



BLACKHAM
Resources Limited

BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.30 pm (WST)
DATE: 24 November 2017
PLACE: The Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Annual General Meeting and Explanatory Memorandum 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.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6418.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders convened by this Notice of Meeting will be held at 2.30pm (WST) on 24 November 2017 at:

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your Shareholding and your vote is important.

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 22 November 2017 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed (and the power of attorney or other authority (if any) under which it is signed (or a certified copy)) and either:

- (a) deliver the Proxy Form to the Company's registered office at Level 2, 38 Richardson Street, West Perth, Western Australia 6005;
- (b) send the Proxy Form by post to Blackham Resources Limited, PO Box 1412, West Perth, Western Australia 6872; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9322 6398; or
- (d) email the Proxy Form to mrobbins@blackhamresources.com.au

so that it is received not later than 2.30pm (WST) on 22 November 2017.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Blackham Resources Limited will be held at **The Celtic Club, 48 Ord Street, West Perth, Western Australia at 2.30pm WST on Friday 24 November 2017.**

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum (including the Annexures) are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2017 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report thereon.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report.”

Note: the vote on this Resolution is advisory only and does not bind the Board or the Company.

Voting Prohibition Statement:

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

- (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, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GREGORY MILES

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

“That Mr Gregory Miles, a Non-Executive Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director.”

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 3,982,232 Shares to The Australian Special Opportunity Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by The Australian Special Opportunity Fund, LP and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

RESOLUTION 5 – RATIFICATION OF ISSUE OF INVESTOR OPTIONS TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 2,000,000 Investor Options to The Australian Special Opportunity Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by The Australian Special Opportunity Fund, LP and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 6,703,911 Shares to The Australian Special Opportunity Fund, LP on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by The Australian Special Opportunity Fund, LP and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO A DIRECTOR (MR BRYAN DIXON) UNDER THE BLACKHAM EMPLOYEE OPTION PLAN

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

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, the Company is authorised to issue up to a maximum of 4,808,371 Options to Mr Bryan Dixon, who is a Director, and/or his nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any Director and/or their nominee(s) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

Voting Prohibition Statement:

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

- (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, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO A DIRECTOR (MR MILAN JERKOVIC) UNDER THE BLACKHAM EMPLOYEE OPTION PLAN

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

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, the Company is authorised to issue up to 188,442 Options to Mr Milan Jerkovic, who is a Director, and/or his nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any Director and/or their nominee(s) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

Voting Prohibition Statement:

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

- (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, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO A DIRECTOR (MR GREGORY MILES) UNDER THE BLACKHAM EMPLOYEE OPTION PLAN

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

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, the Company is authorised to issue up to 106,784 Options to Mr Gregory Miles, who is a Director, and/or his nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any Director and/or their nominee(s) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

Voting Prohibition Statement:

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

- (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, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

OTHER BUSINESS

To deal with any business that may be lawfully brought forward.

PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be posted or lodged at the registered office of the Company, at Level 2, 38 Richardson Street, West Perth WA 6005, or PO Box 1412 West Perth WA 6872, or by facsimile to (61 8) 9322 6398, or by email to mrobbins@blackhamresources.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company before the commencement of the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Undirected and Directed Proxies

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

The Company will not disregard any votes cast on a resolution by a person if the person is the Chairman voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy.

If you intend to appoint the Chairman as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "for", "against" or "abstain" from voting), or you cannot mark any of the boxes and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of all Resolutions).

If you intend to appoint another member of the KMP (such as one of the Directors) or one of their Closely Related Parties as your proxy, please ensure that you direct them how to vote on Resolutions 1, 7, 8 and 9. If you leave your proxy form undirected on Resolutions 1, 7, 8 and 9 the relevant KMP (other than the Chairman) and their Closely Related Parties will not be able to vote your shares on those resolutions. If the Chairman is your proxy and you do not direct the Chairman how to vote in respect of Resolutions 1, 7, 8 and 9 on the proxy form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of Resolutions 1, 7, 8 and 9. This express authorisation acknowledges that the Chairman may vote your proxy even though Resolutions 1, 7, 8 and 9 are connected directly or indirectly with the remuneration of a KMP and even though the Chairman may have an interest in the outcome of those resolutions and is prohibited from voting on those resolutions (other than as authorised proxy holder) because of that interest.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman, who is required to vote proxies as directed.

If you appoint any other person as your proxy

You do not need to direct your proxy how to vote.

DATED: 23 OCTOBER 2017

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Blackham Resources Limited in connection with the business specified to be conducted in the Notice of Annual General Meeting at the annual general meeting of Shareholders to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 at **2.30pm WST on Friday 24 November 2017**.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the Annual General Meeting.

A Glossary of terms frequently used in this Notice of Meeting and Explanatory Memorandum can be found at the end of this Explanatory Memorandum.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2017 Financial Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of the 2017 Financial Report to Shareholders unless specifically requested to do so. The 2017 Financial Report is available on its website at www.blackhamresources.com.au.

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 Board or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011 (known as the two strikes rule), if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report at the two consecutive annual general meetings, the company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the company's AGM where the second consecutive strike is received. All of the directors, other than the Managing Director, who were in office when the board approved the last directors' report, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

The Audited Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Audited Remuneration Report is part of the Directors' Report contained in the 2017 Financial Report.

At the Company's 2016 annual general meeting, less than 25% of votes were cast against the Remuneration Report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR (MR GREGORY MILES)

3.1 Background

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election. The Company currently has three (3) Directors and accordingly one (1) must retire by rotation.

Mr Gregory Miles, a Non-Executive Director, retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. The profile of Mr Gregory Miles is set out in the 2017 Financial Report.

Directors' Recommendation

The Directors (other than Mr Gregory Miles) recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 Purpose of resolution

The purpose of this special resolution is to authorise the Directors to seek Shareholder approval to allow it to issue a further 10% of the Company's issued share capital under Listing Rule 7.1A during the 10% Placement Period in addition to and without using the Company's 15% placement capacity under Listing Rule 7.1.

The additional 10% placement capacity under Listing Rule 7.1A is in addition to the existing 15% annual placement capacity available under Listing Rule 7.1.

4.2 General information

Listing Rule 7.1A came into effect on 1 August 2012 and enables "eligible entities" to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting if the Equity Securities are in an existing quoted class of the Company's securities ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement annual capacity under Listing Rule 7.1.

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

The Company is an eligible entity and has a current market capitalisation of \$73.5 million.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility during the period up to 12 months after the Meeting. As Resolution 3 is a special resolution 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

If Shareholders approve Resolution 3 the exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 4.3 (c) below).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities under the 10% Placement Facility.

4.3 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting, which is in addition to its 15% annual placement capacity.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely Shares.

(c) Formula for calculating Additional 10% Placement Facility

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

(a x d) – e

a is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% annual placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

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

d is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 350,013,834 Shares and therefore has a capacity to issue:

- (i) 15% or 52,502,075 Equity Securities under Listing Rule 7.1; and
- (ii) 10% or 35,001,383 Equity Securities under Listing Rule 7.1A (subject to Shareholder approval being sought under this Resolution 3).

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 4.3(c) above).

(e) Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

Minimum Price

The minimum price at which Equity Securities may be issued under the 10% Share Issue Capacity is 75% of the VWAP of securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if they are not issued within 5 Trading Days of the date above, the date on which the Equity Securities are issued.

Date of Issue

The Equity Securities may be issued under the 10% Placement Facility commencing on the date of the Meeting and expires on the earlier to occur of:

- the date that is 12 months after the date of this Meeting; or
- the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Risk of economic and voting dilution

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below.

Shareholders should note that there is a risk that:

- the market price for the Equity Securities to be issued may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- 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.

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice, assuming the full 10% dilution.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.105 50% decrease in Issue Price	\$0.21 Issue Price	\$0.315 50% increase in Issue Price
Current Variable A 350,013,834 Shares	Shares issued	35,001,383 Shares	35,001,383 Shares	35,001,383 Shares
	Funds raised	\$3,675,145	\$7,350,291	\$11,025,436
50% increase* in current Variable A 525,020,751 Shares	Shares issued	52,502,075 Shares	52,502,075 Shares	52,502,075 Shares
	Funds raised	\$5,512,718	\$11,025,436	\$16,538,154
100% increase* in current Variable A 700,027,668 Shares	Shares issued	70,002,767 Shares	70,002,767 Shares	70,002,767 Shares
	Funds raised	\$7,350,291	\$14,700,581	\$22,050,872

*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 under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- The current Shares on issue are the Shares on issue at 19 October 2017.
- The issue price set out above is the closing price of the Shares on the ASX on 19 October 2017.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility hence the voting dilution is shown in each example as 10%.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- No unlisted options of the Company are exercised into Shares before the date of issue of the Equity Securities.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

Purpose of issue under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- as cash consideration, in which case the Company intends to use the funds raised towards continued exploration, development and expansion of the Company's Matilda/Wiluna Gold Project and its other projects, the evaluation and acquisition of new opportunities and general working capital; or
- as non-cash consideration towards continued exploration, development and expansion of the Company's Matilda/Wiluna Gold Project, the acquisition of new resource assets and other investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

Allocation under the 10% Placement Facility

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the persons to whom Equity Securities will be issued will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the purpose of the issue;
- the alternative methods of raising funds that are available to the Company, including but not limited to, an entitlement issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including but not limited to the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

The persons to whom Equity Securities will be issued under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders, who are not related parties of the Company or their associates.

Previous Approval under ASX Listing Rule 7.1A

The Company last obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 25 November 2016.

Voting exclusion statement

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not invited any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4.4 Listing Rule 7.3A.6 Details of Equity Securities issued during last 12 months

Date of Issue	21 Oct 2016	21 Oct 2016	21 Oct 2016	29 Nov 2016	29 Nov 2016	2 Dec 2016
Number issued	2,500,000	250,000	300,000	816,666	120,000	1,000,000
Class/Type	Shares	Shares	Options	Shares	Shares	Options
Summary of Terms	Issued on conversion of Performance Rights on reaching 3rd vesting hurdle	Issued on conversion of Performance Rights on reaching 1st vesting hurdle	Exercise price of \$0.51 on or before 30/4/18	Conversion of \$0.30 options	Conversion of \$0.256 options	Exercise price of \$1.00 on or before 1/6/19
Name of Persons Issued Securities	Warrior Strategic P/L and WMG Enterprise P/L	Jerkovic	Bartle & McCallion	Belloc P/L	Fogarty	Tectonic Partners
Deemed Value/Issue Price	NA	NA	NA	\$0.30	\$0.256	NA
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	NA	\$245,000	\$30,720	NA
Cash Spent	NA	NA	NA	\$245,000	\$30,720	NA
Use of Cash	NA	NA	NA	Additional working capital	Additional working capital	NA
Cash Unspent	NA	NA	NA	\$Nil	\$Nil	NA
NON-CASH ISSUES						
Non-cash consideration	Nil	Nil	Employee options	NA	NA	Consultant options
Current value of non-cash consideration	\$525,000	\$52,500	\$11,956 using Black Scholes with 19/10/17 Share price	NA	NA	\$7,002 using Black Scholes with 19/10/17 Share price

Date of Issue	2 Feb 2017	15 Feb 2017	15 Feb 2017	1 Jun 2017	1 Jun 2017	1 Jun 2017
Number Issued	1,000,000	51,470,588	183,334	450,000	175,000	175,000
Class/Type	Shares	Shares	Shares	Shares	Options	Options
Summary of Terms	Conversion of \$0.20 options	NA	Conversion of \$0.30 options	Conversion of \$0.298 options	Exercise price of \$0.382 on or before 31/5/20 (with vesting condition)	Exercise price of \$0.382 on or before 31/5/20 (with vesting condition)
Name of Persons Issued Securities	TR Nominees P/L	Sophisticated Investors	Belloc P/L	Marwick	Nesveda	Nesveda
Deemed Value/Issue Price	\$0.20	\$0.68	\$0.30	\$0.298	NA	NA
Discount to market	NA	9% (based on 10 day VWAP)	NA	NA	NA	NA
CASH ISSUES						
Cash Received	\$200,000	\$35,000,000	\$55,000	\$134,100	NA	NA
Cash Spent	\$200,000	\$29,000,000	\$55,000	\$134,100	NA	NA
Use of Cash	Additional working capital	Expediate conversion of resources to reserves, accelerate stage 2 expansion and additional working capital	Additional working capital	Additional working capital	NA	NA
Cash Unspent	\$Nil	\$6,000,000	\$Nil	\$Nil	NA	NA
NON-CASH ISSUES						
Non-cash consideration	NA	NA	NA	NA	Employee options	Employee options
Current value of non-cash consideration	NA	NA	NA	NA	\$16,339 using Black Scholes with 19/10/17 Share price	\$16,339 using Black Scholes with 19/10/17 Share price

Date of Issue	24 Jul 2017	1 Sep 17	1 Sep 17	1 Sep 17	4 Oct 17
Number Issued	400,000	3,250,000	732,232	2,000,000	6,703,911
Class/Type	Shares	Shares	Shares	Options	Shares
Summary of Terms	Issued on conversion of Performance Rights on reaching 1 st and 2 nd vesting hurdles	Collateral shares under a Share Purchase Agreement	Shares issued in lieu of payment of commitment fee	Exercise price of \$0.308 on or before 29/2/20	Issued under a Share Purchase Agreement
Name of Persons Issued Securities	Kendall	Australian Special Opportunity Fund	Australian Special Opportunity Fund	Australian Special Opportunity Fund	Australian Special Opportunity Fund
Deemed Value/Issue Price	NA	Nil	\$200,000	NA	\$1,200,000
Discount to market	NA	NA	NA	NA	As per agreement
CASH ISSUES					
Cash Received	NA	NA	NA	NA	\$1,200,000
Cash Spent	NA	NA	NA	NA	Nil
Use of Cash	NA	NA	NA	NA	Accelerating expansion DFS and additional working capital
Cash Unspent	NA	NA	NA	NA	\$1,200,000
NON-CASH ISSUES					
Non-cash consideration	Nil	As per agreement	As per agreement	As per agreement	NA
Current value of non-cash consideration	\$84,000	\$682,500	\$153,769	\$185,986 using Black Scholes with 19/10/17 Share price	NA

Pursuant to and in accordance with Listing Rule 7.3A.6 (a), the total number of Equity Securities issued since the date of the last AGM held on 25 November 2016 are as follows:

Class/Type	On Issue 25 November 2016	Number Issued Since 25 November 2016	% Issued Since 25 November 2016
Ordinary Shares	284,887,103	65,126,731	22.9%
Options and Performance Options	32,911,667	3,350,000	10.2%
Performance Rights	4,150,000	-	0.0%
Totals	321,948,770	68,476,731	21.3%

Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required and which will be in addition to, and without using, the Company's 15% annual placement capacity. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly the Directors recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

5.1 Background

Resolution 4 seeks Shareholder ratification for the issue of 3,982,232 Shares (being 3,250,000 Collateral Shares and 732,232 Commencement Fee Shares) to The Australian Special Opportunity Fund, LP pursuant to the Share Purchase Agreement, in accordance with ASX Listing Rule 7.4. The key terms and the Company's reasons for entering into the Share Purchase Agreement are set out in the Company's announcement to the ASX dated 31 August 2017.

5.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which include shares) that exceed 15% of the total number of ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4

provides that the approval of holders of the company's ordinary shares may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further shares up to 15% of the number of ordinary shares on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If Shareholders approve Resolution 4, the issue of 3,982,232 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

5.3 ASX Listing Rule disclosure requirements

The following information is provided in accordance with ASX Listing Rule 7.5:

(a) *Number of securities issued*

3,982,232 Shares being:
3,250,000 Collateral Shares
732,232 Commencement Fee Shares

(b) *Price at which the securities were issued*

Collateral Shares – Nil
Commencement Fee Shares – Issued in lieu of a fee of \$200,000.

(c) *Terms of the securities*

The Shares are fully paid ordinary shares ranking equally in all respects with all other Shares on issue and are listed on the ASX.

(d) *The name of the persons to whom Blackham issued the securities or the basis on which those persons were determined*

The Australian Special Opportunity Fund, LP who is not a related party of the Company.

(e) *Use (or intended use) of the funds raised*

The Collateral Shares were issued as part of the terms of the Share Purchase Agreement. No funds were raised from the issue of the Collateral Shares.

The Commencement Fee Shares were issued as consideration for the establishment of the facility under the Share Purchase Agreement in lieu of the payment of the Commencement Fee. Accordingly no funds were raised from the issue of the Commencement Fee Shares.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

6. RESOLUTION 5 – RATIFICATION OF ISSUE OF INVESTOR OPTIONS TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

6.1 Background

Resolution 5 seeks Shareholder ratification for the issue of 2,000,000 Investor Options to The Australian Special Opportunity Fund, LP pursuant to the Share Purchase Agreement, in accordance with ASX Listing Rule 7.4. The key terms and the Company's reasons for entering into the Share Purchase Agreement are set out in the Company's announcement to the ASX dated 31 August 2017. A summary of the terms and conditions of the Investor Options is contained in Annexure "A".

6.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which include shares) that exceed 15% of the total number of ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary shares may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further shares up to 15% of the number of ordinary shares on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If Shareholders approve Resolution 5, the issue of 2,000,000 Investor Options will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

6.3 ASX Listing Rule disclosure requirements

The following information is provided in accordance with ASX Listing Rule 7.5:

- (a) *Number of securities issued*
2,000,000 Investor Options.
- (b) *Price at which the securities were issued*
The Investor Options were issued for nil consideration.
- (c) *Terms of the securities*
The Investor Options are exercisable at \$0.308 each and have an expiry date of 29 February 2020. Full details of the terms of the Investor Options are set out in Annexure "A".
- (d) *The name of the persons to whom Blackham issued the securities or the basis on which those persons were determined*
The Australian Special Opportunity Fund, LP.
- (e) *Use (or intended use) of the funds raised*
The Investor Options were issued for nil consideration under the Share Purchase Agreement and accordingly no funds were raised from the issue of the Investor Options.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 5 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

7. RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES TO THE AUSTRALIAN SPECIAL OPPORTUNITY FUND, LP

7.1 Background

Resolution 6 seeks Shareholder ratification for the issue of 6,703,911 Shares to The Australian Special Opportunity Fund, LP (or their nominee) pursuant to the Share Purchase Agreement, in accordance with ASX Listing Rule 7.4. The key terms and the Company's reasons for entering into the Share Purchase Agreement are set out in the Company's announcement to the ASX dated 31 August 2017.

7.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 25 November 2016. The shareholder approval is valid for 12 months from the date of the AGM (that is, until 24 November 2017).

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rules 7.1 and 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rules 7.1 or 7.1A.

If Shareholders approve Resolution 6, the issue of 6,703,911 Shares will be excluded from the calculations of the 10% limit under ASX Listing Rule 7.1A.

7.3 ASX Listing Rule disclosure requirements

The following information is provided in accordance with ASX Listing Rule 7.5:

(a) *Number of securities issued*

6,703,911 Shares

(b) *Price at which the securities were issued*

\$0.179 per Share

(c) *Terms of the securities*

The Shares are fully paid ordinary shares ranking equally in all respects with all other Shares on issue and are listed on the ASX.

(d) *The name of the persons to whom Blackham issued the securities or the basis on which those persons were determined*

The Australian Special Opportunity Fund, LP who is not a related party of the Company.

(e) *Use (or intended use) of the funds raised*

To be used for continued exploration, development and expansion of the Company's Matilda/Wiluna Gold Project and additional working capital

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 6 as it allows the Company greater flexibility to issue further Securities representing up to 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval.

8. RESOLUTION 7 - APPROVAL OF ISSUE OF OPTIONS TO A DIRECTOR (MR BRYAN DIXON) UNDER THE BLACKHAM EMPLOYEE OPTION PLAN

8.1 General

Resolutions 7 relates to the proposed participation of the Managing Director, Mr Bryan Dixon, in the Blackham EOP during the 2017/18 financial year. ASX Listing Rule 10.11 provides that, subject to certain exceptions, a company must not issue or grant securities to a director without shareholder approval. The grant of securities to a director pursuant to an employee incentive scheme that has been approved by shareholders in accordance with ASX Listing Rule 10.14 is an exception to ASX Listing Rule 10.11. The revised Blackham EOP was approved by Shareholders on 21 July 2017. Accordingly, Shareholder approval is being sought for the grant to issue to Mr Dixon (or his nominee) up to a maximum of 4,808,371 Options, comprising 3,118,846 ZEPO's and 1,689,525 PEPO's under the Blackham EOP. The issue of ZEPO's and PEPO's to Mr Dixon is conditional upon the receipt of Shareholder approval. The key terms and conditions of the ZEPO's and PEPO's are set out in Annexure "C" and Annexure "D" to this Notice of Meeting respectively.

An overview of the proposed grant is set out below. Further details of Mr Dixon's remuneration is set out in the Remuneration Report of the 2017 Financial Report.

Independent Review

In April 2017, Blackham engaged an independent expert to design a transparent and comprehensible remuneration approach that would attract, retain and motivate the right calibre of person for the business. A revised Remuneration Policy was proposed which was to be simple and transparent, to promote the interests of the Company over the medium and long term, to encourage a 'pay for performance' culture and be reflective of good corporate governance.

Outcome of the Independent Review

At the absolute discretion of the Board, the Executive and Key Management Personnel are eligible to participate in the incentive arrangements of the Company. The incentive plan focuses the efforts of the executive and management team on business performance, business sustainability, business growth and long term value creation. It provides for clear 'line of sight' objectives to maximise the effectiveness of the participants' total incentive awards; and facilitates the meaningful accumulation of Shares by participants to enforce an ownership mentality which in addition to having a retentive benefit, also further

aligns management interests with those of the Shareholders. The revised Remuneration Policy, containing the incentive plan, has been tailored to increase goal congruence between Shareholders and executives. Two methods have been applied to achieve this aim, being the Operations and Growth Incentive Plan (short and medium term) and the Value Creation Plan (long term).

Remuneration Framework Overview

Category	Definition of pay category	Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total fixed remuneration	Pay for meeting role requirements
Incentive pay	Pay for delivering the plan and growth agenda for the Group which must create value for shareholders. Incentive pay will be linked to achievement of 'line-of-sight' performance goals <i>It reflects 'pay for performance'</i>	Short term incentive (STI)	Incentive for the achievement of annual objectives
		Medium term incentive (MTI) (Deferred STIP portion)	Incentive for the achievement of sustained business value
Reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. <i>It reflects 'pay for results'</i>	Long term incentive (LTI)	Reward for executive performance over the long term

The incentive opportunities under the revised Remuneration Policy have a maximum amount of Total Incentive Opportunity ('TIO'), as show below:

Maximum Total Incentive Opportunity as a Percentage of Total Fixed Remuneration Package

Plan:	BLK Ops & Growth IS		BLK Value Creation IS		*TIO
	1 year (STI)	2 year (MTI)	3 year (LTI)	4 year (LTI)	
Award:	Cash	ZEPO	PEPO	ZEPO	
Managing Director	30%	90%	30.0%	30.0%	180%
COO	30%	70%	32.5%	32.5%	165%
Executives	30%	65%	22.5%	22.5%	140%

Performance Hurdles

Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following performance hurdles:

Short Term Incentive ('STI') performance metrics (paid in the form of a cash bonus):

- Company operating cash flow
- Cost per tonne milled (gross basis)
- Production target gold ounces
- Safety measures
- Successful completion of key short term business plan objectives
- An amount determined by the Supervisor's discretion

Medium Term Incentive ('MTI') performance metrics (paid in the form of ZEPO's):

- Same test as for STI's but require a 2 year service period to vest

Long Term Incentive ('LTI') performance metrics (50% in Tranche A at 3 years of service paid in PEPO's, then 50% in Tranche B at 4 years of service paid in ZEPO's, with each tranche's performance hurdles tested at each maturity date):

- Total share price increase
- Reserves increased
- Resources maintained

Non-Executive Directors

Non-Executive Directors are also entitled to be granted ZEPO's under the Remuneration Policy. Any issue of ZEPO's to Non-Executive Directors are not linked to any performance metrics and vest and become exercisable 12 months after grant date. Upon exercise to the relevant Non-Executive Director, the Shares will be subject to disposal restrictions under the earlier of:

- the Non-Executive Director ceasing to be a Director of Blackham; and
- 3 years from the date of grant of the share rights i.e. 2 years after vest and exercise.

Any issue of Options (including ZEPO's and PEPO's) to Executive and Non-Executive Directors will always require the approval of the Shareholders.

The revised Blackham EOP was formulated and subsequently approved by Shareholders at Blackham's general meeting held on 21 July 2017.

8.2 Details of ZEPO's and PEPO's to be awarded to Mr Dixon under Blackham EOP

The Board has proposed to invite Mr Dixon to apply for a grant of up to 3,118,846 ZEPO's and 1,689,525 PEPO's in the Company. Each ZEPO and PEPO entitles the holder to acquire one Share. Accordingly, the maximum number of Shares that may be acquired by Mr Dixon is 4,808,371 (pursuant to the vesting and exercise of 3,118,846 ZEPO's and 1,689,525 PEPO's), subject to any adjustment made in accordance with the Blackham EOP. The key terms and conditions of the ZEPO's and PEPO's are set out in Annexure "C" and Annexure "D" to this Notice of Meeting respectively.

The Board aims to deliver a target value at grant taking into account what the grant may be worth at vesting, on average, over time. This target value is translated into a grant of ZEPO's and PEPO's using a fair value calculation (Black Scholes option pricing formula within a Monte Carlo simulation model) performed by an independent expert that allows for expected share price and dividend performance, and performance against the performance hurdles over the relevant period. The methodology is widely used and accepted for the purposes of accounting disclosures. The inputs used for these valuations, the fair value per option and a sensitivity analysis are disclosed in Annexure "B".

The actual value at vesting will depend on performance against the relevant performance hurdles and the price of the Shares. The maximum number of ZEPO's and PEPO's will only be delivered to Mr Dixon if the highest performance levels for each of the performance hurdles are achieved. The actual value on vesting may be zero if the performance hurdles are not met.

The value of the award and the number of ZEPO's and PEPO's proposed to be awarded to Mr Dixon pursuant to Resolution 7 were calculated as follows:

- 1) Target value at grant (based on what the grant is targeted to be worth at vesting, on average, over time): \$730,500
- 2) Proportion of target value attributable to: ZEPO's = 80% or \$584,400 and PEPO's = 20% or \$146,100
- 3) Method for calculating number of units to be awarded: Values above divided by the fair value of ZEPO's and PEPO's
- 4) Maximum number of ZEPO's and PEPO's awarded: ZEPO's = 3,118,846 and PEPO's = 1,689,525

Date of Grant

If Shareholder approval is obtained, the ZEPO's and PEPO's will be granted to Mr Dixon no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

Cessation of Employment

If Mr Dixon ceases employment with the Company before the ZEPO's and/or PEPO's vest, then all unvested ZEPO's and PEPO's will lapse. However, in some circumstances, including retirement, retrenchment or expiry (and non-renewal) of contract, the Board may exercise its discretion to determine

the treatment of unvested ZEPO's and PEPO's and, to the extent permitted by law, may elect to settle any ZEPO's and PEPO's by way of a cash payment (rather than ordinary shares) (subject always to the ASX Listing Rules and the Corporations Act).

8.3 ASX Listing Rule 10.15 Additional Information

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15, in respect of Resolution 7:

- (a) The maximum number of securities to be issued is 3,118,846 ZEPO's and 1,689,525 PEPO's and the maximum number of Shares to be issued if all the vesting conditions attaching to those ZEPO's and PEPO's are met, is 4,808,371.
- (b) Once the vesting conditions of the ZEPO's are met (or waived), the ZEPO's will be issued at no cost (as described above). Once the vesting conditions of the PEPO's are met (or waived), the PEPO's will vest at a cost of 143% of the Share price at grant date.
- (c) Mr Dixon is an eligible person as defined under the Blackham EOP and is entitled to participate in the Blackham EOP. There have been no Options issued under the Blackham EOP since it was approved by Shareholders on 21 July 2017.
- (d) A voting exclusion statement has been included in the Notice of Meeting for Resolution 7.
- (e) No loan for an acquisition of securities will be granted under the Blackham EOP.
- (f) The ZEPO's and PEPO's will be issued no later than twelve months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

The Board considers that Mr Dixon has been and continues to be, a key and central figure to the achievement of the ongoing strategic goals of the Company, given his skill base and his history with the Company and the Wiluna/Matilda Gold Project. In line with the independent review, the Blackham EOP provides Mr Dixon with a mechanism, to participate in the future development of the Company and to incentivise his continued involvement with, and commitment to, the Company. In the event that the ZEPO's and PEPO's are not approved by Shareholders, it will be necessary for the Board to agree an alternative remuneration structure equivalent to the current proposed awards put forward in this Resolution 7.

Directors' Recommendation

Mr Bryan Dixon declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Bryan Dixon) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 7.

9. RESOLUTIONS 8 AND 9 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS (MR MILAN JERKOVIC AND MR GREGORY MILES) UNDER THE BLACKHAM EMPLOYEE OPTION PLAN

9.1 General

Resolutions 8 and 9 relate to the proposed participation of the Non-Executive Directors, Mr Milan Jerkovic and Mr Gregory Miles, in the Blackham EOP during the 2017/18 financial year. ASX Listing Rule 10.11 provides that, subject to certain exceptions, a company must not issue or grant securities to a director without shareholder approval. The grant of securities to a director pursuant to an employee incentive scheme that has been approved by shareholders in accordance with ASX Listing Rule 10.14 is an exception to ASX Listing Rule 10.11. The revised Blackham EOP was approved by Shareholders on 21 July 2017. Accordingly, Shareholder approval is being sought for the grant to issue:

- Mr Milan Jerkovic (or his nominee) 188,442 ZEPO's in his role as Non-Executive Chairman; and
- Mr Gregory Miles (or his nominee) 106,784 ZEPO's in his role as Non-Executive Director.

The issue of ZEPO's to Mr Jerkovic and Mr Miles is conditional upon the receipt of Shareholder approval.

The key terms and conditions of the ZEPO's are set out in Annexure "C" to this Notice of Meeting respectively.

Independent Review

As stated in section 7.1 above, in April 2017, Blackham engaged an independent expert to design a transparent and comprehensible remuneration approach that would attract, retain and motivate the right calibre of person for the business.

A key recommendation of the independent expert's report was that remuneration packages for Blackham's Non-Executive Directors should encompass an annual cash component and an equity based

component. Whilst there is no minimum shareholding policy, it is the Board's intention that each Non-Executive Director will hold an equivalent of one year's Directors fees in equity over a four year period ie. 25% per year.

It was also recommended that the annual cash component of Non-Executive Directors remuneration packages be fully inclusive of any fees associated with the membership of sub-committees of the Company.

The annual remuneration packages applying from 1 July 2017, including any superannuation, to each Non-Executive Director, is as follows:

Director	Position	Cash Component	Equity Component	Total
Milan Jerkovic	Non-Executive Chairman	\$112,500	\$37,500	\$150,000
Gregory Miles	Non-Executive Director	\$55,000	\$21,250	\$85,000

The Board has concluded that the totality of Mr Jerkovic and Mr Miles' remuneration packages, including the equity component of the ZEPO's now to be considered for approval by Shareholders pursuant to Resolutions 8 and 9, is fair and reasonable in the circumstances of the Company given its size of operations, market practice of other companies in the mineral industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves.

The Company considers that Mr Jerkovic and Mr Miles are very important contributors to the achievement of the ongoing strategic goals of the Company, given their relative backgrounds and skills. As part of the retention strategy, the Company wishes to put in place equity incentives for Mr Jerkovic and Mr Miles to continue to remain with the Company in their roles as Non-Executive Chairman and Non-Executive Director, respectively, and proposes the grant of ZEPO's described in Resolutions 8 and 9. The ZEPO's will vest and exercise into Shares on the first anniversary of the date of grant, if Mr Jerkovic and Mr Miles continue in their roles to that date. The Shares will be subject to disposal restrictions under the earlier of:

- The ceasing of Mr Jerkovic or Mr Miles as a Director; and
- Three (3) years from the date of grant ie. Two (2) years after vest and exercise

There are no performance related conditions attaching to the ZEPO's proposed to be issued to Mr Jerkovic and Mr Miles. This is in-line with best practice governance standards, including the ASX Corporate Governance Council's Principles, which recommend that Non-Executive Directors generally should not receive equity with performance hurdles as it may lead to bias in their decision making and compromise their objectivity.

The key terms and conditions that will apply to the ZEPO's proposed to be granted to Mr Jerkovic and Mr Miles pursuant to Resolutions 8 and 9, are set out in Annexure "C" of this Notice of Meeting.

9.2 ASX Listing Rule 7.1

If Shareholders approve Resolutions 8 and 9 pursuant to ASX Listing Rule 10.14, then approval is not required under ASX Listing Rule 7.1. Accordingly, if Resolutions 8 and 9 are approved and the total of 295,226 ZEPO's are issued, the corresponding Shares, issued upon their exercise, will not be included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

9.3 ASX Listing Rule 10.15 Additional Information

The following information is provided to shareholders for the purposes of ASX Listing Rule 10.15, in respect of Resolutions 8 and 9:

The maximum number of securities to be issued is 295,226 ZEPO's. The maximum number of Shares to be issued upon the exercise of the ZEPO's will also be 295,226.

- 1) The ZEPO's will be issued at no cost and will vest upon the first anniversary of the date of grant of the ZEPO's. The ZEPO's have a zero exercise price.
- 2) Mr Jerkovic and Mr Miles are eligible persons, as defined under the Blackham EOP and are entitled to participate in the Blackham EOP. There have been no Options issued under the Blackham EOP since it was approved by Shareholders on 21 July 2017.
- 3) A voting exclusion statement has been included in the Notice of Meeting for each of the Resolutions 8 and 9.
- 4) No loan for an acquisition of securities will be granted under the Blackham EOP.

- 5) The ZEPO's will be issued no later than twelve months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

Directors' Recommendation

Mr Milan Jerkovic declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Milan Jerkovic) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 8.

Mr Gregory Miles declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Gregory Miles) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 9.

GLOSSARY

In the Notice of Meeting (including the Annexures thereto) and the Proxy Form, the following terms have the following meanings unless they are otherwise defined or the context otherwise requires:

\$ means Australian dollars.

2017 Financial Report means the Company's financial report for the financial year ended 30 June 2017, which can be downloaded from the Company's website at www.blackhamresources.com.au.

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

Annexure means an annexure to this Explanatory Memorandum.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Blackham EOP means the Company Employee Option Plan approved by Shareholders on 21 July 2017.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair or **Chairman** means the chairman of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

Commencement Fee means the establishment fee under the Share Purchase Agreement.

Company or **Blackham** means Blackham Resources Limited ACN 119 887 606.

Collateral Shares means the Shares to be issued under the Share Purchase Agreement.

Commencement Fee Shares means the Shares to be issued in lieu of the Commencement Fee.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) and the regulations promulgated under it, each as amended from time to time.

Director means a director of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice.

Investor Options means Options issued under the Share Purchase Agreement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

PEPO means a Premium Exercise Price Option to subscribe for one Share, issued under the Blackham EOP on the terms and conditions set out in Annexure "D".

Proxy Form means the proxy form accompanying and forming part of the Notice.

Remuneration Policy means the remuneration policy approved by the Board in line with the April 2017 independent review undertaken by an independent expert.

Remuneration Report means the remuneration report set out in the Directors' Report section of the 2017 Financial Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Share Purchase Agreement means the agreement entered into by the Company and The Australian Special Opportunity Fund, LP as announced to the ASX on 31 August 2017.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
 - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
 - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

WST means Western Standard Time as observed in Perth, Western Australia.

ZEPO means a Zero Exercise Price Option to subscribe for one Share, issued under the Blackham EOP on the terms and conditions set out in Annexure "C".

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

ANNEXURE A
Blackham Resources Ltd
Investor Options
Terms and Conditions

The Investor Options entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

- a) Each Investor Option entitles the holder to subscribe for one Share in the capital of the Company at the exercise price of \$0.308.
- b) Subject to paragraph (c) below, the Investor Options are exercisable at any time up to 5.00pm Perth time on or before 29 February 2020 by completing an Investor Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Investor Options are exercised to the registered office of the Company. Any Investor Options not exercised by that time will lapse.
- c) An Investment Option holder may exercise only some of that person's Investor Options, which does not affect that holder's right to exercise the remainder of their Investor Options by the deadline in paragraph (b) above. Investor Options must be exercised in multiples of 100 at a time, unless the Investment Option holder exercises all Investor Options able to be exercised at that time.
- d) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Investor Options are freely transferable.
- e) All Shares issued upon exercise of the Investor Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the Investor Options.
- f) Investor Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Investor Options without exercising the Investor Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This will give Investor Option holders the opportunity to exercise their Investor Options prior to the date for determining entitlements to participate in any such issue.
- g) Subject to paragraph (h), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Investor Option or any other terms of those Investor Options.
- h) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Investor Option expiry, the rights of Investor Option holders, including the number of Investor Options or the exercise price of the Investor Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- i) Investor Option holders will be sent all communications sent to Shareholders of the Company, but Investor Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to Investor Option holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Investor Option holders.
- j) Notwithstanding the terms and conditions in this document, the Investor Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

ANNEXURE B
Blackham Resources Ltd
Valuation and Sensitivity Analysis for ZEPO's and PEPO's (per independent expert)

Valuation

Item	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Underlying security price	\$0.199	\$0.199	\$0.199	\$0.199	\$0.199	\$0.199
Exercise price	Nil	Nil	\$0.285	\$0.285	Nil	Nil
Valuation date	5-Oct-17	5-Oct-17	5-Oct-17	5-Oct-17	5-Oct-17	5-Oct-17
Barrier price	Nil	Nil	\$0.400	Nil	\$0.400	Nil
Expiry date	30-Jun-19	30-Jun-19	30-Jun-20	30-Jun-20	30-Jun-21	30-Jun-21
Life of the Options (years)	1.73	1.73	2.74	2.74	3.74	3.74
Volatility	85%	85%	85%	85%	85%	85%
Risk free rate	2.06%	2.06%	2.06%	2.06%	2.06%	2.06%
Valuation per Option	\$0.199	\$0.199	\$0.085	\$0.088	\$0.133	\$0.199

Sensitivity Analysis

20% increase in underlying security price to <u>\$0.239</u>	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Valuation per Option	\$0.239	\$0.239	\$0.105	\$0.117	\$0.170	\$0.239

10% increase in underlying security price to <u>\$0.219</u>	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Valuation per Option	\$0.219	\$0.219	\$0.096	\$0.102	\$0.151	\$0.219

10% decrease in underlying security price to <u>\$0.179</u>	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Valuation per Option	\$0.179	\$0.179	\$0.075	\$0.075	\$0.116	\$0.179

20% decrease in underlying security price to <u>\$0.159</u>	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Valuation per Option	\$0.159	\$0.159	\$0.065	\$0.062	\$0.098	\$0.159

ANNEXURE C
Blackham Resources Ltd
Zero Exercise Price Options (ZEPO's)
Terms and Conditions

The ZEPO's entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

- a) Once vested, each ZEPO entitles the holder to subscribe for one Share, issued under the Blackham EOP, at nil cost.
- b) The exercise period for ZEPO's will commence when the ZEPO's have vested and any exercise conditions have been satisfied or waived by the Board or are deemed to have been satisfied under the terms and conditions of the Blackham EOP.
- c) The exercise period for ZEPO's will end on the expiry date, subject to the terms and conditions of the Blackham EOP and the terms of the Company's Security Trading Policy.
- d) A ZEPO is exercisable by the holder lodging a notice of exercise option and application for Shares in a form approved by the Company, together with any exercise price of each Share to be issued on exercise and the relevant ZEPO certificate, with the Company Secretary.
- e) A ZEPO holder may exercise only some of that person's ZEPOs, which does not affect that holder's right to exercise the remainder of their ZEPO's by the deadline in paragraph (b) above. ZEPOs must be exercised in multiples of 100 at a time, unless the ZEPO holder exercises all ZEPO's able to be exercised at that time.
- f) ZEPO's are not transferable.
- g) All Shares issued upon exercise of the ZEPO's will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the ZEPO's.
- h) If ZEPO's are exercised before the record date of an entitlement, the ZEPO holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the ZEPO holder of the proposed issue at least nine (9) business days before the record date. ZEPO holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
- i) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the ZEPO holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- j) ZEPO holders will be sent all communications sent to Shareholders of the Company, but ZEPO's do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to ZEPO holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to ZEPO holders.
- k) At all times, ZEPO's are subject to the full terms and conditions of the Blackham EOP including any vesting conditions.
- l) Notwithstanding the terms and conditions in this document, ZEPO's may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

ANNEXURE D
Blackham Resources Ltd
Premium Exercise Price Options (PEPO's)
Terms and Conditions

The PEPO's entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

- a) Once vested, each PEPO entitles the holder to subscribe for one Share, issued under the Blackham EOP, at a cost of 143% of the 5 day VWAP of the Company Shares on the day the PEPO is granted.
- b) The exercise period for PEPO's will commence when the PEPO's have vested and any exercise conditions have been satisfied or waived by the Board or are deemed to have been satisfied under the terms and conditions of the Blackham EOP.
- c) The exercise period for PEPO's will end on the expiry date, subject to the terms and conditions of the Blackham EOP and the terms of the Company's Security Trading Policy.
- d) A PEPO is exercisable by the holder lodging a notice of exercise of option and application for Shares in a form approved by the Company, together with any exercise price of each Share to be issued on exercise and the relevant PEPO certificate, with the Company Secretary.
- e) A PEPO holder may exercise only some of that person's PEPOs, which does not affect that holder's right to exercise the remainder of their PEPO's by the deadline in paragraph (b) above. PEPOs must be exercised in multiples of 100 at a time, unless the PEPO holder exercises all PEPOs able to be exercised at that time.
- f) PEPO's are not transferable. A PEPO may only be transferred with the approval of the Board.
- g) All Shares issued upon exercise of the PEPOs will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the PEPO's.
- h) If PEPO's are exercised before the record date of an entitlement, the PEPO holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the PEPO holder of the proposed issue at least nine (9) business days before the record date. PEPO holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
- i) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the PEPO holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
- j) PEPO holders will be sent all communications sent to Shareholders of the Company, but PEPO's do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to PEPO holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to PEPO holders.
- k) At all times, PEPO's are subject to the full terms and conditions of the Blackham EOP including any vesting conditions.
- l) Notwithstanding the terms and conditions in this document, PEPO's may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.