



SUN RESOURCES NL

ABN 69 009 196 810

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Friday 29 November 2019

Time of Meeting

10:00am AWST

Place of Meeting

Level 2, 30 Richardson Street
West Perth WA 6005

CONTENTS

- A. Notice of Annual 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 Annual 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 Annual General Meeting, Explanatory Statement, Proxy Form and Appointment of Corporate Representative Form 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.

QUESTIONS

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

ELECTRONIC COPIES OF COMPANY REPORT

The 2019 Annual Report is now available on the Sun Resources NL website www.sunres.com.au.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

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

Friday 29 November 2019 commencing at 10am AWST

at: Sun's 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:

- Online: at www.investorvote.com.au
- Mobile: scan the QR Code on the enclosed Proxy Form and follow the prompts
- By mail: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001 Australia
- By Fax: In Australia, 1800 783 447
outside Australia, +61 3 9473 2555
- Custodian voting: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.
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so that it is received not later than 10am AWST on Wednesday 27 November 2019.

Your Proxy Form is enclosed.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Sun Resources NL will be held on Friday 29 November 2019 at 10am AWST, at the office of Sun Resources, Level 2, 30 Richardson Street, West Perth, Western Australia 6005.

The following matters are to be considered at the meeting and Resolutions 1 to 5 (inclusive) are discussed in the Explanatory Statement to Shareholders which forms part of this notice.

AGENDA

ORDINARY BUSINESS

1. Financial Statements

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports, for the financial year ended 30 June 2019.

2. Resolution 1 - Remuneration Report

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

"That, for all purposes, the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2019, be approved."

Voting Restriction: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:
(a) member of the Key Management Personnel details of whose remuneration is included in the Remuneration Report; and/
or
(b) a Closely Related Party of such a member of the Key Management Personnel.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution (directed proxy); or
- (b) the voter is the Chairperson and the appointment of the Chairperson as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Change of Company Name

To consider and, if thought fit, to pass the following resolution as a special resolution: "That, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to Prominence Energy Limited."

4. Resolution 3 - Re-election of Director – Mr William Bloking

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

"That, for all purposes, Mr William Bloking, who retires from the office of Director in accordance with ASX Listing Rule 14.4 and Article 16.3(a) of the Company's Constitution, and being eligible and offering himself for re-election, is re-elected as a Director."

5. Resolution 4 - Re-election of Director – Mr Patric Glovac

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

"That, for all purposes, Mr Patric Glovac, who retires from the office of Director in accordance with ASX Listing Rule 14.4 and Article 16.3(a) of the Company's Constitution, and being eligible and offering himself for re-election, is re-elected as a Director."

6. Resolution 5 Approval of Issue of Placement Options

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

That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue of **153,750,000** unlisted Options (at an exercise price of \$0.004 per share and with an expiry date of 31 December 2020), be issued as free attaching options on a one for two shares subscribed basis, as per the Announcement of 14 August 2019, be approved. The Placement was made to sophisticated and professional investors, with the Free attaching options

to be subject to shareholder approval at the next AGM, as described in the Explanatory Statement accompanying this Notice of Meeting,

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of the participants in the placement, a person expected to participate in, or who will obtain a material benefit as a result of, the proposed issue. 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 6 – Approval of 10% Placement Facility

To consider and, if thought fit, pass the following as a **Special Resolution**:

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

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by a person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as 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.

8. Other Business

To transact any other business that may be brought forward in accordance with the Company's Constitution.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Annual 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 "snapshot" 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 Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 4pm AWST on Wednesday 27 November 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. A Corporate Representative Form can be obtained by contacting the Company Secretary.

Dated at Perth this 24th day of October 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 Annual General Meeting of Sun Resources NL.

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

- to receive the Annual Financial Report;
- to adopt the Remuneration Report;
- to re-elect Mr William Bloking as a Director;
- to re-elect Mr Patric Glovac as a Director;
- to approve the Issue of 153,750,000 unlisted attaching Options; and
- to approve the Company's 10% Placement Facility.

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting to be held at the offices of Sun Resources, Level 2, 30 Richardson Street, West Perth, Western Australia 6005 on Friday 29 November 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. FINANCIAL STATEMENTS

The Company seeks approval to receive and consider the Financial Statements for the year ended 30 June 2019 together with the Directors' Declaration and the reports of the Directors and Auditors.

Shareholders are referred to the 2019 Annual Report and more particularly to the Independent Auditor's Report commencing on page 50 where the Independent Auditors advise that the financial report of the Company is in accordance with the Corporations Act and other mandatory financial reporting requirements in Australia.

2. RESOLUTION 1 - REMUNERATION REPORT

This Resolution seeks the adoption of the Remuneration Report.

Shareholders are referred to the 2019 Annual Report which incorporates the Remuneration Report. The Remuneration Report sets out the remuneration details for each Director and specified executives of the Company. Further details of the Company's remuneration and performance evaluation policies are contained on pages 8 to 13 (inclusive) of the 2019 Annual Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. Under section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to the vote. This item is included for advisory purposes only and any vote taken at the Meeting does not bind the Directors or the Company.

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 meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. 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, 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.

3. RESOLUTION 2 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name. Resolution 2 seeks the approval of Shareholders for the Company to change its name to Prominence Energy Limited. If Resolution 2 is passed the change of name will take effect when ASIC alters the details of the Company's registration. The proposed name has been reserved by the

Company and if Resolution 2 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

4. RESOLUTION 3– RE-ELECTION OF DIRECTOR: MR WILLIAM BLOKING

4.1 Introduction

Resolution 3 seeks approval to re-elect as a Director of the Company, Mr William Bloking, who retires in accordance with the ASX Listing Rules and the Constitution and being eligible, offers himself for re-election.

Article 16.3(b) of the Constitution provides that one third of the Directors must retire at each Annual General Meeting. Article 16.4 provides that the Director who must retire by rotation is the Director who has held office the longest since their last re-election. Mr Bloking was last re-elected on 30 November 2017 and, accordingly, seeks re-election as a Director at the Annual General Meeting.

Shareholders are referred to the 2019 Annual Report on page 5 where details of Mr Bloking may be obtained.

4.2 Directors' recommendation

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

5. RESOLUTION 4– RE-ELECTION OF DIRECTOR: MR PATRIC GLOVAC

5.1 Introduction

Resolution 4 seeks approval to re-elect as a Director of the Company, Mr Patric Glovac, who retires in accordance with the ASX Listing Rules and the Constitution and being eligible, offers himself for re-election.

ASX Listing Rule 14.4 and Article 16.3(a) of the Company's Constitution provide that a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next Annual General Meeting of the Company. Mr Glovac was appointed as a Director of the Company with effect from 23 August 2019 and, accordingly, seeks re-election as a Director at the Annual General Meeting. If approved by Shareholders, the appointment will take effect immediately following the end of the Annual General Meeting.

Shareholders are referred to the 2019 Annual Report on page 6 where details of Mr Glovac may be obtained.

5.2 Directors' recommendation

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

6. RESOLUTION 5 - APPROVAL OF ISSUE OF PLACEMENT OPTIONS

As Announced on 14 August 2019, the Company and Advisor GTT Ventures arranged a share placement, the Options proposed under that placement were to be issued subject to Shareholder approval.

The details of the Placement were as follows

The Company and GTT received firm commitments for a placement of 307,500,000 shares at a price of 0.2 cents per share, to raise \$615,000 before costs, to exempt investors (under section 708 of the Corporations Act (2001)). GTT was entitled, as lead manager, to a 6% capital raising fee for these services and was issued 50,000,000 unlisted options, with a strike price of 0.4 cents and expiry date of 31 December 2020.

- 300 million shares were issued under the Company's placement capacity, as approved at the EGM on 6 August 2019;
- 7.5 million shares were issued in accordance with Listing Rule 7.1A;
- 50 million unlisted options (Advisor Options) were issued in accordance with Listing rule 7.1; and
- 153,750,000 free attaching unlisted options will be issued on a one for every two placement shares, subject to approval of shareholders. The Options will have a strike price of 0.4 cents and expiry date of 31 December 2020. (**Placement Options**)

Resolution 5 seeks Shareholder Approval to issue the Placement Options

That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of **153,750,000** unlisted Options (at an exercise price of \$0.004 per share and with an expiry date of 31 December 2020), be issued as free

attaching options to the placement participants on a one for two shares subscribed basis. The Placement was made to 26 sophisticated and professional investors (of which 8 were existing Shareholders).

Information required under Listing Rule 7.3

- The Maximum Number of Securities - 153,750,000
- If the Resolution is approved the Placement Options will be issued within 30 days of the AGM
- The Options have an exercise price of \$0.004 per share and with an expiry date of 31 December 2020
- The Terms of the Options are included in Schedule A.
- The Placement was made to, and the Options will be issued to 26 sophisticated and professional investors (of which 8 were existing Shareholders)
- Nil funds will be raised through the issue of the Options. The \$615,000 was/will be used to progress Permitting of the Bowsprit-1 well, fund farm out activities, and for working capital.
- Value of Options
Using Black & Scholes the 0.4c Options (assuming a share price of 0.2c, Maturity of 1.2 years, Annual risk-free Interest rate of 1.08% and a volatility of 150%) is 0.089c per option. The Total value for the Options at 21 October 2019 is assessed to be \$136,837.50.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of the participants in the placement, a person expected to participate in, or who will obtain a material benefit as a result of, the proposed issue. 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 6 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 Introduction

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the eligible entity's Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the period up to 12 months after the Meeting without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.2 Summary of ASX Listing Rule 7.1A

7.2.1 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice, the Company has only one class of quoted Equity Securities, being its Shares.

7.2.2 Formula for calculating 10% Placement Facility

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

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

Where:

- A is the number of shares on issue 12 months before the date of the issue or agreement:
- (a) plus, the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (b) plus, the number of partly paid shares that became fully paid in the 12 months;
 - (c) plus, the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
 - (d) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

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

7.2.3 Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of this Notice, the Company has a capacity to issue:

- (i) 147,933,638 Shares under Listing Rule 7.1; and
- (ii) 124,455,759 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2.2 above).

7.2.4 Minimum Issue Price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 7.2.4(i), the date on which the Equity Securities are issued.

7.2.5 10% Placement Period

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

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), (**10% Placement Period**).

Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

7.3 Information required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A sets out several matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 ASX trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 7.3(a)(i), the date on which the Equity Securities are issued.
- (b) If the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) the market price for the Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date,

which may influence the amount of funds raised by the issue of the Equity Securities.

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

The table also shows:

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

Dilution				
Variable "A" in Listing Rule 7.1A.2	Issue Price (per Share)	33% decrease in Current Issue Price \$0.002	Current Issue Price \$0.003	33% increase in Current Issue Price \$0.004
Current Variable "A" 1,319,557,588 Shares	10% dilution -Shares issued	131,955,759 Shares	131,955,759 Shares	131,955,759 Shares
	Funds raised	\$263,912	\$395,867	\$527,823
50% increase in current Variable "A" 1,979,336,382 Shares	10% dilution-Shares issued	197,933,638 Shares	197,933,638 Shares	197,933,638 Shares
	Funds raised	\$395,867	\$593,801	\$791,735
100% increase in current Variable "A" 2,639,115,176 Shares	10% dilution -Shares issued	263,911,518 Shares	263,911,518 Shares	263,911,518 Shares
	Funds raised	\$527,823	\$791,735	\$1,055,646

The table has been prepared on the following assumptions:

- (i) The current issue price is \$0.003, being the opening price of the Company's Shares on ASX on 24 October 2019.
 - (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (iii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
 - (iv) The 10% dilution reflects the aggregate percentage voting dilution against the issued share capital at the time of issue. Therefore, the dilution is shown in each example as 10%.
 - (v) The table does not show an example of dilution that may be caused to a Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (vi) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) as non-cash consideration for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions). In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) for cash consideration in which case the Company intends to use the funds raised for drilling or development activities on the Bowsprit Project in the US or towards the acquisition of new resources, assets or investments (including expense associated with such acquisitions).

Although the Company may seek to issue Equity Securities for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions), the particular resources, assets and investments which may be acquired by the Company have yet to be ascertained.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of 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. Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

- (f) Since the 2018 Annual General Meeting the Company has issued a total of 514,000,000 ordinary shares and 147,333,333 unlisted options As summarised in the table below.

Date	Prev SUR Closing Price	Number	Class	Capacity	Names	Issue Price	Cash / Value Received	Use of funds	B&S Option Value at 21 oct 20
									AUD
03-Jan-19	\$ 0.004	25,000,000	Ordinary	AGM Approved	McCubbing, Bloking	\$0.004	\$ 100,000	Loan Conversion	
03-Jan-19	\$ 0.004	31,750,000	Ordinary	SPP	SH's	\$0.004	\$ 127,000	Working Capital	
15-May-19	\$ 0.002	18,750,000	Ordinary	7.1A Placement*	Fastlane	\$0.004	\$ 75,000	Working Capital	
01-Jul-19	\$ 0.001	60,000,000	Ordinary	7.1A Placement*	Fastlane	\$0.002	\$ 120,000	Working Capital	
01-Jul-19	\$ 0.001	50,000,000	Unlisted Options (1)	7.1 Placement*	SH's	\$0.004	0	2 for 3 Free attaching Options	\$ 44,500
14-Jul-19	\$ 0.001	7,480,759	Ordinary	7.1A Placement*	SH's	\$0.002	\$ 14,962	Working Capital	
14-Jul-19	\$ 0.001	7,519,241	Ordinary	7.1 Placement*	SH's	\$0.002	\$ 15,038	Working Capital	
14-Jul-19	\$ 0.001	10,000,000	Unlisted Options (1)	7.1 Placement*	SH's	\$0.004	0	2 for 3 Free attaching Options	\$ 8,900
21-Aug-19	\$ 0.003	300,000,000	Ordinary	EGM approval	Sopisticated investors	\$0.002	\$ 600,000	Permitting well, farm out, working capital (2)	
21-Aug-19	\$ 0.003	7,500,000	Ordinary	7.1A Placement	Sopisticated investors	\$0.002	\$ 15,000	Permitting well, farm out, working capital	
21-Aug-19	\$ 0.003	56,000,000	Ordinary	EGM approval	Parks,McCubbing, Bloking, Long	\$0.002	\$ 112,000	Director Salary/loan conversion	
21-Aug-19	\$ 0.003	37,333,333	Unlisted Options (1)	EGM approval	Parks,McCubbing, Bloking, Long	\$0.004	\$ -	2 for 3 Free attaching Options to Director issue	\$ 33,227
21-Aug-19	\$ 0.003	50,000,000	Unlisted Options (1)	7.1 Placement	GTT Venturtes	\$0.004	\$ -	Adviser / Broker Options	\$ 44,500
Total									
Securities		661,333,333		* -Ratified at EGM			\$ 1,179,000		
Shares		514,000,000		(1) T&C Schedule A					
Options		147,333,333		(2) A\$180,000 remaining as at 21/10/19 at will be spent on Working capital					\$ 131,127

514,000,000 ordinary shares represent 64% of the total number of equity securities on issue as at the date of the last AGM and 147,333,333 options represents 25% of options on issue as at the date of the last AGM.

Further Details are available in the 3B Notices issued by the Company during the year.

- All Shares issued in the above issues were Fully Paid Ordinary shares with full voting rights
- 75,500,000 ordinary shares were issued at 0.4c per share
- 438,500,000 ordinary shares were issued at 0.2c per share
- 147,333,333,000 unlisted options were issued attached to the shares with an exercise price of 0.4c per share and an expiry date of 31 December 2020 (T&C Schedule A)
- The total value of funds raised were \$1,179,000 spent on the repayment of Director Loans, evaluation and development of the Bowsprit Oil Project and general working capital.

(g) Value of Options

Using Black & Scholes. The 0.4c Options (assuming a share price of 0.2c, Maturity of 1.2 years, Annual risk-free interest rate of 1.08% and a volatility of 150%) is 0.089c per option. The Total Value of the 0.4c options granted as of 21 Oct 2019 is calculated to be A\$131,127

- (h) 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.

7.4 Directors' recommendation

The Directors intend to vote in favour of Resolution 6 and recommend that Shareholders also vote in favour of the Resolution.

8 GLOSSARY

- In the Notice of Meeting and this Explanatory Statement:
- (a) "10% Placement Facility" has the meaning given in Section 7.2.2.
 - (b) "10% Placement Period" has the meaning given in Section 7.2.5.
 - (c) "2019 Annual Report" means the Annual Report for the Company for the financial year ended 30 June 2019.
 - (d) "Annual General Meeting" or "Meeting" means the Annual General Meeting of the Company the subject of the Notice of Meeting.
 - (e) "ASIC" means Australian Securities & Investments Commission.
 - (f) "ASX" means the Australian Securities Exchange operated by ASX Limited.
 - (g) "ASX Listing Rules" and "Listing Rules" means the listing rules of the ASX.
 - (h) "AWST" means Australian Western Standard Time, being the time in Perth, Western Australia.
 - (i) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
 - (j) "Chairman" or "Chairperson" means the person appointed to chair the Meeting.
 - (k) "Closely Related Party" (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:
 - i. a spouse of child of that member; or
 - ii. a child of the member's spouse; or
 - iii. a dependant of the member or the member's spouse; or
 - iv. 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
 - v. a company that the member controls; or
 - vi. a person described by the regulations for the purposes of the definition of closely related party.
 - (l) "Company" means Sun Resources NL ABN 69 009 196 810.
 - (m) "Constitution" means the constitution of the Company.
 - (n) "Corporations Act" means the *Corporations Act 2001* (Cth).
 - (o) "Director" means a director of the Company and, where the context permits, includes a retired Director.
 - (p) "Equity Securities" has the same meaning as in the ASX Listing Rules.
 - (q) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
 - (r) "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.
 - (s) "Notice" or "Notice of Meeting" means this notice of Annual General Meeting.
 - (t) "Option" means an option to acquire a Share.
 - (u) "Proxy Form" means the proxy form attached to the Notice of Meeting.
 - (v) "Remuneration Report" means the remuneration report contained in the 2019 Annual Report.
 - (w) "Resolution" means a resolution contained in this Notice of Meeting.
 - (x) "Share" means fully paid ordinary share in the capital of the Company.
 - (y) "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 option holder 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 share 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 option holder dies, the legal personal representative of the deceased option holder 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 option holder 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 option holder 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.





ABN 69 009 196 810
(Incorporated in Western Australia)



SUR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 541 810 (within Australia)
+61 3 9938 4317 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) Wednesday, 27 November 2019.**

Proxy Form

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 or abstain as they choose (to the extent permitted by law). 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 securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, 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. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/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 individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sun Resources NL to be held at Level 2, 30 Richardson Street, West Perth, Western Australia on Friday, 29 November 2019 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the 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.

Step 2 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
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Mr William Bloking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – Mr Patric Glovac	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

