

YANDAL RESOURCES LIMITED

ACN 108 753 608

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

For the Annual General Meeting of Shareholders

to be held on Tuesday, 29 November 2022 at 2:00pm (WST)

at the offices of Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia

IMPORTANT INFORMATION: The business of the Meeting affects your shareholding and your vote is important. This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders are urged to vote by lodging the Proxy Form prior to the Meeting in accordance with the instructions set out on the Proxy Form.

For personal use only

ATTENDANCE AT ANNUAL GENERAL MEETING AND HOW TO VOTE

Time and Place of Meeting

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

Quest Kings Park	Commencing
54 Kings Park Road	at 2:00pm (WST)
West Perth, Western Australia, 6005	on Tuesday, 29 November 2022

Voting by Proxy

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

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

YANDAL RESOURCES LIMITED
ACN 108 753 608

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Yandal Resources Limited will be held at Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 29 November 2022 at 2:00pm (WST) for the purpose of transacting the following business.

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

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

AGENDA

GENERAL BUSINESS

ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2022."

Voting prohibition statement:

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

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

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

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

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS KATINA LAW

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

"That, for the purpose of clause 7.3(a) of the Constitution ASX Listing Rule 14.5 and for all other purposes, Ms Katina Law, a Director who retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% CAPACITY

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Statement."

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS – LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,761,397 Shares and 9,583,336 Options on the terms and conditions set out in the Explanatory Statement."

Voting exclusion:

A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,405,270 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion:

A person who participated in the issue or is a counterparty to the agreement being approved (namely the Placement Participants) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO MST FINANCIAL SERVICES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion:

A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely MST Financial Services Pty Ltd) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of the Resolution by:

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

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
3. The chair of the Meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, including Resolution 1. The Proxy Form expressly authorises the chair of the Meeting to exercise the proxy in relation to Resolution 1 even though these Resolutions are connected directly or indirectly with the remuneration of a member of key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the chair) will not be voted on Resolution 1.
4. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.
5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27 November 2022 at 2.00pm (WST).
6. If using the Proxy Form, please complete, sign and return it to the Company's registered office in accordance with the instructions on that form. Voting online is available.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9389 9021

By order of the Board

Bianca Taveira
Company Secretary

Dated: 26 October 2022

**YANDAL RESOURCES LIMITED
ACN 108 753 608**

EXPLANATORY STATEMENT

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

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

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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

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

Shareholders will be offered the following opportunities:

- (i) discuss the annual financial report for the financial period ended 30 June 2022;
- (ii) ask questions and make comment on the management of the Company; and
- (iii) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2022.

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

2.2 Voting Consequences

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

2.3 Previous voting results

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

2.4 Proxy restrictions

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

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

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

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2022. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS KATINA LAW

Clause 7.3(a) of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to the managing director.

Ms Katina Law was last elected as a Director of the Company at the Annual General Meeting of the Company held on 25 November 2020.

Pursuant to Clause 7.3(a) of the Company's Constitution, Ms Katina Law, being a Director of the Company, retires by way of rotation and being eligible, offers herself for re-election as a Director of the Company.

Details of the qualification and experience of Ms Katina Law are set out in the Company's 2022 Annual Report.

If re-elected, the Board considers Ms Katina Law will be an independent Director.

The Board of the Company (excluding Ms Katina Law) recommends the re-election of Ms Katina Law as a Director.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% CAPACITY

4.1 Background

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

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

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

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

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

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

4.2 Specific information required by Listing Rule 7.3A

(i) Period for which approval is valid

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

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

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

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

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

(iii) Purposes for which funds raised may be used

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

(iv) Risk of economic and voting dilution

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

There is a risk that:

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

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

Number of Shares on Issue (Variable "A" in Listing Rule 7.1A.2)	Number of Shares issued under additional 10% capacity	Dilution		
		Funds raised based on issue price of \$0.053	Funds raised based on issue price of \$0.105 cents	Funds raised based on issue price of \$0.21
		(50% decrease in current issue price)	(Current issue price)	(100% increase in current issue price)
135,258,220 (Current)*	13,525,822	\$716,868	\$1,420,211	\$2,840,422
202,887,330 (50% increase)	20,288,733	\$1,075,302	\$2,130,316	\$4,260,634
270,516,440 (100% increase)	27,051,644	\$1,433,737	\$2,840,422	\$5,680,845

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

The table has been prepared on the following assumptions:

1. The current Shares on issue are the Shares on issue as at 20 October 2022.

2. The issue price set out above is the closing price of the Shares on the ASX on 20 October 2022.
3. The Company issues the maximum number of equity securities available under the additional 10% capacity.
4. No Options are exercised into Shares before the date of the issue of the equity securities.

(v) Allocation Policy

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

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

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

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

The Company has issued 11,405,270 Shares under Listing Rule 7.1A.2 in the 12 months preceding this Meeting, which represents approximately 10.77% of the total diluted number of equity securities on issue in the Company on 28 November 2021, which was 105,913,135.

Further details of the issues of equity securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 20 October 2022 Date of Appendix 2A: 20 October 2022
Recipients	Professional and sophisticated investors as part of a placement announced on 13 October 2022. The placement participants were identified through a bookbuild process, which involved MST Financial Services/the Company seeking expressions of interest to participate in the placement from non-related parties of the Company. As outlined in section 5.6, Au Xingao Investment Pty Ltd, a substantial Shareholder of the Company, was issued approximately 1.9% of the issued capital of the Company at the time of issue of the Shares and Options under the Placement.
Number and Class of Equity Securities Issued	11,405,270 ² Shares (under Listing Rule 7.1A)

Issue Price and discount to Market Price¹ (if any)	\$0.12 per Share (at a 20% discount to the then closing Market Price prior to the Placement).
Total Cash Consideration and Use of Funds	<p>Amount raised: \$2,300,000 in aggregate (i.e. including additional Shares issued pursuant to Listing Rule 7.1)</p> <p>Amount spent: \$165,825</p> <p>Use of funds: capital raising costs</p> <p>Amount remaining: \$2,134,175</p> <p>Proposed use of remaining funds³: Exploration and drilling on the Company's Mt McClure, Barwidgee, Ironstone Well and Gordons Projects, and for general working capital.</p>

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant equity securities.
2. Fully paid ordinary Shares in the capital of the Company, ASX Code: YRL (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

(vii) Voting Exclusion Statement

A voting exclusion statement is not 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 an issue of equity securities under Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SECURITIES

5.1 Background

As announced on 20 October 2022, the Company has completed a placement raising a total of \$2,300,000 through the issue of 19,166,667 Shares at an issue price of \$0.12 per Share together with 1 free attaching Option for every 2 Shares subscribed for and issued (**Placement**). In connection with the Placement, the Company is also undertaking an entitlement offer to eligible shareholders, as set out in the Company's prospectus dated 13 October 2022 (**Entitlement Offer**).

On 20 October 2022, the Company issued the Shares and Options under the Placement to sophisticated and professional investors who participated in the Placement (**Placement Participants**).

The Company engaged the services of MST Financial Services Pty Ltd (**MST**) to act as lead manager to the Placement. In consideration for its services under the Placement, the Company has agreed to pay MST a 6% fee on the gross proceeds raised under the Placement. MST was engaged as lead manager and underwriter of the Entitlement Offer and the Company has agreed to pay MST the following:

- (i) an underwriting fee of 6% on the amount agreed to be underwritten by MST (refer to the Company's prospectus dated 13 October 2022 for further details);

- (ii) a 4% management fee on any amount raised over and above the underwritten amount; and
- (iii) subject to a minimum of \$4,500,000 being raised under the Placement and the Entitlement Offer and shareholder approval being obtained for the issue, issue 2,000,000 Options on the same terms as the Options issued under the Placement (**MST Options**).

Shareholder approval for the issue of the MST Options to MST is being sought pursuant to Resolution 6.

The Placement was completed via a single tranche comprising the following:

- (i) 7,761,397 Shares and 9,583,336 Options under Listing Rule 7.1 (Resolution 4); and
- (ii) 11,405,270 Shares under Listing Rule 7.1A (Resolution 5).

5.2 Resolutions

Resolutions 4 and 5 seek shareholder ratification of the issue of Shares and Options under the Placement on the following basis:

- (i) Resolution 4 - 7,761,397 Shares and 9,583,336 Options under Listing Rule 7.1 on 20 October 2022; and
- (ii) Resolution 5 - 11,405,270 Shares under Listing Rule 7.1A on 20 October 2022.

5.3 Listing Rules 7.1 and 7.1A

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

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 19 November 2021.

The issue of the Shares and Options under the Placement does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rule 7.1 and Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares and Options.

5.4 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares and Options under the Placement.

Resolutions 4 and 5 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares and Options under the Placement.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 4 and 5 are passed, the issues of Shares and Options under each of those Resolutions will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of those Securities.

If Resolutions 4 and 5 are not passed, the issues of Shares and Options the subject of those Resolutions will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of those Securities.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 3 being passed at this Meeting.

5.6 Technical information required for Resolutions 4 and 5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (i) the Shares and Options issued under the Placement were issued to professional and sophisticated investors including existing Shareholders of the Company and new Shareholders introduced by MST;
- (ii) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms the following:
 - (a) Regal Funds Management Pty Ltd (and its associates), a substantial shareholder of the Company, controlling approximately 8.73% of the Company based on its most recent substantial shareholder notice issued, was issued approximately 5.74% of the issued capital of the Company at the time of issue of the Shares under the Placement; and
 - (b) Au Xingao Investments Pty Ltd, a substantial shareholder of the Company, currently controlling approximately 14.82%, was issued approximately 1.94% of the issued capital of the Company at the time of issue of the Shares under the Placement;
- (iii) 19,166,667 Shares and 9,583,336 Options were issued on the following basis:
 - (a) 7,761,397 Shares and 9,583,336 Options were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 4); and
 - (b) 11,405,270 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 5);
- (iv) the Shares were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (v) the Options were unlisted options to acquire fully paid ordinary Shares in the capital of the Company on the terms and conditions set out in Schedule 1;

- (vi) the Shares and Options were issued on 20 October 2022;
- (vii) the issue price of the Shares was \$0.12 per Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company as not and will not receive any other consideration for the issue of the Shares;
- (viii) the issue price of the Options was nil as they were issued as free attaching to Shares issued under the Placement. The Company has not and will not receive any other consideration for the Options, except on exercise of the Options;
- (ix) the purpose of the issue of the Shares and Options was to raise approximately \$2,300,000 (before costs) which the Company intends to apply towards drilling and additional exploration at its Projects; and
- (x) the Shares and Options were issued under firm commitment letters with the Placement Participants on standard terms and conditions for agreements of this nature.

6. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO MST FINANCIAL SERVICES

6.1 General

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of Options to MST. The Company has agreed, subject to MST raising a minimum of \$4,500,000 under the Placement and Entitlement Offer and obtaining Shareholder approval, to issue 2,000,000 Options to MST in consideration for its services as lead manager to the Placement and Entitlement Offer and underwriter of the Entitlement Offer. Further information in relation to the issue of the MST Options is set out in Section 5.1.

A summary of Listing Rule 7.1 is set out in Section 5.3 above.

The proposed issue of the MST Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Shareholders should note that the Company's obligation to issue the MST Options to MST is subject to MST raising a minimum of \$4,500,000 in aggregate across the Placement and the Entitlement Offer. Accordingly, if this is not achieved, the Company will not put Resolution 6 to Shareholders at the Meeting.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the MST Options. In addition, the issue of the MST Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the MST Options, in which case the Company may be required to make a cash fee payment to MST in lieu of the MST Options.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (i) the MST Options will be issued to MST (or its nominees);
- (ii) the maximum number of MST Options to be issued is 2,000,000;

- (iii) the terms and conditions of the MST Options are set out in Schedule 1;
- (iv) the MST Options 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) and it is intended that issue of the MST Options will occur on the same date;
- (v) the issue price of the MST Options is nil as the MST Options will be issued in part consideration for lead manager services provided in relation to the Placement;
- (vi) the purpose of the issue of the MST Options is to satisfy the Company's obligations under its agreement with MST in relation to the Placement and Entitlement Offer, the material terms of which are set out in Section 5.1;
- (vii) the MST Options are being issued to MST under a lead manager and underwriting agreement, the material terms of which are set out in Section 5.1; and
- (viii) the MST Options are not being issued under, or to fund, a reverse takeover.

YANDAL RESOURCES LIMITED
ACN 108 753 608

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

"**Entitlement Offer**" means the entitlement offer being undertaken by the Company under its prospectus dated 13 October 2022.

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

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

"**MST**" means MST Financial Services Pty Ltd.

"**MST Option**" means the Options proposed to be issued to MST pursuant to Resolution 6.

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

"**Option**" means an option to acquire a Share, full terms and conditions of which are set out in Schedule 1.

"**Placement**" means the placement completed by the Company on 20 October 2022.

"**Placement Participants**" means professional and sophisticated investors who were issued Shares and Options under the Placement.

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

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

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

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

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

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

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

SCHEDULE 1 TERMS AND CONDITIONS OF THE OPTIONS

The terms of the issue of the Options are:

- (a) Each Option entitles the holder to one Share.
- (b) The exercise price of the Options is 24 cents each.
- (c) The Options may be exercised at any time prior to 5:00pm Western Standard Time on 31 October 2024 ("Expiry Date").
- (d) The Options will be freely tradeable subject to any restrictions under the ASX Listing Rules.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company, then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the bonus issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, all rights of the Option holder are to be changed in a manner consistent with the Listing Rules.



All Correspondence to:

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

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm (WST) on Sunday, 27 November 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/yrl2022agm>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm (WST) on Sunday, 27 November 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/yrl2022agm>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

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

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia on Tuesday, 29 November 2022 at 2:00pm (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

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

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Ms Katina Law as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of additional 10% capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of shares and options – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of shares – Listing Rule 7.1a	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue options to MST Financial Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022