
BLACKEARTH MINERALS NL

ACN 610 168 191

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00am WST

DATE: 30 November 2018

PLACE: BlackEarth Minerals NL
Level 2, 675 Murray Street
West Perth WA 6005

This Notice of Meeting 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 Meeting please do not hesitate to contact the Company Secretary on (08) 6145 0289.

TIME AND PLACE OF MEETING AND HOW TO VOTE

TIME AND PLACE

The Annual General Meeting will be held at **11.00am WST** on **30 November 2018** at the offices of the Company at Level 2, 675 Murray Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the Meeting in person or casting a direct vote.

A proxy need not be a Shareholder and may be an individual or a company. If you are entitled to cast two or more votes at the Meeting, you may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form in accordance with the instructions set out on the form and either send the Proxy Form:

- (a) by post, to BlackEarth Minerals NL, PO Box 1088, West Perth WA 6872; or
- (b) by hand, to the Company at the Company's offices at Level 2, 675 Murray Street, West Perth WA 6005.

so that it is received not later than **11.00am WST** on **28 November 2018**.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of BlackEarth Minerals NL will be held at the Company's offices at Level 2, 675 Murray Street West Perth WA 6005 at 11.00am WST on 30 November 2018.

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 Meeting and Explanatory Memorandum are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

Reports and Accounts

To receive and consider the 2018 Annual Report, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report thereon.

1. 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, approval is given for the Company to adopt the Remuneration Report for the financial year ended 30 June 2018."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of:

- (a) a member of Key Management Personnel (including the Directors), details of whose remuneration are included in the Remuneration Report; or
- (a) a Closely Related Party of a member of Key Management Personnel.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of members of the Key Management Personnel.

The Chair will vote all such undirected proxies in favour of this Resolution.

2. 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 and ASX Listing Rule 14.5, being willing and eligible for re-election, is hereby re-elected as a Director.”

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the number of Shares on issue (at the time of the issue) over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or 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, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPOINTMENT OF AUDITOR – BENTLEYS CORPORATE & AUDIT (WA) PTY LTD

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

“That, for the purposes of section 327(B) Corporations Act and for all other purposes, Bentleys Corporate & Audit (WA) Pty Ltd, being qualified to act as auditor of the Company, having been nominated by a Shareholder and having consented to act as auditor of the Company, be appointed as the auditor of the Company.”

5. RESOLUTION 5 – APPROVAL OF 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 Exception 9 of ASX Listing Rule 7.2 and for all other purposes, approval is given for the Company to adopt the BlackEarth Minerals NL Securities Incentive Plan, the terms of which are summarised in the Explanatory Memorandum, and authorisation is given to issue Equity Securities under that plan from time to time (including the grant of Performance Rights and issue of Shares on vesting and exercise of the Performance Rights).”

Voting Prohibition and Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by, or on behalf of, a Director (except a Director who is ineligible to participate in the Incentive Plan) or any associates of a Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a vote on this Resolution must not be cast (in their capacity as a proxy) by or on behalf of any of the following persons that is appointed as a proxy:

- (a) a member of Key Management Personnel (including the Directors); or
- (b) a Closely Related Party of a member of Key Management Personnel.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (b) the proxy appointment is in writing and specifies the way the proxy is to vote on this Resolution; or
- (c) the proxy is the Chair and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of members of Key Management Personnel.

The Chair will vote all such undirected proxies in favour of this Resolution.

6. RESOLUTION 6 – 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**:

“Subject to the passing of Resolution 5, that approval is given for the purposes of Listing Rule 10.14 and for all other purposes, for the grant and issue of 5,000,000 Performance Rights to Mr Thomas Revy (who is a Director) and/or his nominee(s) 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 Prohibition and Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any Director who is eligible to participate in the Incentive Plan (or their nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a vote on this Resolution must not be cast (in their capacity as a proxy) by or on behalf of any of the following persons that is appointed as a proxy:

- (a) Mr Thomas Revy or his associate;
- (b) a member of Key Management Personnel (including the Directors); or
- (c) a Closely Related Party of a member of Key Management Personnel.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair and the proxy appointment:

- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of members of Key Management Personnel.

The Chair will vote all such undirected proxies in favour of this Resolution.

7. RESOLUTION 7 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO PHILLIP HEARSE UNDER INCENTIVE PLAN

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

“Subject to the passing of Resolution 5, that approval is given for the purposes of Listing Rule 10.14 and for all other purposes, for the grant and issue of 2,500,000 Performance Rights to Mr Phillip Hearse (who is a Director) and/or his nominee(s) pursuant to the Incentive Plan, and the issue of Shares pursuant to the Performance Rights on the terms and conditions, and in the manner, set out in the Explanatory Memorandum.”

Voting Prohibition and Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any Director who is eligible to participate in the Incentive Plan (or their nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a vote on this Resolution must not be cast (in their capacity as a proxy) by or on behalf of any of the following persons that is appointed as a proxy:

- (a) Mr Phillip Hearse or his associate;
- (b) a member of Key Management Personnel (including the Directors); or
- (c) a Closely Related Party of a member of Key Management Personnel.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of members of Key Management Personnel.

The Chair will vote all such undirected proxies in favour of this Resolution.

8. RESOLUTION 8 – 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**:

“Subject to the passing of Resolution 5, that approval is given for the purposes of Listing Rule 10.14 and for all other purposes, for the grant and issue of 2,500,000 Performance Rights to Mr George Bauk (who is a Director) and/or his nominee(s) pursuant to the Incentive Plan, and the issue of Shares pursuant to the Performance Rights on the terms and conditions, and in the manner, set out in the Explanatory Memorandum.”

Voting Prohibition and Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any Director who is eligible to participate in the Incentive Plan (or their nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a vote on this Resolution must not be cast (in their capacity as a proxy) by or on behalf of any of the following persons that is appointed as a proxy:

- (a) Mr George Bauk or his associate;
- (b) a member of Key Management Personnel (including the Directors); or
- (c) a Closely Related Party of a member of Key Management Personnel.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chair and the proxy appointment:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of members of Key Management Personnel for the Company.

The Chair will vote all such undirected proxies in favour of this Resolution.

9. RESOLUTION 9 – RENEWAL OF THE COMPANY’S PROPORTIONAL TAKEOVER PROVISIONS

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

“That, the proportional takeover approval provisions contained in clause 163 of the Constitution, a copy of which is tabled at the Annual General Meeting, are renewed for a further period of three years commencing on the date of the Meeting for the purpose of section 648G of the Corporations Act.”

DATED: 29 OCTOBER 2018

BY ORDER OF THE BOARD

**BARRY WOODHOUSE
COMPANY SECRETARY
BLACKEARTH MINERALS NL**

EXPLANATORY MEMORANDUM

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

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the 2018 Annual Report together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of 2018 Annual Report to Shareholders unless specifically requested to do so. The 2018 Annual Report is available on the Company's website at www.blackearthminerals.com.au.

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

Section 250R(2) of the Corporations Act requires a resolution that the remuneration report be adopted be put to the shareholders at a listed company's annual general meeting, but expressly provides that such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the 2018 Annual Report.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Board recognises that the Shareholder vote on Resolution 1 is an indication of Shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the remuneration practices of the Company.

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

A voting exclusion statement has been included in the Notice.

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

The Chair will vote all undirected proxies in favour of Resolution 1.

2. RESOLUTION 2 – RE-ELECTION OF 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 14.4 and rule 73.1 of the Constitution. Details regarding George Bauk are set out in the 2018 Annual Report.

Mr Bauk has an interest in Resolution 2 and refrains from making any recommendation as to how Shareholders should vote on the Resolution. The Company's remaining Directors recommend that Shareholders vote in favour of Resolution 2.

The Chair will vote all undirected proxies in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's Equity Securities on issue (at the time of issue) under the 10% Placement Capacity during the 12 month period starting on the date of the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 3 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

The Company is an Eligible Entity as it is (i) not included in the S&P/ASX 300 Index, and (ii) has a current market capitalisation of \$10.67m (as at 23 October 2018), which is less than the \$300 million maximum amount of market capitalisation determined by ASX that an entity may have and be eligible to seek approval for the 10% Placement Capacity.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX: BEM).

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

$$(A \times D) - E$$

Where:

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

- *plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2,*

- plus the number of partly paid shares that became fully paid in the 12 months,
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4,
- less the number of fully paid shares cancelled in the 12 months.

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

***D** is 10%.*

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

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. As at the date of this Notice, the Company has on issue 60,785,500 Shares and therefore:

- (a) has capacity to issue 9,117,825 Equity Securities under Listing Rule 7.1; and
- (b) subject to shareholder approval being sought under Resolution 3, will have capacity to issue 6,078,550 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated as at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

3.3 Technical information required by ASX Listing Rule 7.3A

For the purposes of the approval sought under ASX Listing Rule 7.1A, and in accordance with the requirements of ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price at which Equity Securities may be issued

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

(b) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute Shareholders' existing voting power.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below. The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Shares on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (variable "A" in ASX Listing Rule 7.1A.2)	Dilution			
	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Funds raised based on issue price of \$0.0575 (50% decrease in current issue price)	Funds raised based on issue price of \$0.115 (Current issue price)	Funds raised based on issue price of \$0.1725 (50% increase in current issue price)
60,785,500 (Current)	6,078,550	349,517	699,033	1,048,550
91,178,250 (50% increase)*	9,117,825	524,275	1,048,550	1,572,825
121,571,000 (100% increase)*	12,157,100	699,033	1,398,067	2,097,100

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or Plan Securities issued pursuant to the proposed Incentive Plan) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above has been prepared on the following assumptions:

- The current number of Shares on issue is as at the date of this Notice.
- The issue price set out above is based on 75% of the 15 day weighted average volume using the closing price of the Shares on the ASX on 29 October 2018 (\$0.115).
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company will not have issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for Shares on the date of issue.

(c) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity during the period commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- 12 months after the date of the Annual General Meeting; and

- the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking), after which date an approval under Listing Rule 7.1A ceases to be valid.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- As cash consideration, in which case the Company intends to use funds raised:
 - for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and
 - for continued exploration expenditure on the Company's exploration projects including the Maniry Graphite Project, the Ianapera Graphite Project and the WA Graphite Projects; or
- as non-cash consideration for the acquisition of new resources assets and investments, in which circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) Allocation policy for issues under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be a related party or an associate of a related party of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the Company's circumstances, including, but not limited to, its financial position and solvency;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) No Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting as it was not listed.

3.4 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (a) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (b) the information required by Listing Rule 3.10.5A for release to the market.

3.5 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. If this remains the case on the date of the Meeting, no existing Shareholders will be excluded from voting on Resolution 3.

3.6 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

The Chair will vote all undirected proxies in favour of Resolution 3.

4. RESOLUTION 4 – APPOINTMENT OF AUDITOR

In accordance with section 327C(1) of the Corporations Act, and as announced on 1 June 2018, the Directors appointed Bentleys Audit and Corporate (WA) Pty Ltd as the Company's auditors following ASIC's consent to the resignation of Williams Buck Audit (WA) Pty Ltd.

Pursuant to section 327C(2) of the Corporations Act, an auditor appointed under clause 327C(1) of the Corporations Act shall hold office until the entity's next annual general meeting at which members must appoint an auditor.

Resolution 4 seeks the approval of Shareholders to the appointment of Bentleys Audit and Corporate (WA) Pty Ltd as the Company's auditors for the purposes of section 327B of the Corporations Act and for all other purposes and with effect from the close of the meeting.

The Directors recommend that Shareholders vote in favour of Resolution 4.

The Chair will vote all undirected proxies in favour of Resolution 4.

5. RESOLUTIONS 5 TO 8 – APPROVAL OF INCENTIVE PLAN AND ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

5.1 Background to Resolution 5

Resolution 5 is a resolution which seeks Shareholder approval for the issue of securities under the proposed new Incentive Plan.

A summary of the terms and conditions of the Incentive Plan is set out in **Annexure A** to this Notice of Meeting.

ASX Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain Equity Securities, including options. The effect is that shareholder approval is required before a company may issue equity securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of ASX Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period. Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exception from ASX Listing Rule 7.1. Shareholder approval must be given in a general meeting held not

more than 3 years before the date of issue and for which the notice of meeting contains or is accompanied by certain prescribed information.

In order to take advantage of the exception in respect of ASX Listing Rule 7.1, Shareholders are requested to approve the issue of securities under the Incentive Plan (**Plan Securities**) under Exception 9 of ASX Listing Rule 7.2. This approval will be effective for a period of three (3) years from the date of Resolution 5. It should be noted that Resolution 5 does not approve the issue of any Plan Securities to any Director. Issues to directors are subject to the approval of Shareholders in accordance with Chapter 10 of the ASX Listing Rules.

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

If Plan Securities vest and are exercised, it will increase the number of Shares that are on issue by the number of convertible Plan Securities exercised.

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

Application will not be made for official quotation on the ASX of the Plan Securities. A summary of the Incentive Plan under which the Performance Rights are to be issued is set out in **Annexure A**.

The Board believes that the Incentive Plan will:

- (a) enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- (b) link the rewards of key personnel with the achievements of strategic goals and the performance of the Company;
- (c) align the financial interest of participants in the Incentive Plan with those of Shareholders; and
- (d) provide reward to participants in the Incentive Plan to focus on superior performance that creates Shareholder value.

5.2 Exception 9 of ASX Listing Rule 7.2 - Disclosure Requirements

In accordance with Exception 9(b) of ASX Listing Rule 7.2, the following information is disclosed to Shareholders for the purposes of Resolution 5:

- (a) the terms and conditions of the Incentive Plan are summarised in Annexure A to this Notice of Meeting;
- (b) the Incentive Plan has not previously been approved nor have any Plan Securities previously been issued under the Incentive Plan; and
- (c) a voting exclusion statement is included in the Notice.

If Shareholder approval to the adoption of the Incentive Plan is granted pursuant to Resolution 5, offers of Plan Securities to the Company's Directors will be made under the Incentive Plan, for which separate Shareholder approvals will be sought pursuant to Resolutions 6 to 8 inclusive.

5.3 Directors' Recommendation

As the Directors may have a personal interest in Resolution 5, the Directors make no recommendation as to how Shareholders should vote on this resolution.

The Chair will vote all undirected proxies in favour of Resolution 5 where expressly authorised to do so in his or her appointment as proxy notwithstanding that Resolution 5 is connected directly with the remuneration of a member of Key Management Personnel.

5.4 Background to Resolutions 6, 7, 8

Subject to the approval of Resolution 5 by Shareholders, the Company proposes to issue a total of 10,000,000 Performance Rights to Messrs Tom Revy, George Bauk and Phillip Hearse, who are Directors, and/or their nominee(s) under the Incentive Plan pursuant to Resolutions 6, 7 and 8 respectively.

The Performance Rights will be issued for no consideration. No consideration is payable for the conversion of Performance Rights to 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 6 to 8 inclusive is to provide the Directors with a mechanism to participate in the future development of the Company and an incentive for their future involvement with and commitment to 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 with an opportunity to participate in the Company's future growth and an incentive to contribute to that growth.

The following tables identify the hurdles to be reached for each of the Performance Rights which are required to be reached within 5 years of the issue date of the Performance Rights, along with the total number of Performance Rights to be issued and the distribution of those Performance Rights to the relevant Directors and/or their nominee(s).

Hurdle	Performance Rights
1. Positive scoping study and decision to proceed to Feasibility Study	2,000,000
2. Tenure update – grant of mining licence including all relevant mining approvals	4,000,000
3. Positive Feasibility Study and Financial Investment Decision	4,000,000
Total	10,000,000

Director	Hurdle 1	Hurdle 2	Hurdle 3	Total
Tom Revy	1,000,000	2,000,000	2,000,000	5,000,000
Phillip Hearse	500,000	1,000,000	1,000,000	2,500,000
George Bauk	500,000	1,000,000	1,000,000	2,500,000
Total	2,000,000	4,000,000	4,000,000	10,000,000

The Board considers that the incentive represented by the grant of Performance Rights is a cost effective and efficient incentive 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, Hearse 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, Hearse and Bauk's remuneration packages, including the equity component of up to 10,000,000 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, Hearse and Bauk's significant management experience and knowledge of the mineral exploration industry.

5.5 Approval required – ASX Listing Rules

Shareholder approval of the grant of the Performance Rights the subject of Resolutions 6 to 8 inclusive is sought for the purposes of ASX Listing Rule 10.14.

ASX Listing Rule 10.11 provides that, subject to certain exceptions, a company must not issue or grant securities to a director without shareholder approval. ASX Listing Rule 10.14 provides that a company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. The grant of securities to a director pursuant to an employee incentive scheme that has been approved by shareholders for the purposes ASX Listing Rule 10.14 also constitutes an exception for the purposes of ASX Listing Rule 10.11.

Resolution 5 above seeks Shareholder approval of the issue of Equity Securities under the Incentive Plan generally, to avail of the exception to ASX Listing Rules 7.1 and 7.1A. Resolutions 6 to 8 inclusive seek Shareholder approval for the issue of securities to individual Directors pursuant to that Incentive Plan for the purposes of ASX Listing Rule 10.14.

Individual approvals pursuant to ASX Listing Rule 7.1 are not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Performance Rights to Messrs Revy, Hearse and Bauk and/or their nominee(s), as approval is being obtained under ASX Listing Rule 10.14. Shareholders should therefore note that the issue of securities to Messrs Revy, Hearse and Bauk and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

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, Hearse and Bauk:

- (a) The Performance Rights are proposed to be issued to Messrs Revy, Bauk and Hearse, all of whom are Directors of the Company.
- (b) The maximum number of Performance Rights that may be granted to Messrs Revy, Bauk and Hearse are as set out in the table in section 5.4 above.
- (c) The Performance Rights are being issued under the Incentive Plan for nil cash consideration and otherwise on the terms and conditions set out in this Notice of Meeting (including Annexure A of this Notice).
- (d) No Performance Rights or other Plan Securities have previously been issued under the Incentive Plan to persons referred to in ASX Listing Rule 10.14, nor has the Incentive Plan previously been approved by Shareholders.
- (e) Messrs Revy, Bauk and Hearse represent all of the directors of the Company and the only persons of the kind referred to in ASX Listing Rule 10.14 that are entitled to participate in the Incentive Plan.
- (f) Voting exclusion statements for each of Resolutions 6 to 8 are included in the Notice.
- (g) No loans are being provided in connection with the issue of the Performance Rights.

- (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 (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). Probably after the meeting.

5.6 Chapter 2E of the Corporations Act

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:

- (i) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (j) 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 Tom Revy, George Bauk and Philip Hearse who are Directors under Chapter 2E of the Corporations Act.

5.7 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 Messrs Bauk and Hearse (who are non-executive Directors) to be appropriate in the circumstances as part of their remuneration, given the primary purpose of the grant of the Performance Rights is to motivate and reward their performance in their respective roles as non-executive Directors and not to raise capital.

5.7 Directors' Recommendation for Resolutions 6 to 8

Mr Tom Revy declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Tom Revy) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 6.

Mr Phillip Hearse declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr Phillip Hearse) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 7.

Mr George Bauk declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution.

The Directors (other than Mr George Bauk) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 8.

The Chair will vote all undirected proxies in favour of Resolution 6, 7 and 8 where expressly authorised to do so in his or her appointment as proxy notwithstanding those Resolutions are connected directly with the remuneration of members of Key Management Personnel.

6. RESOLUTION 9 – RENEWAL OF THE COMPANY’S PROPORTIONAL TAKEOVER PROVISIONS

6.1 Background

The Constitution currently contains provisions dealing with proportional takeover bids for Shares in accordance with the Corporations Act. The provisions, which are contained in clause 163 of the Constitution and extracted in Annexure B of this Notice, are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, these provisions must be renewed every three years or they will automatically cease to have effect unless renewed by the proposed special resolution. The provisions have been in the Constitution since the Company’s incorporation and will expire on 15 March 2016 if not renewed. If renewed, the proposed proportional takeover provisions will be in exactly the same form as the existing provisions and will have effect until 30 November 2021.

The Corporations Act requires that the following information be provided with a notice proposing the renewal of proportional takeover provisions. The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced. If the offer does proceed, individual Shareholders can then make a separate decision as to whether they wish to accept the bid for their Shares.

Section 648G(5) of the Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion or renewal of proportional takeover provisions in a constitution.

6.2 Effect

A proportional takeover bid occurs when a bidder makes an offer to acquire a proportion of the total number of issued shares in the capital of a company by acquiring the same percentage of each Shareholder’s shares. This means that control of the Company may pass without Shareholders having the chance to sell all their Shares to the bidder. The bidder may take control of the Company without paying an adequate amount for gaining control.

With the proportional takeover provision in the constitution, in the event of a proportional takeover bid being made, the directors must hold a meeting of the Shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on by the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. The bidder and its associates are not allowed to vote on the resolution.

If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the provisions of the Constitution and the ASX Listing Rules.

The proportional takeover provisions do not apply to full takeover bids and only apply for the three year period starting on the date of the Meeting. The provisions may be renewed by special resolution.

6.3 Reasons

Without the proportional takeover approval provisions being in the constitution, a proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all their Shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority

Shareholder in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium.

The proportional takeover provisions lessen this risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. They allow shareholders to decide collectively whether the proportional offer is acceptable in principle and may ensure that any partial offer is appropriately priced.

6.4 No Present Acquisition Proposals

As at the date of this Notice, no Director is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

6.5 Review of proportional takeover approval provisions

The Corporations Act requires that shareholders be given a statement which retrospectively examines the advantages and disadvantages, for directors and shareholders, of the proportional takeover provisions proposed to be renewed. Such a statement follows.

While proportional takeover provisions have been in effect under the Company's constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, clause 163 of the Constitution) could be reviewed for the directors and shareholders of the Company.

The Directors are not aware of any potential takeover bid that was discouraged by clause 163 of the Constitution.

6.6 Potential Advantages and Disadvantages

The Directors consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for Shareholders are:

- (a) they give Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- (b) they may assist Shareholders avoid being locked in as a relatively powerless minority;
- (c) they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced;
- (d) knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer;
- (e) they may allow Shareholders, as a group, to more effectively advise, contribute to or guide the Directors' response to a partial bid; and
- (f) they may increase the likelihood that any takeover offer will be a full bid for the whole shareholding of each Shareholder, so that Shareholders will have the opportunity to dispose of all of their Shares rather than just a portion.

The potential disadvantages for Shareholders include:

- (a) they are a hurdle to, and may therefore discourage, the making of proportional takeover bids in respect of the Company;

- (b) this hurdle may depress the Share price or deny Shareholders an opportunity of selling their Shares at a premium;
- (c) potentially losing an opportunity to sell some of their Shares at a premium;
- (d) it may reduce the likelihood of a proportional takeover being successful; and
- (e) the inclusion of clause 90 may also be considered an additional restriction on the ability of Shareholders to deal freely with their Shares.

However, the Directors do not perceive those or any other possible disadvantages as justification for not renewing the proposed proportional takeover provisions.

6.7 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

The Chair will vote all undirected proxies in favour of Resolution 9.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

2018 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the financial year ended 30 June 2018, which can be downloaded from the Company's website at www.blackearthminerals.com.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791) and the market operated by it, as the context requires.

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

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Closely Related Party means, in respect of a person, a closely related party of that person (including spouses, dependents and controlled companies).

Company or **BlackEarth Minerals** or **BlackEarth** means BlackEarth Minerals NL (ABN 66 610 168 191).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities has the meaning given by the ASX Listing Rules and includes a Share, a Partly Paid Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as such.

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

Incentive Plan means the proposed BlackEarth Minerals NL Securities Incentive Plan the terms of which are summarised in Annexure A of this Explanatory Memorandum and for which Company is seeking Shareholder approval for the purposes of Exception 9 of ASX Listing Rule 7.2 under Resolution 5.

Key Management Personnel means any of the Company's key management personnel (including the directors) details of whose remuneration are included in the Remuneration Report.

Notice means the notice of meeting accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Partly Paid Share means a partly paid ordinary share in the capital of the Company.

Performance Right means a conditional right to receive a Share.

Proxy Form means the proxy form accompanying this Explanatory Memorandum.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2018 Annual Report.

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

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

Shareholder means a shareholder of the Company.

WA Graphite Projects means exploration licences E70/4824, E70/4825, E70/4903 E70/4906, E70/4811, E70/4812, E66/95, E70/4972 and E09/2234 (as detailed in the Company's Quarterly Report dated 31 March 2018 released to the ASX on 25 April 2018).

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

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the Company;
 - a Director and a company secretary of the Company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form:
 - (a) by post, to BlackEarth Minerals NL, PO Box 1088, West Perth WA 6872; or
 - (b) by hand to BlackEarth Minerals NL, Level 1, 675 Murray Street West Perth WA.

so that it is received not later than **11.00am WST on 28 November 2018.**

Proxy forms received later than this time will be invalid.

ANNEXURE A – SUMMARY OF THE TERMS AND CONDITIONS OF THE BLACKEARTH MINERALS NL SECURITIES INCENTIVE PLAN

The BlackEarth Minerals NL Securities Incentive Plan (**Plan**) is being considered for approval by Shareholders at the Meeting. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below:

(a) (**Eligible Participant**): Eligible Participant means a person that:

- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) (**Purpose**): The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
- (iii) link the reward of Eligible Participants to Shareholder value creation;
- (iv) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity for Eligible Participants to receive an equity interest in the Company in the form of Securities; and
- (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

(c)(**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.

The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an Option or Performance Right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue

of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that, at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but, that on exercise of those Convertible Securities, the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture or non forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
-

Good Leaver Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise, vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

A **Bad Leaver** Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (iii) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (iv) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
-

- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities (however note the deferred entitlement in respect of bonus issues set out in (n) directly above).
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

ANNEXURE B – PROPORTIONAL TAKEOVER PROVISIONS

163 Proportional Takeover Approval Rule

163 1 Definitions

approving resolution has the same meaning as in section 648D of the Corporations Act,

approving resolution deadline has the same meaning as in section 648D of the Corporations Act,

associate has the meaning specified in section 9 of the Corporations Act for the purposes of Chapter 6 of the Corporations Act,

proportional takeover bid has the meaning specified in section 9 of the Corporations Act.

163 2 Prohibition on registration of transfers without approval

Where a proportional takeover bid in respect of shares included in a class of shares in the Company has been made:

- (a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed in accordance with this Constitution;
- (b) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to 1 vote for each share;
- (c) neither the bidder nor an associate of the bidder may vote on an approving resolution;
- (d) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution under the Corporations Act; and
- (e) an approving resolution is taken to have been passed if the proportion which the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50% and otherwise is taken to have been rejected.

163.3 Meetings

- (a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require (including without limitation, to the requisite notice period to ensure that the meeting is convened on or before the approving resolution deadline), in relation to a meeting that is convened for the purposes of this Clause 063.
 - (b) Where takeover offers have been made under a proportional takeover bid, then the Directors must ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this Clause 063 before the approving resolution deadline in relation to the proportional takeover bid.
 - (c) Where a resolution to approve a proportional takeover bid is voted on in accordance with this Clause 063 before the approving resolution deadline in relation to the proportional takeover bid, the Company must, on or before the approving resolution deadline:
 - (i) give to the bidder; and
 - (ii) serve on the Exchange,
-

A written notice stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

163 4 Approving resolution deemed to have been passed

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no resolution to approve the proportional takeover bid has been voted on in accordance with this Clause 163, then a resolution to approve the proportional takeover bid is, for the purposes of this Clause 063, deemed to have been passed in accordance with this rule.

163 5 Proportional takeover bid rejected

Where an approving resolution is voted on and is rejected then:

- (a) despite section 652A of the Corporations Act, all offers under the proportional takeover bid that have not, as at the end of the approving resolution deadline, resulted in binding contracts are deemed to be withdrawn at the end of the approving resolution deadline;
- (b) the bidder must immediately, after the end of the approving resolution deadline, return to each Member any documents that were sent by the Member to the bidder with the acceptance of the offer;
- (c) the bidder may rescind and must, as soon as practicable after the end of the approving resolution deadline, rescind each contract resulting from the acceptance of an offer made under the proportional takeover bid; and
- (d) a Member who has accepted an offer made under the proportional takeover bid is entitled to rescind the contract (if any) resulting from that acceptance.

163 6 Effect of this Clause

This Clause 163 ceases to have effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

**PROXY FORM
BLACKEARTH MINERALS NL
ACN 610 168 191**

ANNUAL GENERAL MEETING

I/We

of

appoint

being a shareholder of BlackEarth Minerals NL entitled to attend and vote at the General Meeting, hereby

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at the offices of BlackEarth Minerals NL, Level 2, 675 Murray Street West Perth WA at 11.00am WST on 30 November 2018, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of Resolutions 1 to 9. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution. In the event this occurs an announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Mr George Bauk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Securities Incentive Plan - T Revy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for Securities Incentive Plan - P Hearse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for Securities Incentive Plan - G Bauk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s): _____ **Date:** _____

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

E-mail Address: _____ **Consent for contact by e-mail** YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (c) by post, to BlackEarth Minerals NL, PO Box 1088, West Perth WA 6872
 - (d) by facsimile, to the Company on facsimile number (08) 9475 0847; or
 - (e) by email, to the Company at hello@automic.com.au

so that it is received not later than **11am WST on 28 November 2018**.

Proxy forms received later than this time will be invalid.
