

5 April 2013

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

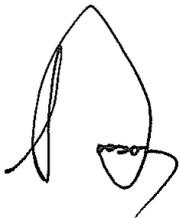
Dear Sir/Madam

RE: NOTICE OF GENERAL MEETING, EXPLANATORY STATEMENT & PROXY FORM

We advise that the Company's Notice of General Meeting, Explanatory Statement and Proxy Form were despatched to Shareholders yesterday.

We attach a copy of the Notice of General Meeting, Explanatory Statement and Proxy Form.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary





SUN RESOURCES NL

ABN 69 009 196 810

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting
Friday 3 May 2013

Time of Meeting
2.00pm AWST

Place of Meeting
BDO
38 Station Street
Subiaco, Western Australia

CONTENTS

- A. Notice of General Meeting
- B. Explanatory Statement
- C. Proxy Form
- D. Appointment of Corporate Representative Form

IMPORTANT NOTE

This booklet sets out information to assist Shareholders assess the resolutions to be considered at the 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 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 General Meeting, please contact the Company Secretary, Mr Craig Basson, on (+618) 9345 4100.

ELECTRONIC COPIES OF COMPANY REPORT

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

Friday 3 May 2013 commencing at 2.00pm AWST.

at:

BDO
38 Station Street
Subiaco, Western Australia

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 2.00pm AWST.

VOTING BY PROXY

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

- send the proxy by facsimile to the Company Secretary, Mr Craig Basson on facsimile number (+618) 9345 4541; or
- deliver to the Company Secretary at 5 Bendsten Place, Balcatta, Western Australia; or
- post to PO Box 332, Greenwood, Western Australia, 6924; or
- send by email to proxies@ricgroup.com.au,

so that it is received not later than 2.00pm AWST on Wednesday 1 May 2013.

Your Proxy Form is enclosed

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Sun Resources NL will be held on Friday 3 May 2013 at 2.00pm AWST, at the offices of BDO, 38 Station Street, Subiaco, Western Australia.

The following resolutions are to be considered at the Meeting. These resolutions are discussed in the Explanatory Statement which forms part of this notice.

AGENDA

ORDINARY BUSINESS

1. APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO DR GOVERT VAN EK

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 30,000,000 Incentive Options to Dr Govert van Ek (or his nominee) on the terms and conditions set out in the Explanatory Statement."

***Voting Exclusion:** The Company will disregard any votes cast on this Resolution 1 by Dr van Ek or any of his 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

2. APPROVAL OF ISSUE OF INCENTIVE OPTIONS TO MR MATTHEW BATTRICK

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 15,000,000 Incentive Options to Mr Matthew Battrick (or his nominee) on the terms and conditions set out in the Explanatory Statement."

***Voting Exclusion:** The Company will disregard any votes cast on this Resolution 2 by Mr Battrick or any of his 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

3. APPROVAL OF RETIREMENT BENEFITS FOR DR GOVERT VAN EK

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

"That, for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the provision of benefits in connection with Dr Govert van Ek's termination or retirement from office or position of employment in the Company on the terms and conditions set out in the Explanatory Statement."

***Voting Exclusion:** The Company will disregard any votes cast on this Resolution 3 by Dr van Ek or any of his 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

4. APPROVAL OF RETIREMENT BENEFITS FOR MR MATTHEW BATTRICK

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

"That, for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the provision of benefits in connection with Mr Matthew Battrock's termination or retirement from office or position of employment in the Company on the terms and conditions set out in the Explanatory Statement."

***Voting Exclusion:** The Company will disregard any votes cast on this Resolution 4 by Mr Battrock or any of his 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 direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

EXPLANATORY STATEMENT

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

VOTING ENTITLEMENT

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

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 2.00pm AWST on Wednesday 1 May 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to vote at the meeting in the event of a poll.

PROXIES

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

CORPORATE REPRESENTATIVE

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

Dated 4 April 2013.

By order of the Board of Directors.



Craig Basson
Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Friday 3 May 2013 commencing at 2.00pm AWST.

The purpose of the General Meeting is to seek Shareholder approval in relation to the following matters:

- the issue of Incentive Options to Dr Govert van Ek and Mr Matthew Battrick, both of whom are Executive Directors of the Company (Resolutions 1 and 2); and
- the giving of certain retirement or termination benefits to Dr Govert van Ek and Mr Matthew Battrick (Resolutions 3 and 4).

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.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolutions or otherwise. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. RESOLUTIONS 1 AND 2 - ISSUE OF INCENTIVE OPTIONS TO DR GOVERT VAN EK AND MR MATTHEW BATTRICK

1.1 General

Resolutions 1 and 2 seek Shareholder approval for the issue of 30,000,000 Incentive Options to Dr Govert van Ek and 15,000,000 Incentive Options to Mr Matthew Battrick, both of whom are Executive Directors of the Company.

The Company seeks to issue the Incentive Options to Dr van Ek and Mr Battrick as part of their remuneration packages and as an incentive to help drive the future value of the Company.

As at the date of this Notice, Dr van Ek's base remuneration is \$390,000 per annum (inclusive of superannuation) and Mr Battrick's base remuneration is \$375,000 per annum (inclusive of superannuation).

1.2 ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act

The Company seeks Shareholder approval for the purpose of Listing Rule 10.11 and under Chapter 2E of the Corporations Act to enable the Company to issue the Incentive Options to Dr van Ek and Mr Battrick.

Subject to certain exceptions, Listing Rule 10.11 restricts a company from issuing or agreeing to issue equity securities to a related party without shareholder approval. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies or shareholder approval is obtained.

A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain the approval of members in the way set out in sections 217 to 227; and
- (b) give the benefit within 15 months after the approval.

For the purpose of this Meeting and in accordance with section 228 of the Corporations Act a related party of the Company includes:

- (a) a Director; and
- (b) an entity controlled by a Director.

Accordingly, Resolutions 1 and 2 also seek Shareholder approval for the issue the Incentive Options to Dr van Ek and Mr Battrick (or their nominees) for the purposes of Chapter 2E of the Corporations Act.

1.3 Information required by ASX Listing Rule 10.13 and section 219 of the Corporations Act

In accordance with the requirements of Listing Rule 10.13 and Chapter 2E of the Corporations Act, the following information is provided to Shareholders to allow them to assess the issue of the Incentive Options to Dr van Ek and Mr Battrick pursuant to Resolutions 1 and 2:

- (a) the Incentive Options are to be issued and allotted to Dr van Ek and Mr Battrick (or their nominee);
- (b) the total number of Incentive Options to be issued and allotted are:
 - (i) 30,000,000 in the case of Dr van Ek (or his nominee), comprising:
 - (A) 10,000,000 Tranche 1 Incentive Options;
 - (B) 10,000,000 Tranche 2 Incentive Options; and
 - (C) 10,000,000 Tranche 3 Incentive Options;
 - (ii) 15,000,000 in the case of Mr Battrick (or his nominee), comprising:
 - (A) 5,000,000 Tranche 1 Incentive Options;
 - (B) 5,000,000 Tranche 2 Incentive Options; and
 - (C) 5,000,000 Tranche 3 Incentive Options;

- (c) the Company will issue and allot the Incentive Options no later than 1 month after the date of the Meeting (or such longer period as ASX may, in its discretion, allow);
- (d) the Incentive Options will be issued for nil consideration and as such no funds will be raised from the grant of the Incentive Options. Shareholders should note that the Company will receive subscription monies if the Incentive Options are exercised however the amount received will depend upon the volume weighted average price of the Company's Shares in the 5 trading days prior to the date of the Meeting and cannot be determined at the date of this Notice;
- (e) the exercise price of the Incentive Options (for both Dr van Ek and Mr Battrick) will be as follows:
 - (i) Tranche 1: 150% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the date of the Meeting;
 - (ii) Tranche 2: 175% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the date of the Meeting; and
 - (iii) Tranche 3: 200% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the date of the Meeting;

As such, the exercise price of the Incentive Options will be at a premium to the price at which Shares are trading on ASX on the issue date;

- (f) the exercise price of the Incentive Options will be advised to Shareholders and the market on the day of the Meeting (and prior to the commencement of the Meeting);
- (g) upon exercise of the Incentive Options, the recipient will be issued one Share in the capital of the Company for each Incentive Option exercised. The Shares will rank equally in all respects with the other Shares on issue in the Company;
- (h) the full terms of the Incentive Options are set out in Schedule 1;
- (i) Dr van Ek has an interest in Resolution 1 on the basis that he will receive 30,000,000 Incentive Options if Resolution 1 is passed and therefore believes it inappropriate to make a recommendation. The remaining Directors do not have an interest in the outcome of Resolution 1 and recommend that Shareholders vote in favour of Resolution 1 so that Dr van Ek is adequately incentivised to deliver increased value to the Company through his future efforts;
- (j) Dr van Ek does not have an interest in any securities of the Company at the date of this Notice;
- (k) Dr van Ek received no remuneration from the Company for the year ended 30 June 2012 and it is expected that he will receive \$110,322 in the current financial year;
- (l) Mr Battrick has an interest in Resolution 2 on the basis that he will receive 15,000,000 Incentive Options if Resolution 2 is passed and therefore believes it inappropriate to make a recommendation. The remaining Directors do not have an interest in the outcome of Resolution 2 and recommend that Shareholders vote in

favour of Resolution 2 so that Mr Battrick is adequately incentivised to deliver increased value to the Company through his future efforts;

- (m) Mr Battrick has an interest in 297,117 Shares and 5,000,000 unlisted options at the date of this Notice;
- (n) Mr Battrick received \$365,011 from the Company for the year ended 30 June 2012 and it is expected that he will receive \$373,333 in the current financial year;
- (o) in the twelve months before the date of this Notice, the highest, lowest and last trading price of the Company's Shares were as follows:

	Price	Date
Highest	8.0 cents	18 October 2012
Lowest	2.0 cents	30 March 2012
Last	5.9 cents	26 March 2013

- (p) the value of the Incentive Options has been calculated as follows using the Black-Scholes valuation method and based on the assumptions set out in section 1.4:
 - (i) Tranche 1 - 2.9 cents each;
 - (ii) Tranche 2 - 2.7 cents each;
 - (iii) Tranche 3 - 2.6 cents each.
- (q) based on the valuations in paragraph (p) above, the financial benefit to:
 - (i) Dr van Ek will be \$820,930; and
 - (ii) Mr Battrick will be \$410,465;
- (r) the exercise by Dr van Ek of all 30,000,000 Incentive Options to be issued pursuant to Resolution 1 would result in a dilution of all other Shareholders' holdings in the Company of:
 - (i) 1.51% based on the total number of issued Shares at the date of this Notice; and
 - (ii) 1.27% on a fully diluted basis;
- (s) the exercise by Mr Battrick of all 15,000,000 Incentive Options to be issued pursuant to Resolution 2 would result in a dilution of all other Shareholders' holdings in the Company of:
 - (i) 0.76% based on the total number of issued Shares at the date of this Notice; and
 - (ii) 0.63% on a fully diluted basis;

- (t) as noted above, the purpose of the issue of Incentive Options is to allow the Company to remunerate and provide a cost-effective incentive for the ongoing dedication and efforts of Dr van Ek and Mr Battrick as Executive Directors of the Company. The Directors do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Incentive Options upon the terms proposed;
- (u) in determining the number and the terms of the Incentive Options to be issued, the Company has considered Dr van Ek's and Mr Battrick's respective roles within the Company, the current market price of the Company's Shares and current market practice, including the number and terms of the options which have been issued to the executive directors of other ASX listed companies in the Company's peer group;
- (v) other than the information above and otherwise in this Explanatory Statement, the Company believes that there is no other information that would reasonably be required by the Shareholders to pass Resolution 1 and 2.

1.4 Valuation of Incentive Options

The Incentive Options have been valued as at 26 March 2013 using the Black-Scholes valuation method.

The valuation has been based upon the following inputs and assumptions:

- (a) a spot Share price of 5.9 cents;
- (b) an exercise price of:
 - (i) 8.9 cents in the case of Tranche 1;
 - (ii) 10.3 cents in the case of Tranche 2; and
 - (iii) 11.8 cents in the case of Tranche 3;
- (c) a risk free rate of 3.42% per annum;
- (d) a volatility factor of 90% which has been determined with reference to the historical trading of the Company's Shares on ASX; and
- (e) an expiry date of 3 years from the date of issue.

Based on the above, the Incentive Options to be issued pursuant to Resolutions 1 and 2 have been valued as follows under the Black-Scholes valuation method:

- Tranche 1 - 2.9 cents each;
- Tranche 2 - 2.7 cents each; and
- Tranche 3 - 2.6 cents each.

The table below analyses the impact on the value of the Incentive Options in the event of an increase in the assumptions listed above, where all other assumptions remain the same:

Assumption Increased	Effect on Value of Incentive Option
Share Price	Increase
Exercise Price	Decrease
Life of the Option	Increase
Volatility	Increase
Risk Free Interest Rate	Increase

Assuming a variation in the spot Share price of between 4.8 cents and 7.0 cents (being +/- approximately 20% of the spot price referred to in section 1.4(a), and all other variables remaining unchanged, the variation in the value of the Incentive Options would be as follows under the Black-Scholes valuation method:

Share Price	Value of Tranche 1 Incentive Options	Value of Tranche 2 Incentive Options	Value of Tranche 3 Incentive Options
7.0 cents	3.5 cents	3.2 cents	3.0 cents
6.8 cents	3.4 cents	3.1 cents	2.9 cents
6.6 cents	3.3 cents	3.1 cents	2.9 cents
6.4 cents	3.2 cents	3.0 cents	2.8 cents
6.2 cents	3.1 cents	2.9 cents	2.7 cents
6.0 cents	3.0 cents	2.8 cents	2.6 cents
5.9 cents	2.9 cents	2.7 cents	2.6 cents
5.8 cents	2.9 cents	2.7 cents	2.5 cents
5.6 cents	2.8 cents	2.6 cents	2.4 cents
5.4 cents	2.7 cents	2.5 cents	2.3 cents
5.2 cents	2.6 cents	2.4 cents	2.2 cents
5.0 cents	2.5 cents	2.3 cents	2.2 cents
4.8 cents	2.4 cents	2.2 cents	2.1 cents

2. RESOLUTIONS 3 AND 4 – RETIREMENT BENEFITS FOR DR GOVERT VAN EK AND MR MATTHEW BATTRICK

2.1 Background

Resolutions 3 and 4 seek Shareholder approval to give Dr Govert van Ek and Mr Matthew Battrock benefits in connection with their termination or retirement from employment with the Company.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with that person ceasing to hold a managerial or executive office in the company if the giving of the benefit is below a certain threshold, is approved by Shareholders or an exemption applies.

Broadly, the threshold prescribed in the Corporations Act is the average annual base salary of the recipient. If the recipient has been employed for less than one year, the threshold is a proportion of the recipient's annual salary based pro rata on the proportion of one year that he or she has been employed.

2.2 Proposed benefits for Dr van Ek

The following is summary of Dr van Ek's termination benefits under his employment agreement with the Company and in respect of which Shareholder approval is sought pursuant to Resolution 3:

- (a) The Company may terminate Dr van Ek's employment agreement at any time by giving him 6 months' notice. In lieu of giving notice, the Company may elect to pay Dr van Ek an amount calculated in proportion to his base remuneration for any short period of notice. A payment in lieu of notice is a benefit for the purposes of section 200B of the Corporations Act.
- (b) If the Company terminates Dr van Ek's employment agreement because Dr van Ek's position becomes redundant, the Company must pay Dr van Ek an amount equal to 8 months' base remuneration. The payment of a lump sum amount upon termination of employment is a benefit for the purposes of section 200B of the Corporations Act.
- (c) Under the terms of the Incentive Options the subject of Resolution 1, if Dr van Ek's employment agreement is terminated (other than for serious misconduct), he will be entitled to exercise any Incentive Options that were due to vest within 3 months of the termination date. The accelerated vesting of the Incentive Options is considered a benefit for the purposes of section 200B of the Corporations Act.

Depending on the circumstances of Dr van Ek ceasing employment with the Company, one or more of the above benefits may become payable to Dr van Ek and the total benefits payable to Dr van Ek may, in some circumstances, exceed the thresholds prescribed under the Corporations Act. Accordingly, the Company seeks Shareholder approval for the purposes of section 200B and section 200E of the Corporations Act to give the retirement benefits described above to Dr van Ek.

2.3 Proposed benefits for Mr Battrick

The following is summary of Mr Battrick's termination benefits under his employment agreement with the Company and in respect of which Shareholder approval is sought pursuant to Resolution 4:

- (a) The Company may terminate Mr Battrick's employment agreement at any time by giving him 4 months' notice. In lieu of giving notice, the Company may elect to pay Mr Battrick an amount calculated in proportion to his base remuneration for any short period of notice. As noted section 2.2(a), this is a benefit for the purposes of section 200B of the Corporations Act.
- (b) If the Company terminates Mr Battrick's employment agreement because Mr Battrick's position becomes redundant, the Company must pay Mr Battrick an amount equal to 6 months' base remuneration. As noted in section 2.2(b), this is a benefit for the purposes of section 200B of the Corporations Act.
- (c) Under the terms of the Incentive Options the subject of Resolution 2, if Mr Battrick's employment agreement is terminated (other than for serious misconduct), he will be entitled to exercise any Incentive Options that were due to vest within 3 months of the termination date. As noted in section 2.2(c) this is a benefit for the purposes of section 200B of the Corporations Act.

Depending on the circumstances of Mr Battrick ceasing employment with the Company, one or more of the above benefits may be payable and the total benefit payable to Mr Battrick may, in some circumstances, exceed the thresholds prescribed under the Corporations Act. Accordingly, the Company seeks Shareholder approval for the purposes of section 200B and section 200E of the Corporations Act to give the above retirement benefits to Mr Battrick.

2.4 Value of benefits

The amount or value of any termination benefits payable to Dr van Ek or Mr Battrick can only be determined at the time the relevant employment agreement is terminated and, accordingly, cannot be ascertained as at the date of this Notice. In accordance with Listing Rule 10.19 the termination benefits that are or may be payable to any officer of the Company (including Dr van Ek and Mr Battrick) will not exceed 5% of the equity interests of the Company unless further Shareholder approval is obtained.

Matters, events and circumstances which are likely to affect the value of the termination benefits payable to Dr van Ek or Mr Battrick include:

- (a) their length of service at the date of ceasing employment;
- (b) their base remuneration at the date of ceasing employment.
- (c) the total number of Incentive Options held by them prior to ceasing employment;
- (d) whether the date of ceasing employment is within 3 months of a vesting date for any of the Incentive Options (and, accordingly, whether any Incentive Options will vest early); and
- (e) the Company's Share price on the date of cessation of employment (which effects the value of any Incentive Options that vest early).

As at the date of this Notice, Dr van Ek's base remuneration is \$390,000 per annum (inclusive of superannuation) and Mr Battrick's base remuneration is \$375,000 per annum (inclusive of superannuation).

2.5 What happens if the benefits are not approved?

If Shareholders fail to approve of the issue of the Incentive Options pursuant to Resolution 1 and Resolution 2, Dr van Ek and Mr Battrick may, within 90 days of the Meeting, provide written notice to the Company that the Company's failure to obtain Shareholder approval constitutes a termination of their employment agreements without cause in which case:

- (a) Dr van Ek: will be entitled to 6 months' notice of termination (or payment in lieu); and
- (b) Mr Battrick: will be entitled to 4 months' notice of termination (or payment in lieu).

During the notice period (if applicable), the Executive Director may work from any location he decides in his sole discretion.

3. GLOSSARY

In the Notice of Meeting and this Explanatory Statement:-

- (a) "ASIC" means Australian Securities & Investments Commission.
- (b) "ASX" means ASX Limited or the Australian Securities Exchange, as the context requires.
- (c) "AWST" and "WST" mean Australian Western Standard Time.
- (d) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
- (e) "Company" means Sun Resources NL ABN 69 009 196 810.
- (f) "Constitution" means the constitution of the Company.
- (g) "Corporations Act" means the Corporations Act 2001 (Cth).
- (h) "Director" means a director of the Company.
- (i) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
- (j) "General Meeting" or "Meeting" means the General Meeting of the Company the subject of the Notice of Meeting.
- (k) "Incentive Options" or "Options" means the options to be issued to Dr Govert van Ek pursuant to Resolution 1 and Mr Matthew Battrick pursuant to Resolution 2, the terms of which are set out in Schedule 1 of this Explanatory Statement.
- (l) "Listing Rules" means the Listing Rules of the ASX.
- (m) "Meeting Date" means the date of the meeting the subject of the Notice.
- (n) "Notice" or "Notice of Meeting" means this notice of general meeting
- (o) "Proxy Form" means the proxy form attached to the Notice of Meeting.
- (p) "Resolution" means a resolution contained in this Notice of Meeting.
- (q) "Share" means a fully paid ordinary share in the capital of the Company.
- (r) "Shareholder" means a shareholder of the Company

SCHEDULE 1

TERMS OF INCENTIVE OPTIONS

The terms of the issue of the Incentive Options are as follows:

1. The Options will not be quoted on the ASX.
2. The exercise price for each tranche of the Options is as follows:
 - (a) Tranche 1: 150% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the Meeting Date;
 - (b) Tranche 2: 175% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the Meeting Date;
 - (c) Tranche 3: 200% of the volume weighted average price of the Company's Shares in the 5 trading days prior to the Meeting Date.
3. Each Option is exercisable into one Share in the Company which will rank pari passu with existing Shares.
4. The Company will make an application to the ASX for the quotation of Shares issued on exercise of Options. The Company will not be under any obligation to ensure that such Shares will be quoted.
5. The Options will expire 3 years from their issue date unless exercised prior to that date.
6. Subject to 7 and 8, the Options may be exercised by the recipient after the following dates (**Vesting Dates**):
 - (a) as to the Tranche 1 Options, at any time after the Meeting Date;
 - (b) as to the Tranche 2 Options, at any time after the first anniversary of the Meeting Date; and
 - (c) as to the Tranche 3 Options, at any time after the second anniversary of the Meeting Date.
7. If the recipient's employment is terminated by the Company for any reason other than under clause 10.6 of the recipient's employment agreement, the recipient may exercise the Options that are due to vest within 3 months of the termination date despite the fact that a Vesting Date may not have been reached.
8. The Options will immediately vest upon, and may be exercised by the recipient at any time after, a Change in Control occurs.
9. The Options may only be exercised while the recipient is employed by or on behalf of the Company or within 120 days of ceasing such employment.
10. Subject to the foregoing, the Options can be exercised by the recipient in whole or in part.
11. The Options are to be exercisable by notice in writing to the Company together with a payment of the exercise price of the Options.

12. Any notice of exercise of an Option received by the Company shall be deemed to be a notice of the exercise of the Option on the first Business Day after the date of receipt of the notice.
13. The recipient will be permitted to participate in any pro-rata issue of securities of the Company on prior exercise of the Options, in which case the recipient will be afforded the period of at least 7 Business Days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Options.
14. The Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options.
15. The Options are non-transferrable.
16. In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on the recipient which are not conferred on Shareholders of the Company and for such purpose the Company may vary the number, exercise price or other terms of the Options in such manner as may be necessary to comply with the Listing Rules.
17. The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options so that, upon exercise of the Options, the number of Shares received by the recipient will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options will not change as a result of any such bonus issues.
18. Shares issued pursuant to the exercise of the Options will be granted following the receipt of all relevant documentation and payments.
19. In the event of the recipient dying whilst an employee of the Company but prior to the expiry of the Options, the right of the recipient to exercise the Options will vest in his executor and/or administrator and they shall have the same rights to exercise the Options as such deceased holder would have had during the option period but for his death.

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Lodge your vote:



By Mail:

Sun Resources NL
PO Box 332
GREENWOOD WA 6924

Alternatively you can fax your form to
(within Australia) 08 9345 4541
(outside Australia) + 61 8 9345 4541

For all enquiries call:

(within Australia) 08 9345 4100
(outside Australia) + 61 8 9345 4100

By Email:

Email a PDF of your completed proxy form to
the Company Secretary, Mr Craig Basson, at the following email
address: proxies@ricgroup.com.au

Proxy Form



For your vote to be effective it must be received by 2.00pm AWST, Wednesday 1 May 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

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

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

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

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

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. I.e. no later than 2.00pm AWST on Wednesday 1 May 2013. Any Proxy Form received after that time will not be valid for the scheduled meeting.

- **This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, Western Australia, 6021 or PO Box 332, Greenwood, Western Australia, 6924 or sent by facsimile to the registered office on (+618) 9345 4541 or emailed to the Company Secretary, Mr Craig Basson, at the following email address: proxies@ricgroup.com.au**

Please mark to indicate your directions

PROXY FORM

Shareholder Details

Name: _____
 Address: _____
 Contact Telephone No: _____
 Contact Name (if different from above): _____

Appoint A Proxy to Vote on Your Behalf

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

The Chairman of the meeting OR

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

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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, as the proxy sees fit) at the General Meeting of Members of Sun Resources NL to be held at the office of BDO, 38 Station Street, Subiaco, Western Australia, on Friday 3 May 2013 at 2.00pm AWST and at any adjournment of that meeting.

IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY
 If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called.

The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

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

	For	Against	Abstain*
Resolution 1 – Approval of issue of Incentive Options to Dr Govert van Ek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Approval of issue of Incentive Options to Mr Matthew Batrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of issue of Retirement Benefits to Dr Govert van Ek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of issue of Retirement Benefits to Mr Matthew Batrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appointment of a second proxy

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

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

Individual or Security Holder 1 Security Holder 2 Security Holder 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Daytime Telephone: _____ Date: ____/____/____

Appointment of Corporate Representative Form

Shareholder Details

This is to certify that by a resolution of the Directors of:

(Company)

(Insert name of shareholder company)

The Company has appointed:

(Authorised corporate representative)

(Insert name of corporate representative)

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at the General Meeting of Sun Resources NL to be held on Friday 3 May 2013 at 2.00pm AWST and at any adjournments of that meeting.

DATED

.....2013

Please sign here

Executed by the Company

in accordance with its constituent documents

Signed by authorised representative

Signed by authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Position of authorised representative (print)

Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (eg Director) of each Company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. The certificate must be produced prior to admission to the Meeting. This certificate may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, Western Australia, 6021 or PO Box 332, Greenwood, Western Australia, 6924 or sent by facsimile to the registered office on (+618) 9345 4541 or send by email to proxies@ricgroup.com.au

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