
BLACKEARTH MINERALS NL

ACN 610 168 191

NOTICE OF MEETINGS

ANNUAL GENERAL MEETING

TIME: 11.30am WST

DATE: Monday 11th January 2021

PLACE: BlackEarth Minerals NL
Level 1
677 Murray Street
West Perth WA 6005

SPECIAL GENERAL MEETING OF PARTLY PAID SHAREHOLDERS

TIME: 12.00pm WST

DATE: Monday 11th January 2021

PLACE: BlackEarth Minerals NL
Level 1
677 Murray Street
West Perth WA 6005

This Notice of Meetings and accompanying Explanatory Memorandum should be read in their 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 Meetings please do not hesitate to contact the Company Secretary on (08) 6145 0289.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meetings relates will be held at the Company's registered office at Level 1, 677 Murray Street, West Perth WA 6005 at **11.30am WST** on Monday 11th January 2021.

The Special General Meeting of Partly Paid Shareholders to which this Notice of Meetings relates will be held at the Company's registered office at Level 1, 677 Murray Street, West Perth WA 6005 at **12.00pm WST** on Monday 11th January 2021.

YOUR VOTE IS IMPORTANT

The business of the Meetings affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Meetings on the date and at the place set out above.

VOTING ELIGIBILITY – ANNUAL GENERAL MEETING

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00 pm (WST) on Thursday 7th January 2021.

VOTING ELIGIBILITY – SPECIAL GENERAL MEETING OF PARTLY PAID SHAREHOLDERS

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Special General Meeting of Partly Paid Shareholders are those who are registered Partly Paid Shareholders at 5.00 pm (WST) on Thursday 7th January 2021.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the relevant enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders and Partly Paid Shareholders are advised that:

- each Shareholder and Partly Paid Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder or Partly Paid Shareholder of the Company; and
- a Shareholder or Partly Paid Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders, Partly Paid Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- the appointed proxy is not the chair of the meeting;
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Please complete and sign the relevant enclosed Proxy Form(s) in accordance with the instructions set out on the relevant form and either:

- send the Proxy Form(s) by post, to BlackEarth Minerals NL, PO Box 1088, West Perth WA 6872; or
- deliver the Proxy Form(s) by hand, to the Company at the Company's offices at Level 1, 677 Murray Street, West Perth WA 6005.

so that it is received not later than **11.30am WST** on Saturday 9th January 2021.

Proxy Forms received later than this time will be invalid.

COVID-19 INFORMATION

In light of the easing of restrictions on gatherings in Western Australia, it is currently anticipated that the Meetings will be held in person (and not by virtual means). The Company has taken steps to ensure that all attendees will be able to participate in the Meetings while maintaining their health and safety and adhering to social distancing requirements.

Shareholders and Partly Paid Shareholders do not need to attend the Meetings in order to cast their votes. The Company therefore recommends that Shareholders and Partly Paid Shareholders who do not wish to attend the Meetings in person, but who wish to vote, appoint the Chairman as their proxy (and where desired, direct the Chairman how to vote on a Resolution) rather than attending in person.

If the Meetings cannot be held in person, the Company will make necessary arrangements as required.

If you need any further information about this form or attendance at the Meetings, please contact the Company Secretary on (08) 6145 0289.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of BlackEarth Minerals NL will be held at the Company's offices at Level 1, 677 Murray Street West Perth WA 6005 at 11.30am WST on Monday 11th January 2021.

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

Capitalised terms used in this Notice of Meetings and Explanatory Memorandum are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

FINANCIAL AND OTHER REPORTS

To receive and consider the financial report together with the Directors' Report (including the remuneration report) and Auditor's Report for the financial year ended 30 June 2020. Whilst no resolution is required for this item, Shareholders will be given an opportunity to ask questions and make comments on the financial statements and reports.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report for the year ended 30 June 2020.”

Voting Prohibition

In accordance with sections 250R and 250BD(1) of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on the Resolution (as set out above) and either:

- c) the person is acting as a proxy and the Proxy Form specifies how the proxy is to vote; or
- d) the person 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 the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR (GEORGE BAUK)

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

“That George Bauk, being a Director who retires by rotation in accordance with Rule 73.1 of the Constitution, being willing and eligible for re-election, is hereby re-elected as a Director.”

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 2.

RESOLUTION 3 – ELECTION OF DIRECTOR (DAVID ROUND)

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

“That David Round, being a Director appointed to fill a casual vacancy, being willing and eligible for re-election, is hereby re-elected as a Director in accordance with Rule 69.2 of the Constitution.”

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 3.

RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

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

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of a resolution by:

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

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 4.

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE UNDER ASX 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 of the Company approve and ratify the prior issue of 17,048,328 Shares at \$0.05 per share on 9 October 2020, to certain sophisticated and professional investors, to progress the feasibility study for the Maniry Graphite Project and general working capital purposes."

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who participated in the share issue or any of their respective Associates.

However, this does not apply to a vote cast in favour of a resolution by:

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

The Chair intends to vote all available proxies **IN FAVOUR** of Resolution 5.

RESOLUTION 6 – RATIFICATION OF PREVIOUS SHARE ISSUE UNDER ASX 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 of the Company approve and ratify the prior issue of 11,365,552 Shares at \$0.05 per share on 9 October 2020, to certain sophisticated and professional investors, to progress the feasibility study for the Maniry Graphite Project and general working capital purposes."

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of a person who participated in the share issue or any of their respective Associates.

However, this does not apply to a vote cast in favour of a resolution by:

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

The Chair intends to vote all available proxies **IN FAVOUR** of Resolution 6.

RESOLUTION 7 – PROPOSED ISSUE OF UNLISTED OPTIONS

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 7.1 and for all other purposes, Shareholders of the Company approve the issue of 1,000,000 Options with an exercise price of \$0.07 each and expiring 30 September 2023, to MacMillan Capital Pty Ltd (or its nominee) for the provision of funding and corporate services."

Voting Exclusion

The Company will disregard any votes cast in favour of the resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective Associates.

However, this does not apply to a vote cast in favour of a resolution by:

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

The Chair intends to vote all available proxies **IN FAVOUR** of Resolution 7.

RESOLUTION 8 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO THOMAS REVY UNDER INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 4,000,000 Performance Rights to the Company’s Managing Director, Mr Thomas Revy (or his nominee) pursuant to the Incentive Plan, and the issue of Shares on vesting and exercise of the Performance Rights on the terms and conditions, and in the manner, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (which includes a Director of the Company), who is eligible to participate in the Incentive Plan, or any associate of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Thomas Revy or any of his associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of Mr Revy or any of his associates.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on the resolution if:

- (c) the proxy is either:
 - i. a member of the Key Management Personnel; or
 - ii. a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 8.

RESOLUTION 9 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DAVID ROUND UNDER INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 2,800,000 Performance Rights to the Company’s Finance Director, Mr David Round (or his nominee) pursuant to the Incentive Plan, and the issue of Shares on vesting and exercise of the Performance Rights on the terms and conditions, and in the manner, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (which includes a Director of the Company), who is eligible to participate in the Incentive Plan, or any associate of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

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

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr David Round or any of his associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of Mr Round or any of his associates.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on the resolution if:

- (c) the proxy is either:
 - i. a member of the Key Management Personnel; or
 - ii. a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 9.

RESOLUTION 10 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO GEORGE BAUK UNDER INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant and issue of 1,400,000 Performance Rights to the Company’s Non-Executive Chairman, Mr George Bauk (or his nominee) pursuant to the Incentive Plan, and the issue of Shares on vesting and exercise of the Performance Rights on the terms and conditions, and in the manner, set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (which includes a Director of the Company), who is eligible to participate in the Incentive Plan, or any associate of those persons.

However, this does not apply to a vote cast in favour of the resolution by:

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

- ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr George Bauk or any of his associates. However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of Mr Bauk or any of his associates.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on the resolution if:

- (c) the proxy is either:
 - i. a member of the Key Management Personnel; or
 - ii. a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 10.

RESOLUTION 11 – VARIATION OF CLASS RIGHTS – PARTLY PAID SHARES

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

"That, for the purposes of section 246B of the Corporations Act, Rule 7 of the Constitution and for all other purposes, subject to the passing of Resolution 1 of the Special General Meeting of Partly Paid Shareholders, approval is given for the Company to vary the rights attaching to a class of shares, being Partly Paid Shares, on the terms and conditions set out in the Explanatory Statement."

The Chair intends to vote all available proxies **IN FAVOUR** of Resolution 11.

DATED:

27 November 2020

BY ORDER OF THE BOARD

David Round
COMPANY SECRETARY

NOTICE OF SPECIAL GENERAL MEETING OF PARTLY PAID SHAREHOLDERS

Notice is given that a Special General Meeting of Partly Paid Shareholders of BlackEarth Minerals NL will be held at the Company's offices at Level 1, 677 Murray Street West Perth WA 6005 at 12.00pm WST on Monday 11th January 2021.

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

Capitalised terms used in this Notice of Meetings and Explanatory Memorandum are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

RESOLUTION 1 – VARIATION OF CLASS RIGHTS – PARTLY PAID SHARES

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

"That, for the purposes of section 246B of the Corporations Act, Rule 7 of the Constitution and for all other purposes, subject to the passing of Resolution 12 of the Annual General Meeting, approval is given for the Company to vary the rights attaching to a class of shares, being Partly Paid Shares, on the terms and conditions set out in the Explanatory Statement."

The Chair intends to vote available proxies **IN FAVOUR** of Resolution 1.

DATED: 27 November 2020

BY ORDER OF THE BOARD

David Round
COMPANY SECRETARY

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information that the Directors believe to be material to Shareholders and Partly Paid Shareholders in deciding how to vote on the Resolutions to be considered at the Meetings. The Directors recommend that Shareholders and Partly Paid Shareholders read this Explanatory Memorandum in full, together with the accompanying Notice.

ANNUAL GENERAL MEETING

ORDINARY BUSINESS – FINANCIAL AND OTHER REPORTS

Section 317 of the Corporations Act requires the Directors to lay before the annual general meeting the financial report, Directors' report (including the remuneration report) and the Auditor's Report for the last financial year that ended before the annual general meeting.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to Shareholders at the annual general meeting (save for Resolution 1 for the adoption of the Remuneration Report).

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Pursuant to section 250R(2) of the Corporations Act, the Company is required to put the Remuneration Report to a non-binding vote of Shareholders. The Annual Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director and non-executive Directors. The Annual Report is available on the Company's website at <https://www.blackearthminerals.com.au/investor-centre/#announcements>

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the directors. However, in addition, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25 per cent or more of votes cast at the Meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a 'two strikes' re-election process. Under the 'two strikes' re-election process, if the Company's remuneration report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, 'two strikes'), a resolution (the 'spill resolution') must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the 'spill meeting') to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the 'spill meeting' must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment). Further information will be provided on the 'spill resolution' and 'spill meeting' for any annual general meeting at which the Company may face a 'second strike'.

The remuneration levels for directors and officers are competitively set to attract and retain appropriate directors and Key Management Personnel.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 1.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR (GEORGE BAUK)

Rule 73.1 of the Constitution requires that, at every annual general meeting of the Company, one third of Directors (or, if their number is not three or a multiple of three, then the nearest to but not more than one third) must retire from office and if eligible seek re-election in accordance with the Constitution. In addition, ASX Listing Rule 14.5 requires that at least one Director stand for re-election at each annual general meeting of a listed company.

The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot. A retiring Director is eligible for re-election.

Mr Bauk retires and seeks re-election in accordance with ASX Listing Rule 14.5 and Rule 73.1 of the Constitution. Details regarding Mr Bauk are as follows:

Qualifications

Bachelor of Business (Edith Cowan University) and MBA (University of New England, NSW)

Experience

Mr Bauk's 25+ years of mining industry experience include particular expertise in critical metals. Skilled in strategic management, business planning, the establishment of high-performing teams and capital-raising, he has held senior operational and corporate positions with WMC Resources and Arafura Resources and was managing director of Indigo Resources (formerly Western Metals).

From 2010 – 2020, Mr Bauk was managing director and CEO of Northern Minerals, overseeing that company's heavy-rare-earth project in northern Australia.

Mr Bauk is currently also a Non-Executive Chairman of Lithium Australia NL and Gascoyne Resources Ltd, and Executive Chairman of Valor Resources Ltd.

The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 2.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 2.

RESOLUTION 3 – ELECTION OF DIRECTOR (MR DAVID ROUND)

Rule 69.2 of the Constitution provides that any Director appointed by the other Directors, either to fill a casual vacancy or as an addition to the existing Directors, will only hold office until the next annual general meeting of the Company and is then eligible for re-election.

Mr Round was appointed as a Director on 16 November 2020, and the Company now seeks confirmation of his re-election in accordance with Rule 69.2 of the Constitution.

Details regarding Mr Round are as follows:

Qualifications

Bachelor of Business (Curtin University), CPA and MBA (Deakin University).

Experience

Mr Round has substantial financial management, business development and capital-raising experience both in Australian and overseas.

He has held senior CFO and directorship roles with several ASX listed entities and as CFO and Head of Sales for Bass Metals Ltd (2015 – 2020), was instrumental in managing the acquisition of the mine and developing the company's financial and product sales. During this period, Mr Round developed markets for concentrate sales in Europe, USA, India and China and has built a strong industry network.

In his previous roles, Mr Round has developed joint venture and offtake agreements with overseas groups and has actively managed the introduction and growth of these initiatives.

The Company's remaining Directors recommend that Shareholders vote IN FAVOUR of Resolution 3.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 3.

RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

1.1 Background

Generally, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company may issue without the approval of its Shareholders over any 12 month period to the 15% of the number of ordinary securities that the company had on issue at the commencement of that 12 month period, other than with the prior approval of the Shareholders (**15% Placement Capacity**).

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% Placement Capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the date of the special resolution under Listing Rule 7.1A. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below. If Resolution 4 is not carried, then the Company will not be able to issue Shares under the Additional 10% Placement Facility pursuant to Listing Rule 7.1A and will remain subject to the Company's 15% Placement Capacity limit on issuing Shares without shareholder approval as set out in Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 1.2 (b) of this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility as it provides additional flexibility and capacity to the fund raising alternatives that would otherwise normally be available to the Company.

1.2 Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information.

(a) Minimum Issue Price

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of Equity Securities on ASX, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must be issued for a cash consideration per security which must not be less than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were conducted immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) Dilution

As at the date of this Notice of Annual General Meeting, the Company has 150,414,483 shares on issue. Accordingly, if Shareholders approve Resolution 4 the Company will have the capacity to issue 15,041,448 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

$(A \times D) - E$

- A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- a) *plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2 (other than Exception 9, 16 or 17);*
 - b) *plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:*
 - (i) *the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or*
 - (ii) *the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;*
 - c) *plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:*
 - (i) *the agreement was entered into before the commencement of the relevant period; or*
 - (ii) *the agreement was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;*
 - d) *plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% Placement Capacity without shareholder approval;*
 - e) *plus the number of partly paid shares that became fully paid in the relevant period;*
 - f) *less the number of fully paid shares cancelled in the relevant period.*

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not participate in the issue. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100% respectively. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% respectively, as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.024 50% decrease in Issue Price	\$0.048 Issue Price	\$0.072 50% increase in Issue Price
Current Variable A 150,414,483	10% Voting Dilution	15,041,448	15,041,448	15,041,448
	Funds Raised	\$360,995	\$721,990	\$1,082,984
50% increase in current Variable A 225,621,724.50	10% Voting Dilution	22,562,172	22,562,172	22,562,172
	Funds Raised	\$541,492	\$1,082,984	\$1,624,476
100% increase in current Variable A 300,828,966.00	10% Voting Dilution	30,082,897	30,082,897	30,082,897
	Funds Raised	\$721,990	\$1,443,979	\$2,165,969

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility;
- (ii) no Options are exercised into Shares before the date of issue of the Equity Securities;
- (iii) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (iv) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
- (v) the table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity. Dilution experienced by Shareholders may be greater if issues have been made utilising the capacity in Listing Rule 7.1 as well;
- (vi) the issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares; and
- (vii) the issue price is \$0.048, being the closing price of the Shares on ASX on 17 November 2020 .

(c) Issue Period

If Shareholders approve Resolution 4, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), (the Additional 10% Placement Period). The approval will cease to be valid in the event that holders of the Company's shares approve a transaction under Rule 11.1.2 or Rule 11.2.

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

(d) Purpose of Issues

The Company may only issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards development of its existing or the acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rule 7.1A.4.

(e) Allocation Policy

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

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

(f) Previous issues of Equity Securities under Listing Rule 7.1 and 7.1A

The following table provides details regarding the total number of Equity Securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of securities on issue at the commencement of the 12 month period under Listing Rules 7.1 and 7.1A.

Shares Issued under Listing Rule 7.1A	% of Pre-placement capital
11,365,552	10.0%
Shares Issued under Listing Rule 7.1	% of Pre-placement capital
17,048,328	15.0%

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2019.

The issue of these 28,413,880 securities under Listing Rule 7.1A are part of various placements of Equity Securities in the past 12 months as set out below.

Date of Issue	2 October 2020
Date of Appendix 2A	9 October 2020
Number and Class of Equity Securities Issued	11,365,552 fully paid ordinary shares
Issue Price and Discount to Market Price	\$0.05 (discount of 14%)
Cash Consideration and Use of Cash	Amount raised: \$568,277 Amount spent: \$568,277 Amount remaining: \$568,277 Proposed use of funds: <ul style="list-style-type: none">• Bankable feasibility study: \$150,000• Met testing: \$100,000]• Evaluation and exploration: \$200,000]• Working capital: \$118,277]

Notes

- (i) 'Market Price' means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last Trading Day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- (ii) The proposed use of the remaining funds is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied. The amounts shown as use of funds are averaged across the existing cash balances and total amount raised under the placement under which the Shares were issued under Listing Rule 7.1A.

(g) Voting exclusion statement

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum. At the date of the Notice of Annual General Meeting, the Company has not approached or invited any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

1.3 Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 4.

The Chairman intends to exercise all available proxies **IN FAVOUR** of Resolution 4.

RESOLUTION 5 – RATIFICATION OF PREVIOUS SHARE ISSUE UNDER ASX LISTING RULE 7.1

On 2 October 2020, the Company issued 17,048,328 Shares at a price of \$0.05 per Share under its 15% Placement Capacity in accordance with ASX Listing Rule 7.1. This issue of Shares did not breach Listing Rule 7.1.

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of Shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it, and so does not reduce the company's capacity to issue further securities without shareholder approval under Listing Rule 7.1.

Accordingly, under Resolution 5, the Company seeks approval from Shareholders for, and ratification of, the issue of a total of 17,048,328 Shares, so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

If Resolution 5 is passed, then the 17,048,328 Shares will not be included in calculating the Company's 15% placement capacity under Listing Rule 7.1. In the event that Shareholders do not approve Resolution 5, the issue of the 17,048,329 Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue dated by 17,048,329.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) the Shares were issued and allotted to professional and sophisticated investors who were identified by the Company and the lead manager in respect of the placement, MacMillan Capital Pty Ltd, and to whom the Shares could be offered without disclosure under Chapter 6D of the Corporations Act. None of the recipients are related parties of the Company;
- (b) the number of Shares allotted and issued was 17,048,328 under Listing Rule 7.1;
- (c) the Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company applied to ASX for official quotation of the Shares;
- (d) the Shares were issued on 2 October 2020;
- (e) the Shares were issued at an issue price of \$0.05 per Share;

- (f) the funds raised from the issue of the Shares are to be used by the Company to progress the feasibility study for the Maniry Graphite Project (activities as outlined below) and for working capital purposes:
 - Exploration activities at the Maniry Project and Donnelly River Prospect
 - Hydrology and geotechnical work
 - Further bulk metallurgical test work testing
 - Independent social, community and environmental studies
 - Further testing and evaluation of downstream processing opportunities
- (g) the Shares were issued to each participant under placement letters which set out the issue price of the Shares and the number of Shares to be issued to that participant – the other standard terms are not material.
- (h) A voting exclusion statement for Resolution 5 is included in the Notice.

The Board believes that the ratification of this issue is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 5.

The Chair intends to exercise all undirected proxies **IN FAVOUR** of Resolution 5 where he is duly authorised to do so.

RESOLUTION 6 – RATIFICATION OF PREVIOUS SHARE ISSUE UNDER ASX LISTING RULE 7.1A

On 2 October 2020, the Company issued 11,365,552 Shares at a price of \$0.05 per Share under its 10% placement capacity in accordance with ASX Listing Rule 7.1A. This issue of Shares did not breach Listing Rule 7.1A.

Listing Rule 7.1A provides that, unless an exemption applies, a company must not, without prior approval of Shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 10% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1A if the issue did not breach Listing Rule 7.1A and the company's members subsequently approve it, and so does not reduce the company's capacity to issue further securities without shareholder approval under Listing Rule 7.1.

Accordingly, under Resolution 6, the Company seeks approval from Shareholders for, and ratification of, the issue of a total of 11,365,552 fully paid Shares so as to limit the restrictive effect of Listing Rule 7.1A on any further issues of Equity Securities in the next 12 months.

If Resolution 6 is passed, then the 11,365,552 Shares will not be included in calculating the Company's 10% placement capacity under Listing Rule 7.1. In the event that Shareholders do not approve Resolution 6, the issue of the 11,365,552 Shares will be included in calculating the Company's 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue dated by 11,365,552.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) the Shares were issued and allotted to professional and sophisticated investors who were identified by the Company and the lead manager in respect of the placement, MacMillan Capital Pty Ltd, and to whom the Shares could be offered without disclosure under Chapter 6D of the Corporations Act. None of the recipients are related parties of the Company;
- (b) the number of Shares allotted and issued was 11,365,552 under Listing Rule 7.1A;
- (c) the Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company applied to ASX for official quotation of the Shares;

- (d) the Shares were issued on 2 October 2020;
- (e) the Shares were issued at an issue price of \$0.05 per Share;
- (f) the funds raised from the issue of the Shares are to be used by the Company to progress the feasibility study for the Maniry Graphite Project (activities as outlined below) and for working capital purposes:
 - Exploration activities at the Maniry Project and Donnelly River Prospect
 - Hydrology and geotechnical work
 - Further bulk metallurgical test work testing
 - Independent social, community and environmental studies
 - Further testing and evaluation of downstream processing opportunities
- (g) the Shares were issued to each participant under placement letters which set out the issue price of the Shares and the number of Shares to be issued to that participant – the other standard terms are not material.
- (h) A voting exclusion statement for Resolution 6 is included in the Notices.

The Board believes that the ratification of this issue is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 6.

The Chair intends to exercise all undirected proxies **IN FAVOUR** of Resolution 6 where he is duly authorised to do so.

RESOLUTION 7 – PROPOSED ISSUE OF UNLISTED OPTIONS

On 2 October 2020, the Company raised over A\$1.4m as part of a placement made to sophisticated investors. MacMillan Capital Pty Ltd acted as Managers and the Company agreed to pay the Manager a management fee of 6% of the total amount raised under capital raising. In addition, the Company agreed to issue 1,000,000 unlisted options to MacMillan Capital Pty Ltd or its nominee(s) under the Capital Raising. The Company is now seeking approval to issue up to 1,000,000 options to MacMillan Capital Pty Ltd or its nominees as part of their fees for managing the Company's recent equity raisings.

ASX Listing Rules

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of Shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Any Equity Securities which a company has issued, or agreed to issue, with the approval of Shareholders under ASX Listing Rule 7.1 will not count towards the 15% in 12 months limitation. The options proposed to be issued under this resolution will be Equity Securities for the purposes of Listing Rule 7.1. By issuing these options with shareholder approval, these options will not form part of the 15% annual placement capacity.

If Resolution 7 is passed, the Company can issue the Options pursuant to the agreement with MacMillan Capital Pty Ltd without the issue being considered in the calculation of the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 months following the issue. If Resolution 7 is not passed, the Company will have to use its 15% capacity under Listing Rule 7.1 to issue the Options.

11.3 Regulatory Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to the issue of the Options:

- (a) The Options will be issued to MacMillan Capital Pty Ltd and/or nominees/s.
- (b) A maximum of 1,000,000 Options will be issued.

- (c) A summary of the material terms of the Options are included in Schedule 3.
- (d) It is intended that the issue will occur on one date and no later than 3 months after the date of this meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The Options will be issued for nil cash consideration.
- (f) No funds will be raised by the issue of the Options. Any funds raised from the exercise of the Options will be used for working capital.
- (g) MacMillan Capital Pty Ltd was engaged pursuant to a mandate letter dated 30 September 2020 to coordinate the capital raising, liaise directly with investors, identify and coordinate the participation of new investors and assist with market communication as required, among other services. The mandate letter contemplates the following fees:
 - a management fee of 6% of funds raised (excluding GST);
 - an advisory fee of \$7,500 (excluding GST) per month for three months from the date of the mandate letter; and
 - the options contemplated by Resolution 7.
- (h) A voting exclusion statement in respect of Resolution 7 is included in the Notice.

The Board unanimously recommends that Shareholders vote IN FAVOUR of Resolution 7.

The Chair intends to exercise all undirected proxies **IN FAVOUR** of Resolution 7 where he is duly authorised to do so.

RESOLUTIONS 8 TO 10 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO MESSRS THOMAS REVY, DAVID ROUND AND GEORGE BAUK UNDER INCENTIVE PLAN

At the Company's 2018 Annual General Meeting, the Company received Shareholder approval to issue securities under an Incentive Plan to certain key directors or executives of the Company, as determined by the Board from time to time.

The Company proposes to issue a total of 8,200,000 Performance Rights to Directors Messrs Tom Revy and George Bauk and Mr David Round (or their nominees) under the Incentive Plan pursuant to Resolutions 8,9 and 10 respectively.

The Performance Rights will be issued for no consideration and no consideration is payable on the conversion of the Performance Rights into Shares.

The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives.

The object of Resolutions 8 to 10 inclusive is to provide the Directors with a mechanism to participate in the future development of the Company and to incentivise their future involvement with the Company. The Directors believe that the success of the Company in the future will depend in large part upon the skills of the people engaged to manage the Company's operations. Accordingly, it is important that the Company is able to attract and retain people of the highest calibre. The Directors consider that the most appropriate means of achieving this is to provide directors and employees with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.

If Resolutions 8 to 10 are each passed, the Company will be able to proceed to issue the respective Performance Rights to Messrs Revy, Round and Bauk respectively under and for the purposes of Listing Rule 10.14. If Resolutions 8 to 10 inclusive are not passed, the Company will not be able to proceed to issue the respective Performance Rights to Messrs Revy, Round and Bauk.

The following tables identify the hurdles to which conversion of the various tranches of Performance Rights are linked (which must be satisfied within 4 years of the issue date of the Performance Rights) as well as the total number of Performance Rights to be issued and the distribution of those Performance Rights to the relevant individuals (or their nominees).

Hurdle	Performance Rights
1. Company achieves a share price of at least \$0.08	1,537,500
2. Company achieves a share price of at least \$0.10	2,152,500
3. Company achieves a share price of at least \$0.15	2,460,000
4. The Company either: <ul style="list-style-type: none"> increases its stated resources by more than 25% volume (compared to the figure as at 17 November 2020, being 20.2mt; or adds an additional 2mt of resources at an average grade of 8%. 	2,050,000
Total	8,200,000

Director	Hurdle 1	Hurdle 2	Hurdle 3	Hurdle 4	Total
Tom Revy	750,000	1,050,000	1,200,000	1,000,000	4,000,000
David Round	525,000	735,000	840,000	700,000	2,800,000
George Bauk	262,500	367,500	420,000	350,000	1,400,000
Total	1,537,500	2,152,500	2,460,000	2,050,000	8,200,000

The Board considers that the incentive represented by the grant of Performance Rights is a cost effective and efficient alternative when compared to other forms of incentive such as cash, bonuses or increased remuneration.

The Board has examined the individual remuneration packages of the Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Revy, Round and Bauk are appropriate in the circumstances for the reasons set out below.

Based on its examination, the Board has concluded that the totality of Messrs Revy, Round and Bauk's remuneration packages, including the equity component of up to 8,200,000 Performance Rights now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Revy, Round and Bauk's significant management experience and knowledge of the mineral exploration industry.

Listing Rule 10.14

Shareholder approval of the grant of the Performance Rights the subject of Resolutions 9 to 11 inclusive is sought for the purposes of ASX Listing Rule 10.14.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the Company,
- (b) an Associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders,

unless it obtains the approval of its Shareholders.

The proposed grant to Mr Revy of up to 4,000,000 Performance Rights in accordance with the terms of the Incentive Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

The proposed grant to Mr Round of up to 2,800,000 Performance Rights in accordance with the terms of the Incentive Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

The proposed grant to Mr Bauk of up to 1,400,000 Performance Rights in accordance with the terms of the Incentive Plan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If each of Resolutions 8 to 10 inclusive are approved, the Company will be able to proceed with the grants to Messrs Revy, Round and Bauk of up to 8,200,000 Performance Rights (each in their respective number) in accordance with the terms of the Incentive Plan. Further, as shareholder approval under Listing Rule 7.1 is not required for issues of securities that have received shareholder approval under Listing Rule 10.14, the grant of Performance Rights to Messrs Revy, Round and Bauk (and any subsequent acquisition of securities upon exercise of those Performance Rights) will not be included in the calculation of the Company's 15% Placement Capacity.

If any of Resolutions 8 to 10 inclusive are not passed, the Company will not be able to proceed with the issue of the Performance Rights to Messrs Revy, Round and Bauk (as the case may be) under the Incentive Plan.

Information required by Listing Rule 10.15

Based on a Black Scholes assessment, the valuation of the proposed issue of Performance Rights is as follows –

Value of Issue

Director	Hurdle 1	Hurdle 2	Hurdle 3	Hurdle 4	Total
Tom Revy	\$21,863	\$28,665	\$28,560	\$47,900	\$126,988
David Round	\$15,304	\$20,066	\$19,992	\$33,530	\$88,891
George Bauk	\$7,652	\$10,033	\$9,996	\$16,765	\$44,446
Total	\$44,818	\$58,763	\$58,548	\$98,195	\$260,324

Below is a summary of the key input criteria in respect of the valuation.

Type of Security	Hurdle 1	Hurdle 2	Hurdle 3	Hurdle 4
Share price at valuation	\$0.048	\$0.048	\$0.048	\$0.048
Exercise (Strike) Price	\$0.08	\$0.10	\$0.15	\$0.00
Time to Maturity (in years)	4.00	4.00	4.00	4.00
Annual Risk Free Rate	1.45%	1.45%	1.45%	1.45%
Annualized Volatility	100.00%	100.00%	100.00%	100.00%
Rights Value / Price	\$0.02915	\$0.02730	\$0.02380	\$0.04790

For the purposes of the approval sought under ASX Listing Rule 10.14, and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Performance Rights to Messrs Revy, Round and Bauk.

- The Performance Rights are proposed to be issued to Messrs Revy, Round and Bauk, who are all Directors of the Company.
- The maximum number of Performance Rights that may be granted to Messrs Revy, Round and Bauk are as set out in the tables above.

- (c) The Performance Rights are being issued under the Incentive Plan adopted by Shareholders at the Company's general meeting on 30 November 2018 for nil cash consideration. The Performance Rights are otherwise issued on the terms and conditions set out in the Notice of Meeting dated 31 October 2018.
- (d) The current total remuneration package (per annum) for Messrs Revy, Round and Bauk as at the date of this notice is:

	Tom Revy	David Round	George Bauk
Salary and fees	\$250,000	\$245,000	\$60,000
Superannuation	\$23,750	\$23,275	-
Bonus	\$54,750	-	-
Total	\$328,500	\$268,275	\$60,000

- (e) In addition, the value of the outstanding securities currently held by Messrs Revy and Bauk and which were issued as part of their remuneration package are estimated to be as follows:

Estimated value of Remuneration in FY20	Tom Revy	George Bauk
Performance Rights	\$48,989	\$24,495
Bonus	(\$7,275)	(\$7,707)
Total	\$41,714	\$16,788

- (f) Shareholders are referred to the Remuneration Report for the year ended 30 June 2020 for full details of the remuneration arrangements for Messrs Revy, Round and Bauk.
- (g) 10,000,000 Performance Rights have previously been issued under the Incentive Plan to persons referred to in ASX Listing Rule 10.14. Messrs Revy and Bauk have previously been awarded the following Performance Rights at no cost under the incentive plan:
- Mr Revy: 5,000,000 Performance Rights issued 30 November 2018; and
 - Mr Bauk: 2,500,000 Performance Rights issued 30 November 2018.
- (h) The Performance Rights will be issued within 12 months of the date of the Meeting or such later date as the ASX Listing Rules permit. The Company currently expects that the Performance Rights will be issued soon after the meeting (subject to Shareholder approval).
- (i) The primary purpose of the grant of the Performance Rights to Messrs Revy, Round and Bauk is to provide a performance linked incentive component in the remuneration package of the Company's Directors and to provide a mechanism for the Directors to participate in the future development of the Company.
- (j) No loans are being provided in connection with the issue of the Performance Rights.
- (k) Details of any securities issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14, who become entitled to participate in an issue of securities under the scheme after each of Resolutions 9 to 11 are approved and who were not named in this Notice, will not participate in the scheme until approval is obtained under Listing Rule 10.14.
- (l) Voting exclusion statements for each of Resolutions 9 to 11 are included in the Notice.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Performance Rights) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. The proposed issue of Performance Rights to Directors and/or their nominee(s) involves the provision of a financial benefit to a related party of the Company and, therefore, requires prior Shareholder approval unless an exception applies.

The Board has considered the application of Chapter 2E of the Corporations Act and formed the view that the arm's length and reasonable remuneration exceptions provided by sections 210 and 211 of the Corporations Act are relevant and applicable in the circumstances. Accordingly, the Company has not sought the approval of the Shareholders for the proposed issue of the Performance Rights to Messrs Revy, Round and Bauk who are Directors under Chapter 2E of the Corporations Act.

Corporate Governance Principles and Recommendations

The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations state that non-executive directors should not receive performance rights as part of their remuneration. Notwithstanding this, the Board considers the issue of Performance Rights to Mr George Bauk (who is a non-executive Director) to be appropriate in the circumstances as part of his remuneration, given the primary purpose of the grant of the Performance Rights is to motivate and reward performance in his role as Non-Executive Chairman and not to raise capital.

Directors' Recommendation for Resolutions 8 to 10

Mr Thomas Revy declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. **The Directors (other than Mr Thomas Revy) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 8.**

Mr David Round declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. **The Directors (other than Mr David Round) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 9.**

Mr George Bauk declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution. **The Directors (other than Mr George Bauk) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 10.**

The Chair intends to exercise all undirected proxies **IN FAVOUR** of Resolutions 8 to 10.

RESOLUTION 11 – VARIATION OF CLASS RIGHTS – PARTLY PAID SHARES

Background

The Company has on issue 20,432,750 partly paid shares (the **Partly Paid Shares**). The Partly Paid Shares are paid up to \$0.0001 and have an unpaid amount per Partly Paid Share of \$0.2499 (the **Unpaid Amount**).

The purpose of varying the terms of the Partly Paid Shares is to align the uncalled amount to the current Share price. This will facilitate the ability of the Company to make calls on the Partly Paid Shares. It would also allow the Company to issue additional Partly Paid Shares that can be issued on the same terms and conditions as the varied Partly Paid Shares as only one class of Partly Paid Shares may be listed.

Pursuant to Resolution 11, the Company seeks the approval of Shareholders by way of a special resolution to vary the terms of the Partly Paid Shares to reduce the Unpaid Amount from \$0.2499 to \$0.0599 (the **Variation**).

If Resolution 11 is passed, and Resolution 1 of the Special General Meeting is also passed (see below for a discussion of the conditionality of the two resolutions), then the Company may vary the terms of the Partly Paid Shares as

contemplated in this Notice of Meetings. If Resolution 11 is not passed, then the Company will not be able to vary the terms of the Partly Paid Shares as contemplated by this Notice of Meetings.

The full revised rights and liabilities of the Partly Paid Shares, as proposed by the Company in connection with the Variation, are set out in Schedule 2.

Corporations Act and Constitution

Section 246B of the Corporations Act provides that if a company has a constitution that sets out the procedure for varying rights attached to shares in a class of shares, those rights may be varied only in accordance with that procedure.

Rule 7 of the Constitution provides that the rights attaching to any class of shares may be varied with:

- (a) the consent in writing of the holder or holders of 75% of the issued shares of that class; or
- (b) with the sanction of a special resolution passed at a separate meeting of holders of the shares of the class.

In addition, the Constitution provides that any variation of rights under Rule 7 is subject to the Corporations Act, which itself requires a meeting of Shareholders of the Company pass a special resolution approving the Variation (being the Company's annual general meeting) in addition to a meeting of Partly Paid Shareholders.

Resolution 11 will be passed by Partly Paid Shareholders as a special resolution if 75% of the votes cast by Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) are in favour of it.

Conditionality of resolutions

Pursuant to the Corporations Act, approval in the requisite majorities of Resolution 1 of the Special General Meeting and Resolution 11 of the Annual General Meeting is required for the class rights of the Partly Paid Shares the subject of those resolutions to be varied. Resolution 11 of the Annual General Meeting is conditional upon Resolution 1 of the Special General Meeting, meaning that the class rights will not be varied unless both resolutions are approved by the requisite majorities.

Directors' recommendation

The Directors unanimously support the Variation and recommend that Partly Paid Shareholders vote in favour of Resolution 11.

SPECIAL GENERAL MEETING OF PARTLY PAID SHAREHOLDERS

SPECIAL RESOLUTION 1 – VARIATION OF CLASS RIGHTS – PARTLY PAID SHARES

Background

The Company has on issue 28,142,750 Partly Paid Shares. The Partly Paid Shares are paid up to \$0.0001 and have an unpaid amount of \$0.2499.

The purpose of varying the terms of the Partly Paid Shares is to align the uncalled amount to the current Share price. This will facilitate the ability of the Company to make calls on the Partly Paid Shares. It would also allow the Company to issue additional Partly Paid Shares on the same terms and conditions as the varied Partly Paid Shares as only one class of Partly Paid Shares may be listed.

Pursuant to Resolution 1, the Company seeks the approval of Partly Paid Shareholders by way of a special resolution of the Variation. The Variation will vary the terms of the Partly Paid Shares to reduce the Unpaid Amount from \$0.2499 to \$0.0599.

If Resolution 1 is passed, and Resolution 11 of the Annual General Meeting is also passed (see below for a discussion of the conditionality of the two resolutions), then the Company may vary the terms of the Partly Paid Shares as contemplated in this Notice of Meetings. If Resolution 1 is not passed, then the Company will not be able to vary the terms of the Partly Paid Shares as contemplated by this Notice of Meetings.

The full revised rights and liabilities of the Partly Paid Shares, as proposed by the Company in connection with the Variation, are set out in Schedule 2.

Corporations Act and Constitution

Section 246B of the Corporations Act provides that if a company has a constitution that sets out the procedure for varying rights attached to shares in a class of shares, those rights may be varied only in accordance with that procedure.

Rule 7 of the Constitution provides that the rights attaching to any class of shares may be varied with:

- (a) the consent in writing of the holder or holders of 75% of the issued shares of that class; or
- (b) with the sanction of a special resolution passed at a separate meeting of holders of the shares of the class.

In addition, the Constitution provides that any variation of rights under Rule 7 is subject to the Corporations Act, which itself requires a meeting of Shareholders of the Company pass a special resolution approving the Variation (being the Company's annual general meeting) in addition to a meeting of Partly Paid Shareholders.

Resolution 1 will be passed by Partly Paid Shareholders as a special resolution if 75% of the votes cast by Partly Paid Shareholders present and eligible to vote (whether in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) are in favour of it.

Conditionality of resolutions

Pursuant to the Corporations Act, approval in the requisite majorities of Resolution 1 of the Special General Meeting and Resolution 11 of the Annual General Meeting is required for the class rights of the Partly Paid Shares the subject of those resolutions to be varied. Resolution 11 of the Annual General Meeting is conditional upon Resolution 1 of the Special General Meeting, meaning that the class rights will not be varied unless both resolutions are approved by the requisite majorities.

Directors' recommendation

The Directors unanimously support the Variation and recommend that Partly Paid Shareholders vote in favour of Resolution 1.

SCHEDULE 1 – DEFINITIONS

In this Notice of Meetings and Explanatory Memorandum, unless the context otherwise requires, the following terms bear the following meanings:

\$ means Australian dollars.

15% Placement Capacity means the placement capacity of the Company as determined by ASX Listing Rule 7.1.

Additional 10% Placement Facility means the additional placement capacity of the Company, if approved by Shareholders in a general meeting, as determined by ASX Listing Rule 7.1A.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the Australian Securities Exchange operated by ASX.

Chairman means the chairman of the Meeting.

Company means BlackEarth Minerals NL ACN 610 168 191.

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

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum which accompanies and forms part of the Notice.

General Meeting means the meeting of Shareholders convened by the Notice or any meeting adjourned therefrom.

Incentive Plan means the incentive plan adopted by Shareholders at the Company's general meeting on 30 November 2018.

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

Meeting has the meaning given in the introductory paragraph of this Notice.

Notice of Meetings or **Notice** means the Notice of Annual General Meeting and Special General Meeting as the context, including this Explanatory Memorandum.

Partly Paid Shares has the meaning given in the discussion of Resolution 11 in the Explanatory Memorandum.

Partly Paid Shareholder means the holder of a Partly Paid Share.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice.

Section means a section of the Notice.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share.

Special Meeting means the meeting of Partly Paid Shareholders convened by the Notice or any meeting adjourned therefrom.

Unpaid Amount has the meaning given in the discussion of Resolution 11 in the Explanatory Memorandum.

Variation has the meaning given in the discussion of Resolution 12 in the Explanatory Memorandum.

VWAP means volume weighted average market price of Shares, calculated over days on which sales in Shares were recorded on ASX.

WST means Western Standard Time, being the time in Perth, Western Australia.

SCHEDULE 2 – REVISED RIGHTS AND LIABILITIES ATTACHING TO PARTLY PAID SHARES

The Partly Paid Shares rank equally in all respects with fully paid ordinary shares in the capital of the Company on issue, subject to the following terms and conditions, notwithstanding any differences in the amount that the Partly Paid Shares are paid up to.

1. Each Partly Paid Share:
 - (a) is issued at a total issue price of \$0.06 per Partly Paid Share;
 - (b) is deemed to be paid up to \$0.0001;
 - (c) has an initial unpaid amount of \$0.0599;
 - (d) carries the right to participate in new issues of securities to holders of fully paid Shares (except bonus issues) on the same basis as holders of fully paid Shares;
 - (e) carries the right to participate in bonus issues of securities in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) and, further, each holder of Partly Paid Shares (**Partly Paid Shareholder**) will be notified by the Company of any proposed bonus issue of securities at least 14 days prior to the record date for any such issue;
 - (f) carries the right to vote in the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited); and
 - (g) carries the right to participate in dividends on the same basis as if the Partly Paid Shares were fully paid up unless a call has been made on the Partly Paid Shares and that call is due and unpaid.
2. At least 15 Business Days' notice of any call will be provided to Partly Paid Shareholders.
3. Subject to clause 8, joint Partly Paid Shareholders are jointly and severally liable to pay any call made on the Partly Paid Shares.
4. If the Company is listed on ASX, the Company will apply to have the fully paid Shares (that have come about as a result of the Partly Paid Shareholder paying the unpaid amount in full) listed for quotation by ASX within 10 days of the date of any such payment of the unpaid amount.
5. Subject to meeting the requirements of the ASX Listing Rules, the Partly Paid Shares will be quoted on the ASX.
6. Should there be any conflict between these terms and the ASX Listing Rules, the ASX Listing Rules will prevail.
7. If the Company is listed on ASX and there is a reorganisation of the issued capital of the Company (including, but not limited to, a consolidation, subdivision, cancellation, reduction or return of capital):
 - (a) the number of Partly Paid Shares must be reorganised in the same proportion as all other classes of shares on issue; and
 - (b) the reorganisation must not involve a cancellation or reduction of the total amount payable and unpaid by Partly Paid Shareholders.
8. In accordance with Part 2H.3 of the Corporations Act and the ASX Listing Rules, Partly Paid Shareholders do not have a contractual obligation to pay calls in respect of the unpaid amount on their Partly Paid Shares. However, the Partly Paid Shares the subject of a call will be liable to forfeiture if a call remains unpaid at the end of 14 Business Days after it became payable. Forfeited Partly Paid Shares may then be sold by the Company by public auction in accordance with the Corporations Act.

SCHEDULE 3

BLACKEARTH MINERALS NL TERMS AND CONDITIONS OF UNLISTED OPTIONS NOVEMBER 2020

1. No monies will be payable for the issue of the Unlisted Options ("Options").
2. A certificate will be issued for the Options.
3. The Options will expire three years from the date of issue, being 30 September 2023 ("**Expiry Date**") and may be exercised prior to the Expiry Date, being 30 September 2023 ("**Exercise Period**").
4. Subject to conditions 12 and 13 the Option is a right in favour of the Option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Shares allotted to Option holders on exercise of the Options will be issued at a price of \$0.07 each ("**Exercise Price**").
6. The Exercise Price of Shares the subject of the Options will be payable in full on exercise of the Options.
7. Options will be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to:
 - (a) exercise all or a specified number of Options (minimum of 500,000); and
 - (b) pay the subscription monies in full for the exercise of each Option.

The notice must be accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.

8. The Company will allot the resultant Shares and deliver the share certificate or holding statement within ten business days of the exercise of the Option.
9. Options will not be listed for official quotation on the Australian Securities Exchange Limited ("**ASX**").
10. The Options will not be transferable.
11. There will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company in accordance with the requirements of the Listing Rules of the Australian Stock Exchange.
12. In the event of a bonus issue the number of Shares over which the Options are exercisable may be increased by the number of Shares which the option holders would have received if the Options had been exercised before the record date for the bonus issue.
13. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an Option holder are to be changed in a manner consistent with the ASX Listing Rules.
14. Shares allotted pursuant to an exercise of Options will rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
15. The Company will in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (WST) on Saturday, 9 January 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **12.00pm (WST) on Saturday, 9 January 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

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DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

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Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

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<https://investor.automic.com.au/#/login>
 or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
 GPO Box 5193
 Sydney NSW 2001

IN PERSON:

Automic
 Level 5, 126 Phillip Street
 Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
 +61 2 9698 5414 (Overseas)

