



BLACKHAM
Resources Limited

BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF GENERAL MEETING

TIME: 9:00am (WST)

DATE: 11 May 2018

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 Friday 11 May 2018 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 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5:00pm (WST) on 9 May 2018 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 9 May 2018** being 48 hours prior to the Meeting.

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 11 May 2018.**

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 – 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 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 8,836,525 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 2 – RATIFICATION OF ISSUE OF NEW OPTIONS TO ORION FUND JV LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following 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 31,250,000 New Options to Orion Fund JV Limited, 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 Orion Fund JV Limited 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 3 – RATIFICATION OF ISSUE OF SHARES TO ZENIX NOMINEES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following 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 8,750,000 Shares to Zenix Nominees Pty Ltd 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 Zenix Nominees Pty Ltd 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 4 - RATIFICATION OF ISSUE OF NEW OPTIONS TO ZENIX NOMINEES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following 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 11,902,270 New Options to Zenix Nominees Pty Ltd, 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 Zenix Nominees Pty Ltd 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 - APPROVAL OF ISSUE OF NEW OPTIONS TO ZENIX NOMINEES PTY LTD

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 32,472,730 New Options to Zenix Nominees Pty Ltd (or their nominees), 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 Zenix Nominees Pty Ltd (or their nominees) 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 - APPROVAL OF ISSUE OF NEW OPTIONS TO TECTONIC ADVISORY PARTNERS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 10,000,000 New Options to Tectonic Advisory Partners (or their nominees) 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 Tectonic Advisory Partners (or their nominees) 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 ZERO EXERCISE PRICE 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 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 10,000,000 Zero Exercise Price Options (ZEPO's) 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 ZERO EXERCISE PRICE 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 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 10,000,000 Zero Exercise Price Options (ZEPO's) 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.
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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 7 and 8. If you leave your proxy form undirected on Resolutions 7 and 8, 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 7 and 8 on the proxy form, you will be deemed to have directed and expressly authorised the Chair to vote your proxy in favour of Resolutions 7 and 8. This express authorisation acknowledges that the Chair may vote your proxy even though Resolutions 7 and 8 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.

The Chair intends to vote all available proxies in favour of each of Resolutions 1 to 8 (inclusive).

If you appoint any other person as your proxy

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

DATED: 11 APRIL 2018

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 11 May 2018.**

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

1.1 Background

Resolution 1 seeks Shareholder ratification for the issue of 8,836,525 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.

The 8,836,525 Shares were issued on 3 November 2017.

1.2 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 their AGMs 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 24 November 2017. The shareholder approval is valid for 12 months from the date of the AGM (that is, until 23 November 2018).

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 1, the issue of 8,836,525 Shares will be excluded from the calculations of the Company's 10% share Issue capacity under ASX Listing Rule 7.1A.

1.3 ASX Listing Rule disclosure requirements

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

(a) *Number of securities issued*

8,836,525 Shares

- (b) *Price at which the securities were issued*
\$0.1358 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*
For the continued exploration, development and expansion of the Company's Matilda/Wiluna Operation and additional working capital.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1 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.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF NEW OPTIONS TO ORION FUND JV LIMITED

2.1 Background

Resolution 2 seeks Shareholder ratification for the issue of 31,250,000 New Options to Orion Fund JV Limited ("Orion"), as a Lender's fee, for agreeing to restructure the Project Financing Facility in accordance with the Variation Letter, in accordance with ASX Listing Rule 7.4. The key terms and the Company's reasons for restructuring the Project Finance Facility are set out in the Company's announcement to the ASX dated 15 January 2018.

The issue of 31,250,000 New Options to Orion is part of the Lead Manager and Orion Offer contained in the Prospectus dated 22 January 2018.

Terms and conditions of the New Options are set out in Annexure A.

2.2 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 2, the issue of 31,250,000 New Options will be excluded from the calculation of the Company's 15% limit under ASX Listing Rule 7.1.

2.3 ASX Listing Rule disclosure requirements

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

- (a) *Number of securities issued*
31,250,000 New Options.
- (b) *Price at which the securities were issued*
The New Options were issued for nil consideration.
- (c) *Terms of the securities*
The New Options are exercisable at \$0.08 each and have an expiry date of 31 January 2019. Details of the terms and conditions of the New 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*
Orion Fund JV Limited.
- (e) *Use (or intended use) of the funds raised*
The New Options were issued for nil consideration and accordingly no funds were raised from the issue of the New Options.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 2 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.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO ZENIX NOMINEES PTY LTD

3.1 Background

Resolution 3 seeks Shareholder ratification for the issue of 8,750,000 Shares to Zenix Nominees Pty Ltd ('Zenix'), a wholly owned subsidiary of Hartleys Limited ('Hartleys'), as lead manager and arranger of the Entitlement Offer, pursuant to the Underwriting Agreement, in accordance with ASX Listing Rule 7.4. Under the terms of the Underwriting Agreement, the Company agreed to:

- pay Hartleys a lead manager fee of up to 6% of the amounts underwritten; and
- issue, on the earlier of the receipt of shareholder approval and available placement capacity, 44,375,000 New Options and 8,750,000 Shares on the same terms as the options and shares being offered under the Entitlement Offer.

The issue of 8,750,000 Shares to Zenix is part of the Lead Manager and Orion Offer contained in the Prospectus dated 22 January 2018.

The issue of 44,375,000 New Options to Zenix is covered under Resolutions 4 and 5.

3.2 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 3, the issue of 8,750,000 Shares will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

3.3 ASX Listing Rule disclosure requirements

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

- (a) *Number of securities issued*
8,750,000 Shares.
- (b) *Price at which the securities were issued*
The Shares were issued for nil consideration.
- (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*
Zenix Nominees Pty Ltd who is not a related party of the Company.

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

The Shares were issued for nil consideration and accordingly no funds were raised from the issue of the Shares.

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.

4. RESOLUTIONS 4 AND 5 – RATIFICATION AND APPROVAL OF ISSUE OF NEW OPTIONS TO ZENIX NOMINEES PTY LTD

4.1 Background

Resolutions 4 and 5 seek Shareholder ratification and approval for the issue of 11,902,270 New Options and 32,472,730 New Options respectively, to Zenix, a wholly owned subsidiary of Hartleys, as lead manager and arranger of the Entitlement Offer, pursuant to the Underwriting Agreement, in accordance with ASX Listing Rule 7.4 and ASX Listing Rule 7.1. Under the terms of the Underwriting Agreement, the Company agreed to:

- pay Hartleys a lead manager fee of up to 6% of the amounts underwritten; and
- issue, on the earlier of the receipt of shareholder approval and available placement capacity, 44,375,000 New Options and 8,750,000 Shares on the same terms as the options and shares being offered under the Entitlement Offer.

The ratification of the issue of 8,750,000 Shares is covered under Resolution 3.

The issue of 44,375,000 New Options is covered by two tranches –

- Tranche 1 – Resolution 4 seeks Shareholder approval for the ratification the issue of 11,902,270 New Options to Zenix as per the terms and conditions of the Underwriting Agreement. The issue of 11,902,270 New Options formed part of the Lead Manager and Orion Offer in the Prospectus dated 22 January 2018.
- Tranche 2 – Resolution 5 seeks Shareholder approval for the issue of 32,472,730 New Options to Zenix as per the terms and conditions of the Underwriting Agreement.

Terms and conditions of the New Options are set out in Annexure A.

4.2 ASX Listing Rule 7.1 and 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. Shareholder approval for the purposes of ASX Listing Rule 7.1 is being sought in Resolution 5 for the issue of 32,472,750 New Options to Zenix. 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. Shareholder approval to ratify the prior issue of 11,902,270 New Options to Zenix is being sought under Resolution 4.

If Shareholders approve Resolution 4, the issue of 11,902,270 New Options will be excluded from the calculation of the Company's 15% limit under ASX Listing Rule 7.1.

If Shareholders approve Resolution 5, the issue of 32,472,730 New Options will be excluded from the calculation of the Company's 15% limit under ASX Listing Rule 7.1.

4.3 ASX Listing Rule disclosure requirements

The following information is provided in accordance with ASX Listing Rule 7.5 in respect of Resolution 4 and ASX Listing Rule 7.3 in respect of Resolution 5:

(a) *Number of securities issued or to be issued*

11,902,270 New Options (issued).
32,472,730 New Options (to be issued).

- (b) *Date on which Blackham will issue the securities under Resolution 5*
 Within 3 months of the date of this Meeting.
- (c) *Price at which the securities were or are to be issued*
 The 11,902,270 New Options were issued for nil consideration.
 The 32,472,730 New Options to be issued will be issued for nil consideration.
- (d) *Terms of the securities*
 The 11,902,270 New Options issued and the 32,472,730 New Options to be issued are exercisable at \$0.08 each and have an expiry date of 31 January 2019. Details of the terms and conditions of the New Options are set out in Annexure "A".
- (e) *The name of the persons to whom Blackham issued or will issue the securities or the basis on which those persons were determined*
 11,902,270 New Options (issued) – Zenix Nominees Pty Ltd
 32,472,730 New Options (to be issued) – Zenix Nominees Pty Ltd (or their nominees)
 Zenix Nominees Pty Ltd is not a related party of the Company.
- (f) *Use (or intended use) of the funds raised*
 The 11,902,270 New Options issued and the 32,472,730 New Options to be issued are both for nil consideration and accordingly no funds were or will be raised from the issue of the New Options.
- (g) *The issue date or a statement that the issue will occur progressively*
 The 11,902,270 New Options were issued to Zenix Nominees Pty Ltd on 19 February 2018. Subject to Shareholder approval being obtained, the issue and allotment of the 32,472,730 New Options to Zenix Nominees Pty Ltd (or their nominees) will occur on a date which is no later than three months after the date of this General Meeting.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolutions 4 and 5 as they allow 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.

5. RESOLUTION 6 – APPROVAL OF ISSUE OF NEW OPTIONS TO TECTONIC ADVISORY PARTNERS

5.1 Background

Resolution 6 seeks Shareholder approval for the issue of 10,000,000 New Options to Tectonic Advisory Partners ('Tectonic') (or their nominees), for past and future advisory services, in accordance with ASX Listing Rule 7.1.

Tectonic were originally engaged by the Company in early 2016 to increase awareness of Blackham in the capital markets of North America.

Terms and conditions of the New Options are set out in Annexure A.

5.2 ASX Listing Rule 7.1

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. Shareholder approval for the purposes of ASX Listing Rule 7.1 is being sought in Resolution 6 for the issue of 10,000,000 New Options to Tectonic.

If Shareholders approve Resolution 6, the issue of 10,000,000 New Options 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 7.3:

- (a) *Number of securities issued or to be issued*
10,000,000 New Options.
- (b) *Date on which Blackham will issue the securities under Resolution 6*
Within 3 months of the date of this Meeting.
- (c) *Price at which the securities were or are to be issued*
The New Options will be issued for nil consideration.
- (d) *Terms of the securities*
The New Options are exercisable at \$0.08 each and have an expiry date of 31 January 2019. Details of the terms and conditions of the New Options are set out in Annexure "A".
- (e) *The name of the persons to whom Blackham issued or will issue the securities or the basis on which those persons were determined*
Tectonic Advisory Partners (or their nominees).
- (f) *Use (or intended use) of the funds raised*
The New Options will be issued for nil consideration and accordingly no funds will be raised from the issue of the New Options.
- (g) *The issue date or a statement that the issue will occur progressively*
Subject to Shareholder approval being obtained, the issue and allotment of the New Options to Tectonic Advisory Partners (or their nominees) will occur on a date which is no later than three months after the date of this General Meeting.

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

6.1 General

Resolution 7 relates to the proposed participation of the Managing Director, Mr Bryan Dixon, in the Blackham EOP.

In accordance with ASX Listing Rule 10.14, the acquisition of securities by a Director under an employee incentive scheme requires shareholder approval. The revised Blackham EOP was approved by Shareholders on 21 July 2017. Accordingly, Shareholder approval is being sought under Resolution 7 for the issue to Mr Dixon (or his nominee) up to a maximum of 10,000,000 Zero Exercise Price Options (ZEPO's) under the Blackham EOP. The issue of ZEPO's to Mr Dixon 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.

Further details of Mr Dixon's remuneration is set out in the Remuneration Report of the 30 June 2017 Financial Report.

Remuneration Framework

In April 2017, Blackham engaged an independent expert to design a transparent and comprehensive remuneration approach that would attract, retain and motivate the right calibre of person for the business. A revised Remuneration Policy was proposed which:

- (a) *was simple and transparent;*
- (b) *promotes the interests of the Company over the medium and long term;*
- (c) *encourages a 'pay for performance' culture; and*
- (d) *is reflective of good corporate governance.*

This original framework was adopted by the Board.

Following the January 2018 recapitalisation, the Board agreed to re-engage the independent expert to further assist with providing a more simplified framework more aligned with the Company's peers. Further consultative work was also undertaken with other parties, including direct advice from some of the Company's peers and from the recently appointed Blackham Non-Executive Director and Chairman of the Remuneration and Nomination Committee, Mr Greg Fitzgerald.

Outcome of the Independent and Consultative Reviews

As a result, at the Board's absolute discretion, 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, including 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 term) and the Value Creation Plan (long term) both of which are administered under the Blackham EOP.

Remuneration Framework Overview

Definition of pay category			
Category		Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total Fixed Remuneration ('TFR')	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 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 performance over the long term

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

Maximum Total Incentive Opportunity as a Percentage of TFR on an annual basis

Plan:	BLK Ops & Growth	BLK Value Creation	
	1 year (STI)	3 year vest (LTI)	
Performance period:			
Award:	Cash	ZEPO's	TIO
Managing Director	48%	36%	84%
Other Executives	48%	15-25%	63-73%

The LTI as a percentage of TFR shown in the above table has been calculated on the basis that LTI's will only be granted once every three years. For example, this year's proposed grant to the Managing Director equates to 109% of his TFR, and this expense will be amortised over the 3 year term of the LTI's to show a LTI opportunity per annum equal to 36% of TFR (ie. 109% divided by 3 years). The maximum amount of TIO will only be delivered to Directors, the Executive and/or Key Management Personnel if the highest performance levels for each of the performance hurdles are achieved. The actual value of incentives may be zero if the performance hurdles are not met.

It should be noted that the main changes to the original framework were the increase in TFR rates to the independent expert's target values, the removal of the Medium Term Incentives and the decrease in the LTI vesting period from four years to three years.

The Total Annual Remuneration (ie. TFR + STI + LTI) for the Managing Director and the Executive team has been set at a level that is in line with the average Total Annual Remuneration for a peer group of Australian based gold miners.

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 and to ensure goal alignment, are consistent amongst all the Executive):

Company performance (80%)

- Company operating cash flow
- Cost per tonne milled (gross basis)
- Production target gold ounces
- Safety measures (TRIFR)
- Reserve/resource growth

Individual performance (20%)

- Individual specific goals and supervisory discretion

Long Term Incentive ('LTI') performance metrics (paid in ZEPO's and to ensure goal alignment, are consistent amongst all the Executive):

- Performance versus ASX Gold Index (*)
- Reserves increased
- Resources maintained

(*) – the hurdle relating to the performance versus the ASX Gold Index will see 50% of this portion of the ZEPO's vest if BLK's share price outperforms the ASX Gold Index. 100% of this portion of the ZEPO's will vest if the BLK share price outperforms the ASX Gold Index by at least 50%. The payout will increase on a straight line basis between these two points.

Vesting conditions for LTI performance hurdles will be tested once only at the end of every 3 year measurement period ie. as at 31 December 2020.

The introduction of the STI's and LTI's will be effective and measured from 1 January 2018 (ie. from the start of the recapitalisation period). The initial STI will cover the 6 month period ending 30 June 2018 and the subsequent STI's will be for 12 month periods aligned to each financial year. The LTI will be for the 3 year period from 1 January 2018 to 31 December 2020 (ie. a 3 year testing period).

For the avoidance of doubt, there will be no STI paid to Mr Dixon for the 6 month period ended 31 December 2017.

6.2 Details of ZEPO's to be awarded to Mr Dixon under Blackham EOP

In line with the above, the Board has proposed to issue up to 10,000,000 ZEPO's in the Company to Mr Dixon. Each ZEPO entitles the holder to acquire one Share at no cost subject to the satisfaction of the vesting conditions. Accordingly, the maximum number of Shares that may be acquired by Mr Dixon is 10,000,000 (pursuant to the vesting and exercise of 10,000,000 ZEPO's), subject to any adjustment made in accordance with the Blackham EOP. The key terms and conditions of the ZEPO's are set out in Annexure "C" to this Notice of Meeting.

The Board aims to deliver a target value on the issue of the Options 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 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 and the fair value per option 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 Shares issued on the vesting and exercise of the ZEPO's will only be delivered to Mr Dixon if the highest performance levels for each of the performance hurdles are achieved. The actual value of the ZEPO's may be zero if the performance hurdles are not met.

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

- 1) Target value on the issue of the ZEPO's (if vested, on average, over time): \$530,000. This equates to 109% of Mr Dixon's TFR of \$487,000 per annum. It is the intention to grant ZEPO's to the Managing Director once every three years.
- 2) Method for calculating number of units to be awarded: Values above divided by the fair value of ZEPO's of 5.3 cents each. This value per ZEPO has been calculated by an independent expert by way of reference to the 5 day VWAP of the BLK share price following the end of the Company's ASX voluntary suspension on 23 January 2018. For accounting purposes, the value of the ZEPO's will be calculated again on the grant date to determine the accounting expense of the ZEPO's issued. This valuation may be higher or lower than the 5.3 cent valuation used to determine the allocation of ZEPO's.
- 3) Maximum number of ZEPO's awarded: 10,000,000

Date of Issue

If Shareholder approval is obtained, the ZEPO's will be issued to Mr Dixon no later than 12 months 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 vest, then all unvested ZEPO's will lapse. However, in some circumstances, including retirement, retrenchment, the occurrence of a change of control event or expiry (and non-renewal) of contract, the Board may exercise its discretion to determine the treatment of any unvested ZEPO's and, to the extent permitted by law, may elect to settle any unvested ZEPO's by way of a cash payment rather than Shares (subject always to the ASX Listing Rules and the Corporations Act).

6.3 Related Party Provisions

Mr Dixon as a Director of the Company is considered to be a related party of the Company within the meaning of section 228(2)(a) of the Corporations Act. Section 208 of the Corporations Act requires shareholder approval for the provision of a financial benefit to a related party. However, section 211 of the Corporations Act provides that shareholder approval is not required for these purposes where the financial benefit to be provided to the related party is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office. The Directors are of the view that the issue of Options under this Resolution 7 constitutes reasonable remuneration based on:

- (a) the current environment in the minerals industry for experienced managing directors;
- (b) the independent expert advice it has received on market standard remuneration for directors; and
- (c) the need to ensure continuity of service of directors who have appropriate knowledge and expertise.

Accordingly, Resolution 7 does not seek shareholder approval under section 208 of the Corporations Act.

6.4 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 10,000,000 ZEPO's and the maximum number of Shares to be issued if all the vesting conditions attaching to those ZEPO's are met, is 10,000,000.
- (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).
- (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) As at the date of this Notice Mr Dixon and Mr Jerkovic are the only persons covered by ASX Listing Rule 10.14 that the Board has declared eligible to be issued Options under the Blackham EOP. However in accordance with the terms of the Blackham EOP the Board may determine in future that any of the other Directors may become eligible to participate in the Blackham EOP.
- (e) A voting exclusion statement has been included in the Notice of Meeting for Resolution 7.
- (f) No loan for an acquisition of securities will be granted under the Blackham EOP.
- (g) 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).

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 Matilda/Wiluna Gold Project. Mr Dixon has also been instrumental in formulating and managing the recent successful refinancing and recapitalisation process for the Company. In line with the independent review and further market consultations, 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 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.

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

7.1 General

Resolution 8 relates to the proposed participation of the Executive Chairman, Mr Milan Jerkovic, in the Blackham EOP.

In the announcement dated 15 January 2018, Blackham committed to strengthening the composition of the Board and management team to focus on the successful implementation of the recapitalisation strategy and delivery of the near and longer-term mine plan. Mr Jerkovic assumed the role of Executive Chairman of Blackham as part of the recapitalisation strategy. Whilst in the role of Executive Chairman, it was agreed by the Board, that Mr Jerkovic would be entitled to the following:

- Fixed Remuneration - \$25,000 per month
- 10,000,000 ZEPO's.

In accordance with ASX Listing Rule 10.14, the acquisition of securities by a Director under an employee incentive scheme requires shareholder approval. The revised Blackham EOP was approved by Shareholders on 21 July 2017. Accordingly, Shareholder approval is being sought under Resolution 8 for the grant to issue to Mr Jerkovic (or his nominee) up to a maximum of 10,000,000 ZEPO's under the Blackham EOP. The issue of ZEPO's to Mr Jerkovic 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.

The Board agreed remuneration for Mr Jerkovic is based on the calendar-year 2018 turnaround story of the Company and the hurdles have been aligned accordingly. Mr Jerkovic's appointment to the role of Executive Chairman is a short-term extraordinary appointment and therefore sits outside the recommended remuneration framework.

The performance hurdles agreed with Mr Jerkovic are:

- 75% of the ZEPO's will be in the form of a STI which will be subjected to performance hurdles around Company performance, normalisation of trade payables, repayment of the Orion debt, Board and Executive team composition (including review and actioning), building of ore stockpiles and advancing the 5 year free milling LOM plan. This will be divided into two discrete periods, with the first period being the 6 months ending 30 June 2018 and the second period being the 6 months ending 31 December 2018.
- 25% of the ZEPO's to be in the form of a LTI on the same terms and conditions as the other ZEPO's to be issued to the Managing Director and the Executive team (ie. with a 3 year term)

Please note that the Medium Term Incentives mentioned as part of Mr Jerkovic's package in the announcement on 15 January 2018, have been replaced with STI's under the revised remuneration framework described in 6.1 above.

Further details of Mr Jerkovic's remuneration, whilst as a Non-Executive Director, are set out in the Remuneration Report of the 2017 Financial Report.

7.2 Details of ZEPO's to be awarded to Mr Jerkovic under Blackham EOP

The Board has proposed to issue up to 10,000,000 ZEPO's in the Company to Mr Jerkovic. Each ZEPO entitles the holder to acquire one Share at no cost subject to the satisfaction of the vesting conditions. Accordingly, the maximum number of Shares that may be acquired by Mr Jerkovic is 10,000,000 (pursuant to the vesting and exercise of 10,000,000 ZEPO's), subject to any adjustment made in accordance with the Blackham EOP. The key terms and conditions of the ZEPO's are set out in Annexure "C" to this Notice of Meeting.

The Board aims to deliver a target value on the issue of the Options 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 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 and the fair value per option 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 Shares issued on the vesting and exercise of the ZEPO's will only be delivered to Mr Jerkovic if the highest performance levels for each of the performance hurdles are achieved. The actual value of the ZEPO's may be zero if the performance hurdles are not met.

The value of the award and the number of ZEPO's proposed to be awarded to Mr Jerkovic pursuant to Resolution 8 were calculated as follows:

- 1) Target value on the issue of the ZEPO's (if vested, on average, over time): \$530,000. This equates to 177% of Mr Jerkovic's TFR of \$300,000 per annum whilst in the role of Executive Chairman. Mr Jerkovic's TFR is set at a level below average market rates and this "once off" grant is designed to make his Total Annual Remuneration in line with market rates and to put a large portion of Mr Jerkovic's Total Annual Remuneration at risk.
- 2) Method for calculating number of units to be awarded: Values above divided by the fair value of ZEPO's of 5.3 cents each. This value per ZEPO has been calculated by an independent expert by way of reference to the 5 day VWAP of the BLK share price following the end of the Company's ASX voluntary suspension on 23 January 2018. For accounting purposes, the value of the ZEPO's will be calculated again on the grant date to determine the accounting expense of the ZEPO's issued. This valuation may be higher or lower than the 5.3 cent valuation used to determine the allocation of ZEPO's.
- 3) Maximum number of ZEPO's awarded: 10,000,000

Date of issue

If Shareholder approval is obtained, the ZEPO's will be issued to Mr Jerkovic no later than 12 months 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 Jerkovic ceases employment with the Company before the ZEPO's vest, then all unvested ZEPO's will lapse. However, in some circumstances, including retirement, retrenchment, the occurrence of a change of control event or expiry (and non-renewal) of contract, the Board may exercise its discretion to determine the treatment of any unvested ZEPO's and, to the extent permitted by law, may elect to settle any unvested ZEPO's by way of a cash payment rather than Shares (subject always to the ASX Listing Rules and the Corporations Act).

7.3 Related Party Provisions

Mr Jerkovic as a Director of the Company is considered to be a related party of the Company within the meaning of section 228(2)(a) of the Corporations Act. Section 208 of the Corporations Act requires shareholder approval for the provision of a financial benefit to a related party. However, section 211 of the Corporations Act provides that shareholder approval is not required for these purposes where the financial benefit to be provided to the related party is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office. The Directors are of the view that the issue of Options under this Resolution 8 constitutes reasonable remuneration based on:

- (a) the current environment in the minerals industry for an experienced Executive Chairman;

- (b) the independent expert advice it has received on the market standard remuneration for directors; and
- (c) the need to ensure continuity of service of directors who have appropriate knowledge and expertise.

Accordingly, Resolution 8 does not seek shareholder approval under section 208 of the Corporations Act.

7.4 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 8:

- (a) The maximum number of securities to be issued is 10,000,000 ZEPO's and the maximum number of Shares to be issued if all the vesting conditions attaching to those ZEPO's are met, is 10,000,000.
- (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).
- (c) Mr Jerkovic 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) As at the date of this Notice Mr Jerkovic and Mr Dixon are the only persons covered by ASX Listing Rule 10.14 that the Board has declared eligible to be issued Options under the Blackham EOP. However in accordance with the terms of the Blackham EOP the Board may determine in future that any of the other Directors may become eligible to participate in the Blackham EOP.
- (e) A voting exclusion statement has been included in the Notice of Meeting for Resolution 8.
- (f) No loan for an acquisition of securities will be granted under the Blackham EOP.
- (g) 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).

The Board considers Mr Jerkovic to be the vital leader through the next critical phase of the Company's development and integral to the delivery of the Company's near and longer-term mine plan. The Board also considers that Mr Jerkovic has been and continues to be, a key and central figure to the achievement of the ongoing strategic goals of the Company, given his experience and skill base and his history as Non-Executive Chairman of the Company. In line with the independent review, the Blackham EOP provides Mr Jerkovic 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 are not approved by Shareholders, it will be necessary for the Board to agree an alternative remuneration structure equivalent to the proposed award put forward in Resolution 8.

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.

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.

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.

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 Australian Securities Exchange (as applicable).

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 Blackham Resources Ltd Employee Option Plan as 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 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.

Entitlement Offer means the renounceable pro-rata rights issue to Eligible Shareholders as detailed in the Prospectus.

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

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

Hartleys means Hartleys Limited ACN 104 195 057.

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).

Lead Manager and Orion Offer means the offer of 31,250,000 Options to Orion JV Limited and the offer of 11,902,270 Options and 8,750,000 Shares to Hartleys Limited as detailed in the Prospectus.

LTI means long term incentive.

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

New Options means Options that are exercisable at \$0.08 on or before 31 January 2019.

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.

Orion means Orion Fund JV Limited.

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".

Project Finance Facility means the Facility Agreement – Matilda gold project dated 18 May 2015 between the Company, each entity named in schedule 1 to that agreement, Orion Fund JV Limited Orion and Orion Titheco Limited (now called Osisko Bermuda Limited), as amended including by the Variation Letter.

Prospectus means the prospectus dated 22 January 2018.

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.

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.

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.

STI means short term incentive.

Tectonic means Tectonic Advisory Partners

TFR means total fixed remuneration.

TIO means total incentive opportunity.

Underwriting Agreement means the underwriting agreement between the Company and Hartleys dated 22 January 2018.

Variation Letter means the Letter from Orion to the Company dated 11 January 2018 varying the Project Finance Facility.

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

Zenix means Zenix Nominees Pty Ltd (ACN 107 391 908), a wholly owned subsidiary of Hartleys Limited.

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
New Options
Terms and Conditions

The terms of the New Options are set out below. In the event that the New Options are not accepted for quotation by the ASX, they will be unquoted options.

- (a) Each New Option entitles the holder to subscribe for 1 Share at the exercise price of \$0.08.
- (b) Subject to paragraph (c) below, the New Options are exercisable at any time up to 5.00pm (Perth time) on 31 January 2019 by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company. Any New Options not exercised by that time will lapse.
- (c) A New Option holder may exercise only some of that person's New Options, which does not affect that holder's right to exercise the remainder of their New Options by the deadline in paragraph (b) above.
- (d) Subject to ASX's quotation requirements including that there is at least 50 Eligible Shareholders that are issued a New Option under these terms and conditions following their subscription for New Shares pursuant to the Entitlement Offer, the Company will apply to the ASX for official quotation of the New Options. The Company gives no assurances that such quotation will be granted.
- (e) Subject at all times to the Corporations Act, the Listing Rules and the Company's Constitution, the New Options are freely transferable.
- (f) All Shares issued upon exercise of the New Options will, from the date they are issued, rank equally 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 New Options.
- (g) New Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the New Options without first exercising the New 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 3 business days after the issue is announced. This will give New Option holders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (h) If the Company offers Shares by way of a pro-rata issue (except a bonus issue) to the holders of Shares (whether renounceable or not), then the exercise price of a New Option may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each New Option is exercisable will be increased by the number of Shares which the New Option Holder would have received under the bonus issue if the New Option had been exercised before the record date for the bonus issue.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the New Option expiry, the rights of New Option holders, including the number of New Options or the exercise price of the New Options or both will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) New 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 New 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 New Option holders.
- (l) Notwithstanding these terms and conditions, the New Options may only be issued or exercised within the limitations imposed by the Corporations Act and the ASX Listing Rules.

ANNEXURE B
Blackham Resources Ltd
Valuation for ZEPO's (per independent expert)

Item	Short Term Incentive 1 settled in ZEPO's Jerkovic	Short Term Incentive 2 settled in ZEPO's Jerkovic	Value Creation Incentive ZEPO's Dixon-Jerkovic
Underlying security spot price (*)	\$0.053	\$0.053	\$0.053
Exercise price	Nil	Nil	Nil
Commencement of measurement period	1-Jan-18	1-Jan-18	1-Jan-18
Measurement date	30-Jun-18	31-Dec-18	31-Dec-20
Measurement period (years)	0.6	1.0	3.0
Expiry date	31-Dec-21	31-Dec-21	31-Dec-21
Life of the Options (years)	4.0	4.0	4.0
Volatility	90%	90%	90%
Risk free rate	1.95%	1.95%	2.39%
Dividend yield	Nil	Nil	Nil
Valuation per Option	\$0.053	\$0.053	\$0.053

(*) 5 day VWAP following the end of the Company's ASX voluntary suspension (23 January 2018 – 30 January 2018)

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) Subject to the satisfaction of the vesting conditions, 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. Each ZEPO has an expiry date of 31 December 2021.
- 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) On the occurrence of a Change of Control Event, the Board may determine that all or a percentage of unvested ZEPO's 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.
- k) 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.
- l) At all times, ZEPO's are subject to the full terms and conditions of the Blackham EOP including any vesting conditions.
- m) 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.