$0.004/ share. The Company's Placement Capacity was refreshed at the AGM on 28 November 2018. As 18,750,000 Shares of the 80 million Shares were subsequently issued in May 2019 to Fastlane Australia Pty Ltd, this was done under the Company's 10% capacity under listing rule 7.1A.

Tranche 2 (Resolution 2)

On 28 June 2019, the Company announced that it was undertaking a placement of 75 million ordinary shares (Shares) to sophisticated and professional investors to raise A\$150,000 (Placement) at \$0.002/ share with two free attaching unlisted Options for every three Shares subscribed for. The Options have an exercise price of \$0.004 per share and an expiry date of 31 December 2020. The Tranche 2 placement was made within the Company's existing capacity under 7.1 and 7.1A¹. If Tranche 2 is for some reason not issued prior to the meeting date, Resolution 2 will be withdrawn for consideration by shareholders.

The Company is seeking shareholder ratification for the issue of the Tranche 1 and Tranche 2 Shares pursuant to ASX Listing Rule 7.4.

Purpose of approval

In general terms, ASX Listing Rule 7.1 (15%) and 7.1A (10%) provides that a listed company must not issue or agree to issue equity securities that total more than 25% of its fully paid ordinary shares in a 12 month period without the approval of its shareholders (25% Capacity), subject to certain exceptions. However, ASX Listing Rule 7.4 allows an issue of securities made without shareholder approval to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if the issue did not breach ASX Listing Rule 7.1 and 7.1A and is subsequently ratified by the shareholders. Accordingly, if shareholders approve Resolution 1 and 2, the Tranche 1 and Tranche 2 securities will be treated to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1 and 7.1A, and will no longer be counted towards utilising the Company's 25% Capacity. This effectively refreshes the Company's 7.1 15% Capacity and 7.1A 10% capacity in respect of the Tranche 1 and Tranche 2 Securities, and the Company will be able to issue further equity securities up to its 25% Capacity in the next 12 months without requiring shareholder approval.

Given the intent to progress toward drilling Bowsprit-1 as soon as practical, the Directors consider it to be in the best interests of the Company to maintain the Company's ability to issue up to 25% of its fully paid ordinary shares under ASX Listing Rule 7.1 and 7.1A.

¹ 67,480,759 Shares issued under 7.1A capacity

7,519,241 Shares and 50,000,000 Options issued under 7.1 Capacity

The Tranche 1 Shares were issued under the Company's 7.1A 10% Capacity on 15 May 2019. The following information, in respect of the issue of Tranche 1 Shares under the Tranche 1 Placement, is provided for the purposes of ASX Listing Rule 7.5:

- The number of securities issued: 18,750,000 Shares
- Issue price of the securities: A\$0.004
- Recipients of the securities: Fast Lane Australia Pty Ltd.
- Terms of the securities: The Shares issued rank equally with the Company's existing Shares on issue.
- The Company applied to the ASX for official quotation of the Shares.
- Intended use of the funds raised: The Company used the funds for working capital

The Tranche 2 Shares and Options will have been issued under the Company's 7.1 (15%) and 7.1A (10%) Capacity on approximately 15 July 2019. The following information, in respect of the issue of Tranche 2 Shares under the Tranche 2 Placement, is provided for the purposes of ASX Listing Rule 7.5:

- The number of securities issued: 75,000,000 Shares and 50,000,000 Options
- Issue price of the securities: A\$0.002 per share with two free attaching Options for every three Shares.
- Recipients of the securities:

Recipient	Placement Shares	Placement \$	Options
Fastlane Australia Pty Ltd	30,000,000	\$60,000	20,000,000
Bellarine Gold Pty Ltd	25,000,000	\$50,000	16,666,667
Brian McCubbing	10,000,000	\$20,000	6,666,667
Jin Qin Wang	5,000,000	\$10,000	3,333,333
Snowy Plains Pty Ltd	5,000,000	\$10,000	3,333,333
Total	75,000,000	\$150,000	50,000,000

- Terms of the securities: The Shares issued rank equally with the Company's existing Shares on issue.
- The Options will be unlisted options, with an exercise price of \$0.004 per share and an expiry date of 31 December 2020. The Options once exercised would be for Shares that will rank equally with the Company's existing Shares. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.
- The Company will apply to the ASX for official quotation of the Shares.
- Intended use of the funds raised: The Company used the funds for working capital and to progress the Bowsprit project
- Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 1 and 2 by or on behalf of the participants in the placement as detailed in the table above. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1 and 2. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1 and 2, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of these Resolutions.

2 Resolutions 3, 4 and 5 – Issue of Shares to Directors

2.1 General

The Company is seeking approval to issue securities to three Directors being Alexander Parks, Ian McCubbing and William Bloking on the same terms as the placement made in July 2019 to sophisticated investors, being \$0.002 per share with two free attaching unlisted Options for every three placement Shares.

The issue of Shares to the Directors is for a consideration of A\$90,000, being a combination of new funds and upon the conversion of the interest free Loans and outstanding salary between the Company and Mr Alexander Parks, Mr Ian McCubbing and Mr William Bloking (or their respective nominees).

Resolution 2, 3 and 4 seeks Shareholder approval for the issue of a total of 75,000,000 securities on the following basis:

- (a) 25,000,000 ordinary Shares and 16,666,667 Options to Alexander Parks (or his nominee);
- (b) 10,000,000 ordinary Shares and 6,666,667 Options to Ian McCubbing (or his nominee)
- (c) 10,000,000 ordinary Shares and 6,666,667 Options to William Bloking (or his nominee)

(together, the **Director Securities**).

Consideration,

Director	New Funds	Interest Free Loan Conversion	Salary Conversion	Total
Ian McCubbing	\$ 10,000	\$ 10,000		\$ 20,000
William Bloking	\$ 10,000	\$ 10,000		\$ 20,000
Alexander Parks			\$ 50,000	\$ 50,000
Total	\$ 20,000	\$ 20,000	\$ 50,000	\$ 90,000

2.2 Chapter 2E of the Corporations Act

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company 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.

The Director Securities will result in the issue of Shares to the Directors. This constitutes the giving of a financial benefit to related parties as the Directors are related parties.

The Directors, however, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Securities because the Shares to be issued to the Directors (or their respective nominees) will be issued on the same terms as Shares that would be issued to non-related parties. Accordingly, the Directors consider that the issue of the Shares to the Directors (or their respective nominees) is on arm's length terms in accordance with section 210 of the Corporations Act.

2.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies.

As the Company is proposing to issue Shares and Options to three Directors who are related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply to the issue of the Shares to the Directors.

4.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Director Securities :

- (a) The Shares and Options will be issued to:
 - (i) Alexander Parks (or his nominee)
 - (ii) Ian McCubbing (or his nominee); and
 - (ii) William Bloking (or his nominee).
- (b) The maximum number of securities to be issued to these Directors is 75,000,000 and they will be issued on the following basis:
 - (a) 25,000,000 ordinary Shares and 16,666,667 Options to Alexander Parks (or his nominee);
 - (b) 10,000,000 ordinary Shares and 6,666,667 Options to Ian McCubbing (or his nominee)
 - (c) 10,000,000 ordinary Shares and 6,666,667 Options to William Bloking (or his nominee)

(c) The Shares and options to be issued in connection with the Director Securities will be issued to Alexander Parks, Ian McCubbing and William Bloking (or their respective nominees) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(d) The cash issue price for the \$20,000 of new funds and the deemed issue price for \$70,000 in conversion of monies owed will both be \$0.002 per Share, being double the current market price (of \$0.001/ share) at 5 July 2019, and the same issue price as Shares were issued to investors who are not related parties of the Company in July 2019 (Tranche 2).

(e) The Shares issued to the Directors (or their respective nominees) will be fully paid ordinary shares in the equity capital of the Company, issued on the same terms and conditions as the Company's existing Shares. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.

(f) \$20,000 in new funds will be raised as part of this Directors Issue, and \$70,000 in monies owed to the Directors (interest free working capital loans and unpaid salary) will be converted to securities to reduce the capital demand on the Company. Use of the \$20,000 in new funds will be working capital for the Company.

Approval pursuant to Listing Rule 7.1 is not required for the Director Securities as Shareholder approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Shares to Directors (or their respective nominees) will not use up the Company's 15% annual placement capacity under Listing Rule 7.1.

3. Resolution 5 - Issue of 11,000,000 Shares and 7,333,333 Options to CFO on Conversion of untaken Salary – Jo-Ann Long

Approval pursuant to Listing Rule 7.1, the Company is seeking to issue securities to an Officer (although not a related party under Section 228 of the Corporations Act) of the Company on the same terms as the placement made in July 2019 to sophisticated investors. Being \$0.002 per share with two free attaching Options for every three placement Shares.

The issue of Shares to Ms Long (or her respective nominee) is for a consideration of A\$22,000, being a voluntary conversion of outstanding Salary (fees billed on an hourly basis for her role as CFO and Company Secretary for the Company).

Pursuant to Listing Rule 7.3 the following information is provided:

- The number of securities issued: 11,000,000 Shares and 7,333,333 Options
- The Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- Issue price of the securities: The shares will be issued for nil cash, with a deemed value of A\$0.002 per share with two free attaching Options for every three Shares.
- Recipients of the securities: Ms Jo-Ann-Long or her Nominee
- Terms of the securities: The Shares issued rank equally with the Company's existing Shares on issue. Further details on the terms of the Options are provided in Schedule A of this explanatory memorandum.
- The Company will apply to the ASX for official quotation of the Shares.
- Intended use of the funds raised: No new funds will be raised; the issue is for the conversion of fees for Securities in lieu of a cash payment.
- Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Ms Jo-Ann Long or an associate of Ms Jo-Ann Long. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides

As the approval is pursuant to Listing Rule 7.1, accordingly, the issue of the Shares to Jo-Ann Long (or her respective nominee) will not use up the Company's 15% annual placement capacity under Listing Rule 7.1

The Chairman intends to exercise all undirected proxies in favour of Resolution 5. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 5, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of this Resolution.

4. Resolution 6 Pre-approval for Issue of up to 300 million Ordinary Shares

The Company is seeking the capability to issue shares to fund or partially fund drilling related activities including, well planning, drilling permitting, lease rental fees, securing long lead time items required for drilling and associated working capital required ahead of the intended drilling of Bowsprit 1 well.

The Directors consider it to be in the best interests of the Company to maintain the Company's ability to issue up to 25% of its fully paid ordinary shares under ASX Listing Rule 7.1 and 7.1A.

That, for the purpose of ASX Listing Rule 7.1 and 7.3 and for all other purposes, the following information is provided:

- The maximum number of securities to be issued: 300,000,000 Shares
- The Date of Issue: The Shares are to be issued within 3 months of the date of the approval at this EGM
- Issue price of the securities: a minimum price of 80% of the volume weighted average market price calculated over the 5 days on which sales in the securities were recorded before the day of issue.
- Recipients of the securities: to sophisticated and professional investors. If placed with existing Company Shareholders, the percentage participation, will not exceed the number the holder would be entitled to under a pro rata issue of all those securities.
- Terms of the securities: The Shares issued rank equally with the Company's existing Shares on issue.
- The Company will apply to the ASX for official quotation of the Shares.
- Intended use of the funds raised: to fund planning activities, drilling permitting, lease rental fees, and long lead time items and associated working capital required for the intended drilling of Bowsprit 1 well.
- Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who is expected to participate in the placement, 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 Company).

As the pre-approval is pursuant to Listing Rule 7.1, accordingly, the issue of the 300 million Shares will not use up the Company's 15% annual placement capacity under Listing Rule 7.1

Dilutionary Effect

If Resolution 7 is approved by shareholders and the Company issues Equity Shares in accordance with the terms of the resolution there would be a dilutionary effect for those shareholders who do not participate in the placement as illustrated in the table below. The effect is illustrated for a shareholder currently holding 1 million SUR shares, that does not participate in the issues considered at this Extraordinary General Meeting.

	Shares	Cumulative SUR ordinary Securities following each issue	Assumed Shareholding for illustration	Voting % of 1 million SUR shares	Dilution effect through new share issues contemplated in this NOM
Current SUR Ordinary Shares on Issue at the Date of this NoM	881,057,588	881,057,588	1,000,000	0.113%	0
Tranche 2 Shares anticipated to be issued on or around 15 July 2019	75,000,000	956,057,588	1,000,000	0.105%	8%
Shares to be issued subject to Resolutions 3,4,5 and 6	56,000,000	1,012,057,588	1,000,000	0.099%	13%
Shares to be issued subject to Resolution 7	300,000,000	1,312,057,588	1,000,000	0.076%	33%

The Chairman intends to exercise all undirected proxies in favour of Resolution 7. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Directors recommend that Shareholders vote in favour of this Resolution.

5 GLOSSARY

In the Notice of Meeting and this Explanatory Statement:

- (a) "Extraordinary General Meeting" or "Meeting" means the Extraordinary General Meeting of the Company the subject of the Notice of Meeting.
- (b) "ASIC" means Australian Securities & Investments Commission.
- (c) "ASX" means the Australian Securities Exchange operated by ASX Limited.
- (d) "ASX Listing Rules" and "Listing Rules" means the listing rules of the ASX.
- (e) "AWST" means Australian Western Standard Time, being the time in Perth, Western Australia.
- (f) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
- (g) "Chairman" or "Chairperson" means the person appointed to chair the Meeting.
- (h) "Closely Related Party" (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:
 - (1) a spouse of child of that member; or
 - (2) a child of the member's spouse; or
 - (3) a dependant of the member or the member's spouse; or
 - (4) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the members dealings with the entity; or
 - (5) a company that the member controls; or
 - (6) a person described by the regulations for the purposes of the definition of closely related party.
- (i) "Company" means Sun Resources NL ABN 69 009 196 810.
- (j) "Constitution" means the constitution of the Company.
- (k) "Corporations Act" means the *Corporations Act 2001* (Cth).
- (l) "Director" means a director of the Company and, where the context permits, includes a retired Director.
- (m) "Equity Securities" has the same meaning as in the ASX Listing Rules.
- (n) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
- (o) "Key Management Personnel" has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of that entity.
- (p) "Notice" or "Notice of Meeting" means this notice of Extraordinary General Meeting.
- (q) "Option" means an option to acquire a Share.
- (r) "Proxy Form" means the proxy form attached to the Notice of Meeting.
- (s) "Resolution" means a resolution contained in this Notice of Meeting.
- (t) "Share" means fully paid ordinary share in the capital of the Company.
- (u) "Shareholder" means a holder of Shares.

SCHEDULE A - TERMS AND CONDITIONS OF OPTIONS

- The Options will be unlisted options, with an exercise price of \$0.004 per share and an expiry date of 31 December 2020. The Options once exercised would be for Shares that will rank equally with the Company's existing Shares.
- The options held by the optionholder are exercisable in whole or in part at any time during the exercise period. Options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
 - i. elect to be registered as the new holder of the options;
 - ii. whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - iii. if the deceased has already exercised options, pay the exercise price in respect of those options.
- An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

Lodge your vote:



By Mail:

Sun Resources NL
PO Box 1786
WEST PERTH WA 6872

Alternatively you can fax your form to
(within Australia) 08 9321 8161
(outside Australia) + 61 8 9321 8161

For all enquiries call:

(within Australia) 08 9321 9886
(outside Australia) + 61 8 9321 9886

Proxy Form



For your vote to be effective it must be received by 10am AWST Sunday 4 August 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a security holder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: If you have not already lodged a Power of Attorney with the Share Registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate security holder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Corporate Representative" prior to admission. A form of the certificate is attached to the back of this notice.

Comments and Questions: If you have any comments or questions for the company please write them on a separate sheet of paper and return with this form.

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 10am AWST on Sunday 4 August 2019. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 2, 30 Richardson Street, West Perth, WA, 6005 or PO Box 1786, West Perth, WA, 6872, sent by facsimile to the registered office on (08) 9321 8161 or sent by email to admin@sunres.com.au.

PROXY FORM

Shareholder Details

Name: _____

Address: _____

Contact Telephone No: _____

Contact Name (if different from above): _____

Appoint A Proxy to Vote on Your Behalf

I/We being a shareholder/s of Sun Resources NL hereby appoint

☐

The Chairman
of the Meeting

OR



PLEASE NOTE:

Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name (s).

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting Members of Sun Resources NL to be held at the office of BDO, 38 Station Street, Subiaco, Western Australia, on Tuesday 6 August 2019 at 10:00am AWST and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Extraordinary General Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution's 3 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 6 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY

If the Chairman of the Extraordinary General Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

The Chairman of the Extraordinary General Meeting intends to vote undirected proxies in favour of each Item of business.

Items of Business



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

	For	Against	Abstain*
Resolution 1 – Ratification of Issue of Tranche 1 Securities	☐	☐	☐
Resolution 2 – Ratification of Issue of Tranche 2 Securities	☐	☐	☐
Resolution 3 - Issue of Shares and Options to Mr Alexander Parks	☐	☐	☐
Resolution 4 – Issue of Shares and Options to Mr Ian McCubbing	☐	☐	☐
Resolution 5 – Issue of Shares and Options to Mr William Bloking	☐	☐	☐
Resolution 6 - Issue of Shares and Options to Ms Jo-Ann Long	☐	☐	☐
Resolution 7- Pre-Approval for the of Issue of Securities	☐	☐	☐

Appointment of a second proxy

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

Signature of Security holder (s) *This section must be completed*

Individual or Security Holder 1

Security Holder 2

Security Holder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact

Name: _____

Contact

Daytime

Telephone: _____

Date: ____ / ____ / ____



ABN 69 009 196 810
(Incorporated in Western Australia)