



BLACKHAM
Resources Limited

BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF GENERAL MEETING

TIME: 9:00am (WST)
DATE: 21 July 2017
PLACE: The Boardroom
Level 2, 38 Richardson Street
WEST PERTH WA 6005

This Notice of 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 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 a General Meeting of the Shareholders convened by this Notice of Meeting will be held at 9:00am (WST) on 21 July 2017 at:

The Boardroom, Level 2, 38 Richardson Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.3 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 9:00am (WST) on 19 July 2017 will be taken, for the purposes of this 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 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 9:00am (WST) on 19 July 2017.

Proxy Forms received later than this time will be invalid.

NOTICE AND BUSINESS OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at **The Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia at 9:00am (WST) on Friday 21 July 2017.**

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at this 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

RESOLUTION 1 – APPROVAL OF BLACKHAM RESOURCES LIMITED 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 purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given to adopt the Blackham Resources Ltd Employee Option Plan and to issue securities under that plan, and to issue Shares pursuant to those securities, from time to time upon the terms and conditions summarised in the Explanatory Memorandum as an exception to ASX Listing Rule 7.1.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee option plan in relation to the Company) or any associates of such a Director. However, the Company need not disregard a vote if it is cast by a person as 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 2 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BLACKHAM RESOURCES LIMITED 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 purpose of Sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the giving of benefits under the Blackham Resources Ltd Employee Option Plan by the Company to a person or their associates in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate of the Company, as detailed in, and on the terms and conditions summarised in, the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any Shareholders who are also managerial or executive officers of the Company and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as 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 3 – RATIFICATION OF THE ISSUE OF 41,792,315 PLACEMENT SHARES UNDER LISTING RULE 7.1

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 41,792,315 Placement Shares to the persons, 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 a person who participated in the issue 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.

RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 9,678,273 PLACEMENT SHARES UNDER LISTING RULE 7.1A

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,678,273 Placement Shares to the persons, 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 a person who participated in the issue 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.

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 Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy.

If you intend to appoint the Chair 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 Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of all Resolutions).

If you intend to appoint another member of the Key Management Personnel (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 and 2. If you leave your proxy form undirected on Resolutions 1 and 2, the relevant Key Management Personnel (other than the Chair) and their Closely Related Parties will not be able to vote your shares on those resolutions. If the Chair is your proxy and you do not direct the Chair how to vote in respect of Resolutions 1 and 2 on the proxy form, you will be deemed to have directed and expressly authorised the Chair to vote your proxy in favour of Resolutions 1 and 2. This express authorisation acknowledges that the Chair may vote your proxy even though Resolutions 1 and 2 are connected directly or indirectly with the remuneration of a Key Management Personnel and even though the Chair 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 Chair, 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: 21 JUNE 2017

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

INTRODUCTION

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 General Meeting at the general meeting of Shareholders to be held in the **Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia 6005 at 9:00am (WST) on Friday 21 July 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 contained in the Notice of Meeting.

The Resolutions are ordinary resolutions, which mean they are each required to be passed by a simple majority (more than 50%) of votes cast by the Shareholders entitled to vote on them.

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 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. RESOLUTION 1 – APPROVAL OF BLACKHAM RESOURCES LIMITED EMPLOYEE OPTION PLAN

Background

The Company originally established an Employee Incentive Scheme ('Scheme'), the terms of which were set out in the Company's prospectus dated 24 August 2006 ('Prospectus'). The Scheme was subsequently re-approved by Shareholders at the 2009, 2012 and 2015 AGM's. Resolution 1 is a resolution which seeks Shareholder approval for a new Blackham Employee Option Plan ('Blackham Plan').

Full terms and conditions of the Scheme were set out in the Prospectus and the full terms and conditions of the Blackham Plan are set out in Annexure A to this Notice of Meeting.

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain equity securities, including options. The effect is that shareholder approval is required before the company may issue equity securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period. Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, Shareholders are requested to approve the issue of options under the Blackham Plan ('Plan Options') as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 1 does not approve the issue of any Plan Options to any Director, employee or consultant of the Company. Plan Options cannot be granted to Directors or associates of the Company unless prior approval of Shareholders is obtained in accordance with the Listing Rules.

The main purpose of the Blackham Plan is to give an additional reward to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts. The Blackham Plan is a reward plan designed to increase the motivation of personnel and create a stronger link between increasing shareholder value and personnel reward.

If Plan Options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of Plan Options exercised. It will also increase the number of Shares that are on issue by the number of Plan Options exercised.

Shares issued pursuant to the exercise of Plan Options will rank pari passu in all respects with the Company's existing Shares.

Application will not be made for official quotation on the ASX of the Plan Options.

The Board believes that the Blackham Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the rewards of key personnel with the achievements of strategic goals and the performance of the Company;
- align the financial interest of participants in the Blackham Plan with those of shareholders of the Company; and
- provide reward to participants in the Blackham Plan to focus on superior performance that creates shareholder value.

1.1 ASX Listing Rule 7.2 (Exception 9(b)) Disclosure Requirements

In accordance with Listing Rule 7.2 (Exception 9(b)), the following information is disclosed to Shareholders for the purposes of Resolution 1:

- (a) The full terms and conditions of the Blackham Plan are set out in Annexure A to this Notice of Meeting.
- (b) A total of 2,775,000 Scheme Options have been granted under the Scheme since the Shareholder approval was last obtained at the 2015 Annual General Meeting.
- (c) A voting exclusion statement is included in the Notice.

The Scheme Options granted since last Shareholder approval obtained in 2015 and outstanding as at the date of this Notice are:

500,000	\$0.256 Options exercisable on or before 6 December 2017
500,000	\$0.465 Options exercisable on or before 8 February 2018
175,000	\$0.38 Options exercisable on or before 8 February 2019
175,000	\$0.463 Options exercisable on or before 8 February 2019
175,000	\$0.91 Options exercisable on or before 3 July 2019
300,000	\$0.51 Options exercisable on or before 30 April 2018
600,000	\$0.57 Performance Options (with vesting conditions) measurable up to 31 December 2019
175,000	\$0.382 Options (with vesting condition) exercisable on or before 31 May 2020
175,000	\$0.382 Options (with vesting condition) exercisable on or before 31 May 2020

No offers have been made under the Blackham Plan as at the date of this Notice or will have been made at the date of the Meeting.

1.2 Directors' Recommendation

As the Directors may have a personal interest in Resolution 1, the Directors make no recommendation as to how Shareholders should vote on this resolution.

The Chair intends to vote all available proxies in favour of Resolution 1.

2. RESOLUTION 2 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BLACKHAM RESOURCES LIMITED EMPLOYEE OPTION PLAN

2.1 General

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment or office with the Company or any of its related bodies corporate. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or its related bodies corporate if it is approved by shareholders or an exemption applies. This applies to all Directors and to all key management personnel of the Company (that is, to all persons whose remuneration is required to be disclosed in the Remuneration Report), including those who are not Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to hold a managerial or executive office.

Under the proposed Blackham Plan (the subject of Resolution 1), circumstances in which the early vesting of Plan Options are permitted at the Board's discretion, include termination of the employee's employment or office with the Company due to redundancy or in other circumstances where the Board exercises its discretion to do so as well as change of control events, notwithstanding that the Company will comply with its obligations under ASX Listing Rules 10.18 and 10.19. The termination "benefit" under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolution 1, the early vesting of Plan Options granted under the Blackham Plan upon the exercise of the Board's discretion.

Resolution 2 therefore seeks approval of any "termination benefit" that may be provided to a participant under the proposed Blackham Plan (the subject of Resolution 1), who from, time to time, holds a managerial or executive office (as defined in the Corporations Act) in the Company.

Specifically, Shareholder approval is being sought to give the Board (or the Board's delegate) the capacity to exercise certain discretions under the Blackham Plan, including the discretion to determine to vest some or all of the unvested Plan Options of any current or future participant in the Blackham Plan who holds a managerial or executive office in the Company at the time of their leaving or at any time in the three years prior to their leaving.

The Company is seeking Shareholder approval to assist the Company in meeting its existing obligations to Directors, employees and consultants of the group, and to provide the Company with the flexibility to continue to remunerate personnel fairly and responsibly.

If all relevant Shareholder approvals are obtained under Resolution 1 and this Resolution 2, and the Board exercises its discretion to vest some or all of an affected participant's unvested Plan Options (or to provide that the participant's Incentive Options do not lapse but will continue and be vested in the ordinary course), the value of these benefits will be disregarded when calculating the relevant participants statutory cap for the purposes of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

2.2 Section 200E of the Corporations Act

Section 200E requires certain information to be provided to shareholders in approving a termination benefit. Whilst the value of the proposed termination benefits cannot currently be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value are as follows:

(A) Details of the termination benefits

The proposed Blackham Plan, if approved by Shareholders under Resolution 1, contains provisions setting out the treatment of unvested options in situations such as where a participant under the Blackham Plan leaves the Company (in certain circumstances) or where there is a change in control of the Company. For example, under the rules of the Blackham Plan, where a participant resigns from his or her employment with the Company before his or her Plan Options have vested, the Board may exercise its discretion to determine that some or all of the Plan Options will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions). Similarly,

if a "change of control" occurs, the Board may determine that some or all of a participant's unvested Plan Options will vest.

The exercise of these discretions will constitute a "benefit" for the purposes of the Corporations Act's termination benefits provisions.

(B) Value of the termination benefits

The value of the termination benefits that the Board may give under the proposed Blackham Plan cannot be determined in advance. This is because the proposed Blackham Plan is subject to approval under Resolution 1 and if approved by Shareholders, various matters will, or are likely to affect that value. Specifically, if the Blackham Plan is approved by Shareholders under Resolution 1, the value of a particular benefit will depend on the Company's share price at the time of vesting and the number of Plan Options that the Board decided to vest. Some of the future factors that may affect the value of the termination benefits are as follows:

- (i) the participant's length of service and the proportion of any relevant performance periods that have expired at the time they leave employment;
- (ii) the participant's total fixed remuneration at the time grants are made under the Blackham Plan and at the time they leave employment;
- (iii) the number of unvested Plan Options that the participant holds at the time they leave employment;
- (iv) reasons for cessation of employment.

Despite an approval by Shareholders of Resolutions 1 and 2, any future grant of the Plan Options to a Director or his or her associates will remain subject to Shareholder approval under Listing Rule 10.14.

2.3 Directors' Recommendation

As the Directors may have a personal interest in Resolution 2, the Directors make no recommendation as to how Shareholders should vote on this resolution.

The Chair intends to vote all available proxies in favour of Resolution 2.

3. RESOLUTIONS 3 & 4 – RATIFICATION OF THE ISSUE OF A TOTAL OF 51,470,588 PLACEMENT SHARES

Background

The Company completed a placement of Shares via the issue of 51,470,588 Shares ('Placement Shares'), at an issue price of \$0.68 per Placement Share, to raise gross proceeds of \$35,000,000. The Placement Shares were issued under a placement with Canaccord Genuity and Petra Capital acting as joint lead managers and bookrunners as announced to the ASX on 10 February 2017. The Placement Shares were issued on 15 February 2017. The ratification of the issue of the Placement Shares is sought under Resolution 3 in accordance with the requirements of ASX Listing Rule 7.4.

3.1 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.

Accordingly, the Company is seeking shareholder ratification for the issue of the Placement Shares as follows:

- 41,792,315 Placement Shares issued under the Company's 15% share issue capacity under Listing Rule 7.1; and
- 9,678,273 Placement Shares issued under the Company's 10% share issue capacity under Listing Rule 7.1A.

If Shareholders approve Resolution 3, the issue of 41,792,315 Placement Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1. If Shareholders approve Resolution 4, the issue of 9,678,273 Placement Shares will be excluded from the calculations of the 10% limit under ASX Listing Rule 7.1A.

3.2 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number of securities issued*

51,470,588 Placement Shares

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

\$0.68 per Placement Share

(c) *Terms of the securities*

The Placement Shares are fully paid and rank pari passu in all respects with the Company's 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 Placement Shares were issued to various professional or sophisticated investors under a placement in which Canaccord Genuity and Petra Capital acted as joint lead managers and bookrunners. None of the investors were related parties of the Company or their associates.

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

To be used to fast track the Company's growth strategy for the Matilda/Wiluna Operation by expediting the conversion of the large resource base into reserves, lengthening the mine life, accelerating Stage 2 expansion studies and economics and committing to Stage 2 engineering and long lead items once feasibility studies are complete as well as to provide further working capital.

3.3 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 3 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.

The Board recommends Shareholders vote in favour of Resolution 4 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.

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:

\$ or AUD means Australian dollars.

AGM means an annual general meeting of the Company.

Annexure means an annexure accompanying and forming part of the Notice.

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 Plan means the Blackham Resources Ltd Employee Option Plan as set out in Annexure A.

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 means the chairperson of the Meeting.

Closely Related Party is defined in respect of a member of Key Management Personnel as:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- 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 dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations that may be made for this purpose.

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

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.

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

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

Key Management Personnel has the same meaning given 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).

Matilda/Wiluna Operations means the Matilda/Wiluna gold project located in and around the Wiluna environs in Western Australia.

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Memorandum, the Annexure and the Proxy Form.

Option means an option to acquire a Share.

Placement Shares means the 51,470,588 Shares, with an issue price of \$0.68, issued pursuant to the placement announced to the ASX on 10 February 2017.

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

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

Scheme means Blackham Resources Ltd Employee Incentive Scheme, the terms of which were originally set out in the Company's prospectus dated 24 August 2006.

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

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

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

Terms and Conditions of Blackham Resources Limited Employee Option Plan

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these Terms and Conditions, the following words and expressions have the meanings indicated unless the contrary intention appears:

“Applicable Law” means any one or more of the following, as the context requires:

- a) the *Corporations Act 2001* (Cth) and any applicable ASIC Class Orders;
- b) the Listing Rules;
- c) the Constitution;
- d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- e) any practice note, policy statement, regulatory guide, class order, declaration, guidelines, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b) and (d) above; and
- f) any other legal requirement that applies to the Plan.

“ASIC” means the Australian Securities and Investments Commission.

“Associate” of an Eligible Person means:

- a) a spouse, parent, brother, sister or child of the Eligible Person (“Relative”);
- b) a body corporate that is effectively controlled by one or more of the Eligible Person and the Relatives of the Eligible Person; or
- c) the trustee of a trust that is effectively controlled by one or more of the Employee and the Relatives of the Eligible Person.

“ASX” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

“BEPO” means a Board Exercise Price Option to subscribe for one Share, issued under this Plan.

“Board” means all or some of the Directors acting as a board.

“Change of Control Event” occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared to be, unconditional;
- (b) the Court sanctions a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in relation to a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, under Part 5.1 of the Corporations Act 2001 (Cth);
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in Shareholders who held Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50% or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation;
- (d) any Group Companies enter into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (e) the Board determines in its reasonable opinion, that control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

“Company” means Blackham Resources Ltd.

"Contractor" means a consultant or contractor that enters into contract for services to provide the pro-rata equivalent of 40% or more of a comparable full-time position, in the Group:

- a) directly in their individual capacity; or
- b) through a company (e.g. a small family-owned company or a corporate trustee of a family trust) where the individual who performs the work is a director or the spouse of a director of that company.

"Director" means a director of the Company.

"Exercise Conditions" means any criteria, requirement or conditions, as determined by the Board or under these Terms and Conditions, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Options in accordance with these Terms and Conditions.

"Exercise Period" means the period during which a vested Option may be exercised as set out in clause 5.3 and clause 5.4.

"Eligible Person" means:

- a) a full-time or part-time employee of a company in the Group, including an executive Director;
- b) a Director or a director of a company in the Group; or
- c) a Contractor; or
- d) a casual employee where they are, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; or
- e) a person to whom an offer of Options is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (a), (b), (c) or (d) above.

"Group" means the Company and its subsidiaries (as defined in the *Corporations Act 2001* (Cth)).

"Listing Rules" means the Official Listing Rules of ASX.

"Option" means a BEPO, PEPO or ZEPO and "Options" means every BEPO, PEPO or ZEPO issued under this Plan.

"Participant" means:

- a) an Eligible Person who personally holds an Option issued under the Plan; or
- b) an Eligible Person whose nominated Associate holds an Option issued under the Plan.

"PEPO" means a Premium Exercise Price Option to subscribe for one Share, issued under this Plan.

"Performance Conditions" means any conditions relating to the performance of the Group (and the manner in which those conditions will be tested) as specified in an offer of Options and determined by the Board.

"Performance Period" means the period set out in the offer of Options and determined by the Board for the purposes of determining the extent (if any) to which the Performance Conditions have been met.

"Plan" means the Blackham Resources Ltd Employee Option Plan constituted by these Terms and Conditions.

"Redundancy" means any situation where the requirements of the relevant company in the Group for an employee to carry out a particular kind of work (given his or her particular skills) or to carry out certain work in a particular place, have ceased or diminished (or are likely to do so), but does not extend to the dismissal of an employee for personal or disciplinary reasons, including for reasons of misconduct or unsatisfactory performance, or where an employee leaves of his or her own accord.

"Retirement" means retirement by the Participant from employment with the Group at age 55 or over.

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

"Terms and Conditions" means these terms and conditions in relation to the operation of the Plan.

"Test Date" means, in relation to Options, the date at which Performance Conditions are to be measured to determine whether those Options become vested, as set out in the offer of those Options and determined by the Board.

"Total and Permanent Disablement" means that the Participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

"Vesting Conditions" means any time based criteria, requirements or conditions (as specified in the offer of Options and determined by the Board) which must be met prior to Options vesting in a Participant, which the Board may throughout the course of the period between the grant of the Options and its vesting waive or accelerate as the Board considers reasonably appropriate.

"Vesting Notification" means a notice to a Participant informing the Participant that some or all of his or her or its Options have vested and are exercisable.

"ZEPO" means a Zero Exercise Price Option to subscribe for one Share, issued under this Plan.

Interpretation

1.2 In the interpretation of these Terms and Conditions, headings are for convenience only, and unless the context otherwise requires:

- (a) any word or phrase used in these Terms and Conditions which is not defined but which is defined in the Listing Rules has the same effect as that contained in the Listing Rules;
- (b) words importing any gender include all genders;
- (c) the singular includes the plural and vice versa;
- (d) references to clauses, schedules and annexures are references to clauses, schedules and annexures of and to these Terms and Conditions;
- (e) the words includes and including in any form are not words of limitation;
- (f) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
- (g) a document includes all amendments or supplements to that document;
- (h) a monetary amount is in Australian dollars;
- (i) the phrase "in relation to" has the widest possible import and encompasses the phrases "in connection with", "in respect of", "arising out of" and "resulting from";
- (j) a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board;
- (k) a reference to time is to Australian Western Standard Time in Perth, Western Australia;
- (l) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day; and

- (m) in determining the time of day, where relevant to these Terms and Conditions, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under these Terms and Conditions, the time of day in the place where the party required to perform an obligation is located.

2. ISSUE OF OPTIONS

Eligibility

2.1 The Board may offer Options to an Eligible Person having regard to:

- a) the potential contribution of the Eligible Person to the Group; and
- b) any other matters the Board considers relevant.

Subject to clause 2.7, the manner form, content, timing and frequency of an offer of Options, will be as determined by the Board.

Nomination of Associate

2.2 Upon receipt of an offer of Options an Eligible Person may nominate an Associate to be the person issued with those Options. The Board may, in its absolute discretion, resolve not to issue Options to a nominated Associate without giving any reason.

Acceptance of offers

2.3 An Eligible Person or nominated Associate may accept an offer of Options within the time specified in the offer document. No payment is required to accept the offer.

Issue of Options

2.4 Options must be issued in accordance with these Terms and Conditions and each Participant and, where relevant, nominated Associate will be taken to have agreed to be bound by these Terms and Conditions on the issue of any Options.

2.5 The Company must issue each Participant or nominated Associate with an Option certificate indicating the number of Options issued and the exercise price of the Options.

2.6 The Board retains the right to withdraw an offer of Options at any time prior to issuing the Options.

Form of Offer

2.7 Each offer of Options must enclose an application and a copy of the Plan, and must specify, in a clear, concise and effective manner any matters required to be specified in the offer of Options by any Applicable Laws or ASIC instrument of relief and may be made on such conditions as the Board decides from time to time including as to:

- (a) the type of Options being offered;
- (b) the exercise price and the Exercise Period;
- (c) in relation to the Options being offered, the following (as applicable):
 - (i) the Vesting Conditions (if any);
 - (ii) the Performance Conditions and Performance Period (if any);
 - (ii) the Test Dates (if any); and
 - (iii) the Exercise Conditions (if any);

(d) disposal restrictions attaching to Shares issued on the exercise of the Options;

- (e) the expiry date of the Options.

3. THE PLAN

Quotation requirement

- 3.1 Notwithstanding any other provision of these Terms and Conditions, or any offer under the Plan, Shares will not be issued or become issuable as a result of the exercise of Options granted or to be granted under the Plan, unless and until those Shares are in a class that has, at the time of the offer of Options, been quoted on the ASX for at least 3 months without suspension from trading for more than 5 'trading days' (as that term is defined in the Listing Rules) in the shorter of:
- a) the period in which Shares have been quoted on the ASX; and
 - b) the 12 months before the offer of Options is made.

Plan Limit

- 3.2 Notwithstanding any other provision of this Plan or any offer under the Plan, the Directors will not make an offer or issue Options in accordance with the Plan unless the Directors have reasonable grounds to believe that, at the time of making the offer under the Plan, the number of Shares that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of Shares on issue:
- a) Shares that may be issued from the exercise of Options under the offer made under the Plan; and
 - b) Shares issued or that may be issued from the exercise of Options as a result of offers made at any time during the previous 3 year period under:
 - (i) an employee incentive or like Plan covered by ASIC Class Order 14/1000 or an individual instrument made by ASIC in terms similar to Class Order 14/1000; or
 - (ii) an employee incentive or employee share Plan covered by Class Order 03/184 or an individual instrument made by ASIC in terms similar to Class Order 03/184 (**Plan Limit**).
- 3.3 For the purposes of clause 3.2 any Options (or Shares issued pursuant to exercised Options) issued without ASIC class order relief (including under ASIC Class Order 14/1000) are not included in the calculation of the Plan Limit, and consequently any Options offered in the following circumstances may be disregarded:
- a) an offer made to a person situated outside Australia at the time of receipt of the offer under the Plan;
 - b) an offer to a recipient investor to whom the Company is not required to give disclosure under Chapter 6D of the Corporations Act by virtue of section 708 or section 1012D of the Corporations Act;
 - c) an offer made pursuant to a disclosure document (as that term is defined in the Corporations Act).
- 3.4 The Plan Limit may be adjusted or increased or as is otherwise permitted by Applicable Law.
- 3.5 Where an Option lapses without being exercised or converted, the Shares which would have otherwise been received on the exercise of the Option are ignored when calculating the Plan Limit.

Administration of the Plan

- 3.6 Subject to the requirements of the Listing Rules and the Corporations Act, the Board will administer this Plan and determine:
- a) the persons to whom the Options will be offered under this Plan;
 - b) the number of Options which may be offered to those persons;
 - c) any approvals required under the Listing Rules or otherwise; and
 - d) any performance associated criteria that must be satisfied by a Participant.
- 3.7 A right of the Board to exercise a power or discretion under the Plan is unfettered and absolute.
- 3.8 Every exercise of a power or discretion by the Board under the Plan, and any decision by the Board regarding the interpretation, effect or application of these Terms and Conditions, is final, conclusive and binding.

Directors

- 3.9 Options may only be offered to a Director or his or her associates if:
- a) approval to do so has been given by the Shareholders in a general meeting; and
 - b) all applicable requirements of the Corporations Act and Listing Rules and other Applicable Laws have been satisfied.

Notification to ASIC

- 3.10 The Company must notify ASIC of its reliance on ASIC Class Order CO 14/1000 in relation to the Plan by completing and lodging the ASIC-approved notice of reliance in the prescribed form (currently ASIC Form CF08 or such other form as may be prescribed by ASIC) within one month of making the first offer under the Plan (and relying on ASIC Class Order CO 14/1000).

Deferred Taxation

- 3.11 Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Plan except to the extent an offer of Options provides otherwise.

10% Limit on Holding and Voting Power

- 3.12 Despite any other Terms and Conditions, no Participant or Eligible Person is entitled to be issued Options under this Plan if, before or immediately after that person is issued with the Options:
- a) the person and their associates holds a beneficial interest in more than 10% of the total Shares on issue or that would be on issue if all options over Shares or any rights or securities convertible into Shares were exercised or converted; and
 - b) the person and their associates are in a position to cast, or to control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company if all options over Shares or any rights or securities convertible into Shares were exercised or converted.

4. ENTITLEMENT

- 4.1 Subject to clauses 8 and 9, each Option entitles the holder to subscribe for and be allotted, credited as fully paid, one Share at the exercise price per Share.
- 4.2 The exercise price per Share, once Options have vested, is:

- a) BEPO – 125% of the 5 day VWAP of the Company Shares on the day the Option is granted or at a lower or higher exercise price as determined by the Board; or
- b) PEPO – 143% of the 5 day VWAP of the Company Shares on the day the Option is granted; or
- c) ZEPO – nil.

4.3 Subject to these Terms and Conditions, the Company must allot shares on exercise of an Option in accordance with the Listing Rules.

4.4 Shares issued on the exercise of Options will rank equally with all existing Shares in the capital of the Company from the date of issue.

5. EXERCISE OF OPTIONS

5.1 An Option 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 the exercise price of each Share to be issued on exercise and the relevant Option certificate, with the Company Secretary.

5.2 Options must be exercised in multiples of 100, unless the holder exercises all Options able to be exercised at that time. The exercise of some Options only does not affect the holder's right to exercise other Options at a later time. If the holder exercises less than all Options represented by a certificate then the Company will cancel the certificate and issue a new certificate for the balance.

Exercise Period

5.3 The Exercise Period for Options will commence when the Options have vested, and any Exercise Conditions:

- a) have been satisfied, as determined by the Board;
- b) have been waived by the Board; or
- c) are deemed to have been satisfied under these Terms and Conditions.

5.4 The Exercise Period for Options will end on the expiry date, subject to these Terms and Conditions and the terms of the Company's Security Trading Policy.

Vesting Notification

5.5 Options are deemed to have vested if and when:

- a) any Vesting Conditions, Performance Conditions and/or Exercise Conditions applicable to a Participant's Options:
 - (i) have been satisfied; or
 - (ii) have been waived by the Board; or
 - (iii) are deemed to have been satisfied under these Terms and Conditions;
 and
- b) the Company has issued a Vesting Notification to the Participant informing them that some or all their Options have vested and are exercisable.

5.6 If a Participant ceases to be an Eligible Person because of resignation, Retirement, Total and Permanent Disablement, Redundancy, death or any other circumstances approved by the Board, any Options that have vested to the Eligible Person may be exercised within 30 days (or 3 months, in the case of Total and Permanent Disablement or death) after ceasing to be an Eligible Person or any longer period permitted by the Board. If not exercised within that period, the Options lapse.

- 5.7 If the Board determines that:
- a) a Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to any company in the Group; and
 - b) Options issued in relation to the Participant are to be forfeited,
- the Options will immediately lapse.
- 5.8 Notwithstanding any other clause of these Terms and Conditions, any Option not exercised will lapse on the expiry of five years after the date the Option was granted.

6. TRANSFER

A BEPO and a ZEPO are not transferable. A PEPO may only be transferred with the approval of the Board. Options will not be quoted on ASX.

7. QUOTATION OF SHARES

The Company will make application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

8. PARTICIPATION IN FUTURE ISSUES

- 8.1 If the Options are exercised before the record date of an entitlement, the Option holder can participate in a pro rata issue to the holders of the underlying securities in the Company. The Company must notify the Option holder of the proposed issue at least nine (9) business days before the record date. Option holders do not have a right to participate in new issues without exercising their options in accordance with Listing Rule 6.19.
- 8.2 In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option 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.
- 8.3 The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
- 8.4 In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities in the Company into which one option is exercisable.

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex-rights date or ex entitlements date.

S = the Subscription price for a security under the pro rata issue.

D = the Dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

8.5 The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

8.6 The Company shall notify each Option holder and ASX within one (1) month after the record date for a pro-rata bonus or cash issue of the adjustment to the number of Shares over which the Option exists and/or the adjustment to the exercise price.

9. ADVICE

The Company must give notice to each Participant or his nominated Associate of any adjustment to the number of Shares which the holder is entitled to subscribe for or be issued on exercise of an Option, or any adjustment to the exercise price per Share, in accordance with the Listing Rules.

10. NOTICES

Notices may be given by the Company to the holder or the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to holders or Participants.

11. RIGHT TO ACCOUNTS

Holders will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but will not have any right to attend or vote at those meetings.

12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding any Terms and Conditions or the terms of any Option, Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the Listing Rules. If there is any inconsistency between these Terms and Conditions and the Listing Rules, then the Listing Rules will prevail to the extent of the inconsistency.

13. ADMINISTRATION OF THE PLAN

13.1 The Plan will be administered by the Board in accordance with these Terms and Conditions. The Board may make regulations for the operation of the Plan which are consistent with these Terms and Conditions.

13.2 Any power or discretion which is conferred on the Board by these Terms and Conditions may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

13.3 Any power or discretion which is conferred on the Board by these Terms and Conditions may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.

13.4 The decision of the Board as to the interpretation, effect or application of these Terms and Conditions will be final and conclusive.

14. AMENDMENTS

- 14.1 Subject to the Listing Rules and the Constitution, the Board may, at any time, amend these Terms and Conditions or the terms upon which any Options have been granted under the Plan.
- 14.2 An amendment to these Terms and Conditions that requires the approval of the Shareholders under any Applicable Laws or other relevant securities laws will not become effective until such approval is obtained.
- 14.3 Subject to the Listing Rules and, if applicable, any Shareholder approval, the Board may determine that any amendment to these Terms and Conditions or the terms of Options granted under the Plan be given retrospective effect.
- 14.4 Amendment of these Terms and Conditions or the terms upon which Options are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.
- 14.5 As soon as reasonably practicable after making any amendment to these Terms and Conditions or the terms of Options granted under the Plan, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.
- 14.6 Subject to any other provision of these Terms and Conditions, the Board may amend the terms of these Terms and Conditions as it will apply in particular jurisdictions or circumstances by means of an addendum to these Terms and Conditions.

15. RIGHTS OF PARTICIPANTS

Nothing in these Terms and Conditions:

- a) confers on any Eligible Person or Associate the right to receive any Options;
- b) confers on any Participant the right to continue as an Eligible Person ;
- c) affects any rights which the Company or a subsidiary may have to terminate the employment of any employee;
- d) may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination.

16. QUOTATION OF OPTIONS

The Company will not seek quotation on the ASX of Options issued pursuant to the Plan.

17. ASIC RELIEF

- 17.1 Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted by ASIC in relation to the Plan or which applies to the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in these Terms and Conditions.
- 17.2 To the extent that any covenant or other provision deemed by section 17.1 to be contained in these Terms and Conditions is inconsistent with any other provision in these Terms and Conditions, the deemed covenant or other provision will prevail.

18. CHANGE OF CONTROL EVENT

- 18.1 On the occurrence of a Change of Control Event, the Board may determine that all or a percentage of unvested Options will vest and become exercisable with such

vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment or engagement of the Participant is terminated or ceases in relation to the Change of Control Event.

- 18.2 In exercising its discretion under clause 18.1, the Board may determine that vesting takes place on a pro rata basis, taking into consideration an assessment of the Participant's current and anticipated achievement of Performance Conditions and any other relevant criteria.
- 18.3 The Company will give written notice of any proposed Change of Control Event to each Participant regardless of whether the Board will accelerate the vesting of any Options under clause 18.1.
- 18.4 Upon the giving of any notice under clause 18.3, a Participant will be entitled to exercise, at any time within the 14 day period following the giving of such notice:
- (a) all or a portion of those Options granted to such Participant which are then vested and exercisable in accordance with their terms; and
 - (b) any unvested Options which become vested and exercisable in relation to the completion of such Change of Control Event.
- 18.5 Unless the Board determines otherwise, upon the expiration of the 14 day period under clause 18.1, all rights of a Participant to exercise any outstanding Options, whether vested or unvested, terminate and all such Options will immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event;