



BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF GENERAL MEETING

TIME: 9:30am (WST)

DATE: 27 July 2015

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

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that a General Meeting of the Shareholders convened by this Notice of Meeting will be held at 9:30am (WST) on 27 July 2015 at:

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

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.3 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 9:30am WST on 25 July 2015 will be taken, for the purposes of this General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

so that it is received not later than 9:30am (WST) on 25 July 2015.

Proxy Forms received later than this time will be invalid.

NOTICE AND BUSINESS OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at **The Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia at 9:30am WST on Monday 27 July 2015.**

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

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

MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Dear Shareholder

As you are no doubt aware, on 19 May 2015 and 16 June 2015 Blackham announced that it had entered into a funding transaction with Orion Fund JV Limited (**Orion Fund JV**) and Orion Titheco Limited (**Orion Titheco**) (together **Orion**) whereby Orion would provide a structured two tiered financing package to the Company (**Funding Facility**) as follows:

Initial Investment

1. An equity investment of AUD\$2,500,000 by way of an agreement to subscribe for 19,230,769 Shares at a price of \$0.13 per Share (**Placement Shares**) pursuant to a share subscription agreement;
2. The provision to the Company of a non-amortizing term loan of AUD\$6,000,000 having a maturity date 31 December 2017, secured against the Blackham Group's assets and subject to conditions precedent;
3. An agreement to subscribe for 16,666,667 Options exercisable at \$0.18 on or before 31 December 2017 (**Subscription Options**) pursuant to an option subscription deed; and
4. An agreement to purchase up to 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project.

Subsequent Investment

1. The provision of a secured finance facility in the amount of AUD\$30,000,000, to be drawn down in two tranches of AUD\$15,000,000 each) for the development of the Matilda Gold Project; and
2. An agreement to purchase up to a further 50% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project (in addition to the 5% that may be purchased as part of the Initial Investment). Where the Company has not issued all of the Subscription Options and Orion Fund JV has provided the non-amortizing loan facility referred to above, Orion will be entitled to purchase up to 60% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project.

Orion is also entitled to nominate one member to the Board until the later of 31 December 2017 or the date on which Orion's ownership interest in the Company falls below 10%. Mr Peter Rozenauers was nominated by Orion and accepted by the Board in the role of Non-executive Director from 17 June 2015.

The Placement Shares were issued under Blackham's existing capacity to issue Shares, with 16,256,076 Placement Shares being issued pursuant to the Company's remaining available capacity under Listing Rule 7.1 and the balance, being 2,974,693 Placement Shares, were issued pursuant to Listing Rule 7.1A. At the completion of the issue of the Placement Shares, Orion held a 12.5% interest in the Company.

In addition to the Placement Shares, the Company is also required as part of the Funding Facility to issue 16,666,667 Subscription Options, to Orion pursuant to the Option Subscription Deed. The key terms to the Subscription Options are summarised in Annexure "A". The issue and allotment of the Subscription Options will be completed following the receipt of necessary regulatory and Shareholder approvals.

In the event that the requisite regulatory and Shareholder approvals for the issue and allotment of the Subscription Options cannot be obtained, Orion will be entitled to a further 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project in addition to the existing 55% to which it is entitled as set out above.

The Funding Facility provides a secure pathway to gold production at the Blackham Group's 100%-owned Matilda Gold Project. The Matilda Gold Project has a 4.7 million ounce gold resource and is located in a major and historic Western Australian gold belt.

Orion is a mining-focused investment business with approximately US\$1.8 billion under management specialising in providing flexible capital investment solutions to junior mining companies in the base and precious metals sector. Orion has demonstrated capability in debt, equity, convertibles, offtake, streaming, and royalty investments.

The Company considers that the Funding Facility will provide the Company with important funding in uncertain global economic conditions, which will be used particularly for the continued exploration and development of the Matilda Gold Project.

If the Funding Facility is not provided in full, the Company will need to source alternative funding arrangements to develop the Matilda Gold Project in what remains a difficult market for emerging resource companies.

Since acquiring both the Matilda and Wiluna Gold Projects in November 2011 and April 2013 respectively, the Company has accomplished the following:

- Grown the Resource from 310,000oz to 4.7 Moz Au⁽¹⁾.
- Completed over 37,000 metres of drilling.
- Completed scoping and preliminary feasibility level studies.
- Completed an initial scoping study for the Matilda Gold Project.

All of this was accomplished on a limited exploration and development budget.

Please read carefully the Notice of Meeting and accompanying Explanatory Memorandum.

Yours sincerely

Bryan Dixon
Managing Director
Blackham Resources Ltd

Important Notes

⁽¹⁾ This information is based on information compiled or reviewed by Mr Cain Fogarty and Mr Marcus Osiejak, who are full-time employees of the Company. Mr Fogarty is a Member of the Australian Institute of Geoscientists and Mr Osiejak is a Member of the Australian Institute of Mining and Metallurgy. They both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fogarty and Mr Osiejak have given their consent to the inclusion in this notice of the matters based on this information in the form and context in which it appears.

AGENDA

RESOLUTION 1 – RATIFICATION OF THE ISSUE OF SHARES TO ORION FUND JV LIMITED

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 19,230,769 Shares to Orion Fund JV Limited on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

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

RESOLUTION 2 – APPROVAL OF ISSUE OF OPTIONS TO ORION FUND JV LIMITED

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 approve the issue and allotment of 16,666,667 Subscription Options to Orion Fund JV Limited on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Orion Fund JV Limited or its nominee(s) and any of its associates. The Company will [exclude from voting a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed \(plus associates\)](#). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 389,582 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 755,058 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 298,246 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 702,825 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 87,581 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of a total of 200,000 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – RATIFICATION OF ISSUE OF OPTIONS TO BW EQUITIES 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 ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 1,000,000 Annexure B Options and 1,000,000 Annexure C Options to BW Equities Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by BW Equities Pty Ltd and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 10 – RATIFICATION OF ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 3,494,435 Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

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

RESOLUTION 11– APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO MR BRYAN DIXON

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

“That for the purposes of ASX Listing Rule 10.11, Section 200B of the Corporations Act and for all other purposes, Shareholders approve the grant of up to 4,500,000 Performance Rights (and any subsequent issue of Shares following the vesting of those Performance Rights) to Mr Bryan Dixon, who is a Director, and/or his nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution by Mr Bryan Dixon and/or his nominee(s) and any of his 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 12 – APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO MR ALAN THOM

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

"That for the purposes of ASX Listing Rule 10.11, Section 200B of the Corporations Act and for all other purposes, Shareholders approve the grant of up to 4,500,000 Performance Rights (and any subsequent issue of Shares following the vesting of those Performance Rights) to Mr Alan Thom, who is a Director, and/or his nominee(s), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution by Mr Alan Thom and/or his nominee(s) and any of his 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

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

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

OTHER BUSINESS

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

PROXIES

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

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

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

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

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

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

An instrument appointing a proxy:

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

Corporations

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

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

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

Proxy Restrictions

Shareholders (who are not a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of that member) appointing a proxy for Resolutions 11 and 12 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, you must direct the proxy how they are to vote. Undirected proxies granted to these persons will not be included in any vote on Resolutions 11 and 12.

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish them to exercise your vote on Resolutions 11 and 12 however if you do not direct the Chair how to vote, you acknowledge that the Chair may exercise his or her discretion in exercising your proxy even though Resolutions 11 and 12 are connected directly or indirectly with the remuneration of Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for that entity.

The Chair intends to vote all undirected proxies in favour of Resolutions 11 and 12.

If you appoint any other person as your proxy

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

DATED: 19 JUNE 2015

BY ORDER OF THE BOARD

MIKE ROBBINS
COMPANY SECRETARY

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Blackham Resources Limited in connection with the business specified to be conducted in the Notice of General Meeting at the general meeting of Shareholders to be held at **The Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia 6005 at 9:30am WST on 27 July 2015.**

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

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

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

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

PART A

1. RESOLUTIONS 1 AND 2

1.1 Background

On 19 May 2015 the Company announced that it had entered into a binding funding facility with Orion whereby Orion would provide a structured two tiered finance package. The Funding Facility has since been amended in regards to the number of Subscription Options to be issued and the agreement to purchase gold produced from the Matilda Gold Project, as announced on 16 June 2015. The terms of the Funding Facility are as follows:

Initial Investment

1. An equity investment of AUD\$2,500,000 by way of an agreement to subscribe for 19,230,769 Shares at a price of \$0.13 per Share (**Placement Shares**) pursuant to the Share Subscription Agreement;
2. The provision to the Company of a non-amortizing term loan of AUD\$6,000,000 having a maturity date of 31 December 2017, secured against the Blackham Group's assets and subject to conditions precedent;
3. An agreement to subscribe for 16,666,667 Options exercisable at \$0.18 on or before 31 December 2017 pursuant to the Option Subscription Deed; and
4. An agreement to purchase up to 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project.

Subsequent Investment

5. The provision of a secured finance facility in the amount of AUD\$30,000,000 for the development of the Matilda Gold Project; and
6. An agreement to purchase up to a further 50% (in addition to the 5% that may be purchased as part of the Initial Investment) of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project. Where the Company has not issued all of the Subscription Options and Orion Fund JV has provided the Non-Amortizing Loan Facility, Orion Titheco will be entitled to purchase up to 60% (in total) of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project.

Summaries of the Relevant Documents are set out below.

1.2 Initial Investment

Subscription for Shares and Subscription Options

As part of the Funding Facility the Company entered into the Share Subscription Agreement with Orion Fund JV under which Orion Fund JV agreed to subscribe for the Placement Shares.

The Placement Shares were issued on 22 May 2015 under Blackham's existing capacity to issue Shares. 16,256,076 of the Placement Shares were issued pursuant to the Company's remaining capacity under Listing Rule 7.1 and the balance, being 2,974,693 Placement Shares, were issued under Listing Rule 7.1A. The Placement Shares were issued to Orion Fund JV which is not a related party of the Company. At the completion of the issue and allotment of the Placement Shares, Orion held a 12.5% interest in the Company.

Under the Share Subscription Agreement Orion Fund JV is entitled to appoint a nominee to the Board for the period commencing immediately after the settlement date of the Share Subscription Agreement and ending on the later of:

- (i) the date on which Orion Fund JV's relevant interest in the Company falls below 10%; and
- (ii) 31 December 2017.

Mr Peter Rozenauers was nominated by Orion Fund JV and commenced in the role of Director on 17 June 2015.

In addition to the Placement, the Company entered into the Option Subscription Deed with Orion Fund JV whereby Orion Fund JV has agreed to subscribe for 16,666,667 Subscription Options. The terms and conditions of the Subscription Options are contained in Annexure "A". The issue and allotment of the Subscription Options is subject to the receipt of necessary regulatory and Shareholder approvals, which Shareholder approval is being sought at the Meeting.

The receipt by Orion Fund JV of the consent of the Treasurer of the Commonwealth of Australia under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and Australia's Foreign Investment Policy to the entry into the Option Subscription Deed and the issue and allotment of the Subscription Options is, amongst other things, a condition precedent to the grant of the Subscription Options.

If the Company does not obtain the required regulatory and Shareholder approvals to issue the Subscription Options to Orion Fund JV, Orion Titheco will be entitled to a further 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project in addition to the 55% to which it is entitled under the Purchase and Sale Agreement as summarised below.

If the Company obtains the required regulatory approval but does not obtain the required Shareholder approvals to issue the Subscription Options, the Company may issue to Orion such number of the Subscription Options as may be issued and exercised without Shareholder approval. Orion Titheco's entitlement to the further 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project in addition to the 55% to which it is entitled under the Purchase and Sale Agreement as summarised below, will be reduced proportionately to the extent that the Company issues the Subscription Options.

Non-Amortizing Term Facility

In addition to the agreement to subscribe for Securities pursuant to the Share Subscription Agreement and the Option Subscription Deed, Orion Fund JV has agreed to provide a non-amortizing term facility of AUD\$6,000,000 to the Company. The Non-Amortizing Term Facility was drawn down in one tranche and received by the Company on 17 June 2015 with a maturity date of 31 December 2017. The applicable interest rate is the BBSW Rate (subject to a minimum rate of 2.5%) plus 9.5%. There will be no principal repayments due on the Non-Amortizing Term Facility until 31 December 2017. The principal and accrued interest will be due and immediately payable in full on 31 December 2017.

The Blackham Group's obligations in respect of the Non-Amortizing Term Facility are secured by securities granted to Orion under the General Security Deed and the Matilda Mortgages, details of which are set out below.

1.3 Subsequent Investment

Project Financing Facility

Orion Fund JV has also agreed to provide a secured AUD\$30,000,000 facility to the Company for the development of the Matilda Gold Project. The Project Financing Facility will be drawn down in two tranches of AUD\$15,000,000 each, with the first tranche to be drawn down on or before the end of the availability period (subject to certain conditions precedent). The second tranche will be drawn down on or before the end of the availability period subject to certain conditions precedent and the absence of any default on the Non-Amortizing Term Facility.

Prior to the first drawdown under the Project Financing Facility, Orion Fund JV will consider, in its absolute discretion, a one-time only conversion of the Project Financing Facility into a gold loan.

The Project Financing Facility is a secured, amortizing facility with a maturity date of 31 August 2018.

The applicable interest rate is the BBSW Rate (subject to a minimum rate of 2.5%) plus 7.5% with interest to be paid quarterly in arrears.

The combined principal amounts of Tranches 1 and 2 of the Project Financing Facility are required to be repaid by the Company in three (3) equal instalments of AUD\$10,000,000 each on or prior to 31 March 2018, 30 May 2018 and 31 August 2018.

The Blackham Group's obligations in respect of the Project Financing Facility are secured by securities granted to Orion under the General Security Deed and the Matilda Mortgages, details of which are set out below.

Purchase and Sale Agreement

The relevant Blackham Group members and Orion Titheco have entered into a Purchase and Sale Agreement under which the relevant Blackham Group members have agreed to sell, and Orion Titheco has agreed to purchase, up to 55% (or, where the Company has not issued all of the Subscription Options and Orion Fund JV has provided the Non-Amortizing Loan Facility, up to 60%) of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project. The payment price for the gold will be determined having regard to the market at the time of delivery, subject to certain quotational periods, in accordance with the Purchase and Sale Agreement.

Security for Funding Facility

The Blackham Group has entered into a General Security Deed and the Matilda Mortgages to secure the Blackham Group's obligations under the Relevant Documents. The securities granted to Orion will rank first and have priority over all other indebtedness of the Blackham Group. Obligations under the Purchase and Sale Agreement will also be fully secured under the General Security Deed and the Matilda Mortgages up until the repayment of all amounts owing under the Relevant Documents (excluding the Purchase and Sale Agreement).

The relevant Blackham Group members have entered into the appropriate tripartite agreements and priority and consent deeds with third parties who are counterparties to agreements with the relevant Blackham Group members and whose rights under those agreements may be affected by the entry into the various financing and security agreements between the Blackham Group and Orion.

1.4 About Orion

Orion is a mining-focused investment business with approximately US\$1.8 billion under management specializing in providing flexible capital investment solutions to junior mining companies in the base and precious metals sector. Orion has demonstrated capability in debt, equity, convertibles, offtake, streaming, and royalty investments.

1.5 Resolutions sought in respect of Funding Facility

The Company is seeking the following in respect of the Funding Facility:

- Shareholder ratification under the ASX Listing Rules for the issue and allotment of the Placement Shares to Orion Fund JV (Resolution 1); and
- Shareholder approval under the ASX Listing Rules for the issue and allotment of the Subscription Options to Orion Fund JV (Resolution 2).

1.6 Increase in Voting Power

If Orion Fund JV exercises all of the Subscription Options it will increase its voting power in the Company from the current 12.5% as at the date of this Notice (following the issue and allotment of the Placement Shares) to 19.3%. Full details of the Company's proposed capital structure if all of the Resolutions are passed set out in section 1.8 of this Part A of the Explanatory Memorandum. Details of Orion's voting power if all of the Resolutions are passed are set out in section 2 of Part B of the Explanatory Memorandum.

1.7 Benefits of the Funding Facility

The Company considers that the Funding Facility has a number of benefits for Shareholders, as summarised below:

- 1) The Funding Facility (of which the issue and allotment of the Subscription Options forms part) will provide the Company with important funding in uncertain global economic conditions, which will provide a secure pathway to gold production at the Matilda Gold Project.
- 2) If Resolution 2 (which deals with the issue and allotment of the Subscription Options to Orion Fund JV, which forms part of the Initial Investment) is not approved, the Company may need to source alternative funding arrangements in what remains a difficult market for emerging resource companies.
- 3) The Board supports the Funding Facility in its entirety and recommends that Shareholders vote in favour of Resolutions 2 to enable the Company to comply with its obligations under the Option Subscription Deed and give effect to that portion of the Initial Investment under the Funding Facility.

For further information concerning Resolution 2, please refer to section 2 in Part B of this Explanatory Memorandum.

1.8 Capital Structure

If Shareholders pass all of the Resolutions, the capital structure of the Company will be as follows:

	<i>As at the date of this Notice</i>	<i>Securities that are the subject of Resolutions</i>	<i>Upon completion of the Meeting (assuming all Resolutions are passed, all securities are issued under all Resolutions and no Options are exercised between the date of the Notice of Meeting and the Meeting')</i>
Shares	198,383,857 ⁽¹⁾	25,158,496	198,383,857
Options	18,795,000	18,666,667 ⁽²⁾	35,461,667
Performance Rights	Nil	9,000,000 ⁽³⁾	9,000,000

(1) Includes 25,158,496 Shares previously issued and allotted under ASX Listing Rules 7.1 and 7.1A but in respect of which Shareholder ratification is being sought at this Meeting.

(2) 16,666,667 Subscription Options, being the subject of Resolution 2 plus 1,000,000 Annexure B Options and 1,000,000 Annexure C Options, the subject of Resolution 9.

(3) The subject of Resolutions 11 and 12.

PART B

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES TO ORION FUND JV LIMITED

Background

The Company completed a private placement of Shares on 22 May 2015 by the issue and allotment of 19,230,769 Shares, at an issue price of \$0.13 per Placement Share, to Orion Fund JV to raise AUD\$2,500,000. The Placement Shares were issued as part of the Funding Facility announced to the ASX on 19 May 2015 pursuant to the Share Subscription Agreement. The ratification of the issue and allotment of the Placement Shares is sought under Resolution 1 in accordance with the requirements of ASX Listing Rule 7.4.

The key aspects of the Funding Facility have been outlined previously in Part A of this Explanatory Memorandum.

1.1 ASX Listing Rule 7.4

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

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 27 November 2014. The shareholder approval is valid for 12 months from the date of the AGM (that is, until 26 November 2015).

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

Accordingly, the Company is seeking shareholder approval for the issue of:

- 16,256,076 ordinary Shares issued under the Company's 15% share issue capacity; and
- 2,974,693 ordinary Shares issued under the Company's 10% share issue capacity.

If Shareholders approve Resolution 1, the issue of 16,256,076 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1 and the issue of 2,974,693 Shares will be excluded from the calculations of the 10% limit under ASX Listing Rule 7.1A.

1.2 ASX Listing Rule Disclosure Requirements

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

(a) *Number of securities issued*

19,230,769 Shares

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

\$0.13 per Share

(c) *Terms of the securities*

The Shares are fully paid and rank pari passu in all respects with the Company's other Shares on issue and are listed on the ASX.

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

Orion Fund JV Limited. Orion Fund JV Limited is not a related party of the Company.

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

The funds will be used for the ongoing exploration and development of the Matilda Gold Project and for working capital.

1.3 Directors' Recommendation

The Board (other than Mr Peter Rozenauers, who is an employee of Orion) recommends Shareholders vote in favour of Resolution 1 as it allows the Company greater flexibility to issue further securities representing up to 15% (under ASX Listing Rule 7.1) and 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval.

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

Background

Resolution 2 seeks Shareholder approval for the proposed issue of 16,666,667 Subscription Options, exercisable on or before 31 December 2017 at an exercise price of \$0.18 per Subscription Option, to Orion Fund JV. The Subscription Options are to be issued pursuant to the Option Subscription Deed, which forms part of the Funding Facility announced to the ASX on 19 May 2015 and 16 June 2015, subject to the receipt of the required regulatory and Shareholder approvals. Full terms and conditions of the Subscription Options are contained in Annexure "A".

Shareholders should note that if the Subscription Options are not approved for issue by Shareholders and/or the relevant regulatory authorities, Orion Titheco will be entitled to a further 5% of the first 500,000 troy ounces of fine gold produced from the Matilda Gold Project in addition to the 55% to which it is entitled under the Purchase and Sale Agreement.

The current Shareholding and voting power of Orion as at the date of this Notice and upon the issue of the Subscription Options the subject of Resolution 2 (assuming Orion Fund JV exercises all of the Subscription Options into Shares) are set out below.

Current and Potential Voting Power of Orion in the Company		
	Number of Shares	Voting power
Voting power and Shares held by Orion on a fully diluted basis as at the date of this Notice	24,786,325	12.5%
Maximum voting power and Shares held by Orion on a fully diluted basis	41,452,992 ⁽¹⁾	19.3%

⁽¹⁾ Assumes that no Shares other than those that are the subject of the Resolutions are issued by the Company (including that no Options other than the Subscription Options are exercised) and that Orion does not acquire or sell any Shares from or to a third party before the dates on which those percentages are calculated, and that all Subscription Options are issued to Orion and exercised by Orion into Shares.

There are no associates of Orion Fund JV that have a relevant interest in the securities of Blackham.

2.1 ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires a company to obtain shareholder approval in order to issue equity securities representing more than 15% of the fully paid ordinary securities on issue unless one of the exceptions in ASX Listing Rule 7.2 applies. The Company's proposed issue of Subscription Options that are the subject of Resolution 2 falls within this requirement as none of the exceptions apply.

2.2 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.3:

- (a) *The maximum number of securities the entity is to issue (if known) or the formula for calculating the number of securities the entity is to issue*

16,666,667 Subscription Options.

- (b) *The date by which the entity will issue the securities (which must be no later than 3 months after the date of the meeting)*

The Subscription Options will be issued no later than three (3) months after the date of the Meeting.

- (c) *The issue price of the securities, which must be either a fixed price or a minimum price*

Nil.

- (d) *The names of the persons to whom the securities will be issued (if known) or the basis upon which those persons will be identified or selected*

Orion Fund JV. Orion Fund JV is not a related party of the Company.

- (e) *The terms of the securities.*

The terms and conditions of the Subscription Options are contained in Annexure "A" to this Explanatory Memorandum.

- (f) *The issue date, or a statement that the issue will occur progressively*

The Subscription Options will be issued, all on one date, no later than three (3) months after the date of the Meeting.

- (g) *The intended use of the funds raised*

No funds will be raised from the issue and allotment of the Subscription Options as they are to be issued as part consideration for the Funding Facility. Funds raised upon the exercise of the Subscription Options will be used for the ongoing development of the Matilda Gold Project and for working capital.

2.3 Directors' Recommendation

The Board (other than Mr Peter Rozenauers, who is an employee of Orion) recommends Shareholders vote in favour of Resolution 2 for the reasons set out in Part A and Part B, section 2 of this Explanatory Memorandum and also for the reason that it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period without Shareholder approval.

3. RESOLUTIONS 3 TO 8 (INCLUSIVE) – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

Background

The Company has engaged consultants to assist with raising the profile of the Company and to the raising of funds for the Company. They also have contractual arrangements in place with suppliers for various services, including drilling, for the Matilda Gold Project.

In accordance with ASX Listing Rule 7.4, Resolutions 3 to 8 (inclusive) seek the ratification from Shareholders for the issue and allotment of a total of 2,433,292 Shares, to consultants and suppliers in lieu of payment for consultancy fees, drilling and other services.

The shares were issued to the relevant consultants and suppliers on the following dates:

- On 24 November 2014, a total of 389,582 Shares were issued to a consultants and a supplier;
- On 3 February 2015, a total of 755,058 Shares were issued to consultants;
- On 27 February 2015, a total of 298,246 Shares were issued to consultants;
- On 10 April 2015, a total of 702,825 Shares were issued to a consultant and a contractor;
- On 4 May 2015, 87,581 Shares were issued to a consultant; and
- On 28 May 2015, 200,000 Shares were issued to a supplier.

3.1 ASX Listing Rule 7.4

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

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received shareholder approval to the 10% share issue capacity at its AGM on 27 November 2014. The shareholder approval is valid for 12 months from the date of the AGM (that is, until 26 November 2015).

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

Accordingly, the Company is seeking shareholder approval for the issue of:

- 2,233,292 ordinary Shares issued under the Company's 15% share issue capacity; and
- 200,000 ordinary Shares issued under the Company's 10% share issue capacity.

If Shareholders approve Resolutions 3 to 8 (inclusive), the issue of 2,233,292 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1 and the issue of 200,000 Shares will be excluded from the calculations of the 10% limit under ASX Listing Rule 7.1A.

3.2 ASX Listing Rule Disclosure Requirements

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

(a) Number of securities issued or to be issued

2,433,292 Shares

(b) Price at which the securities were issued

In lieu of services (under separate agreements)

(c) Terms of the securities

Shares were issued fully paid and rank pari passu in all respects with the Company's other Shares on issue.

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

- On 24 November 2014, Peter Nesveda and Pubmate Australia Pty Ltd were issued with 248,644 and 140,938 Shares respectively at a deemed issue price of \$0.08.
- On 3 February 2015, PCF Capital Group Pty Ltd and Xavier Group Pty Ltd were issued with 303,431 and 451,627 Shares respectively at a deemed issue price of \$0.06.
- On 27 February 2015, PCF Capital Group Pty Ltd and Paradigm Securities Pty Ltd were issued with 131,579 and 166,667 Shares respectively at a deemed issue price of \$0.08.
- On 10 April 2015, Peter Nixon and Xavier Group Pty Ltd were issued with 266,618 and 436,207 Shares respectively at a deemed issue price of \$0.095.

- On 4 May 2015, Xavier Group Pty Ltd was issued with 87,581 Shares at a deemed issue price of \$0.16.
- On 28 May 2015, S3 Consortium Pty Ltd was issued with 200,000 Shares at a deemed issue price of \$0.15.

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

No funds were raised by the issue of the Shares that are the subject of Resolutions 3 to 8 (inclusive) as they were issued as consideration for various services provided to the Company by consultants and contractors under separate agreements.

3.3 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolutions 3 to 8 (inclusive) as it allows the Company greater flexibility to issue further securities representing up to 15% (under ASX Listing Rule 7.1) and 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval.

4. RESOLUTION 9 – RATIFICATION OF ISSUE OF OPTIONS TO BW EQUITIES PTY LTD

Background

In accordance with ASX Listing Rule 7.4, Resolution 9 seeks Shareholder ratification for the issue of 1,000,000 Annexure B Options and 1,000,000 Annexure C Options to BW Equities Pty Ltd.

The 1,000,000 Annexure B Options and 1,000,000 Annexure C Options that are the subject of Resolution 9 were issued to BW Equities Pty Ltd as consideration for consulting services it rendered to the Company for the over-subscribed Share placement announced to the ASX on 29 January 2015. The Annexure B Options and Annexure C Options were issued on 4 February 2015.

4.1 ASX Listing Rule 7.4

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

If Shareholders approve Resolution 9, the issue of 1,000,000 Annexure B Options and 1,000,000 Annexure C Options will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

4.2 ASX Listing Rule Disclosure Requirements

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

(a) *Number of securities issued*

1,000,000 Annexure B Options and 1,000,000 Annexure C Options

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

Nil

(c) *Terms of the securities*

The terms and conditions of the Annexure B Options and the Annexure C Options are contained in Annexure "B" and Annexure "C" to this Explanatory Memorandum respectively.

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

BW Equities Pty Ltd. BW Equities Pty Ltd is not a related party of the Company.

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

No funds were raised from the issue and allotment of the Annexure B Options and the Annexure C Options as they were issued as consideration for consulting services rendered to the Company by BW Equities Pty Ltd. Funds raised on the exercise of the Annexure B Options and the Annexure C Options will be used for the ongoing development of the Matilda Gold Project and for additional working capital.

4.3 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 9 as it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period without Shareholder approval.

5. RESOLUTION 10 – RATIFICATION OF ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

Background

In accordance with ASX Listing Rule 7.4, Resolution 10 seeks the Shareholder ratification for the issue and allotment of 3,494,435 Shares to sophisticated and professional investors as part of the oversubscribed placement announced to the ASX on 29 January 2015.

5.1 ASX Listing Rule 7.4

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

If Shareholders approve Resolution 10, the issue of 3,494,435 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

5.2 ASX Listing Rule Disclosure Requirements

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

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

3,494,435 Shares

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

\$0.09 per Share

(c) *Terms of the securities*

Shares were issued fully paid and rank pari passu in all respects with the Company's other Shares on issue.

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

Sophisticated and professional investors determined at the discretion of the Directors. The allottees are not related parties of the Company.

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

The funds are being used for exploration and ongoing development of the Matilda Gold Project and to provide additional working capital.

5.3 Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 10 as it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period without Shareholder approval.

6. RESOLUTIONS 11 AND 12 – APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO MR BRYAN DIXON AND MR ALAN THOM

Background

Under Resolutions 11 and 12 Shareholders are being asked to approve the grant of Performance Rights (the terms and conditions of which are summarised below and in Annexure "D"), to the executive Directors, Mr Bryan Dixon and Mr Alan Thom respectively, as set out below.

The Board has determined that the grant of Performance Rights to Mr Dixon and Mr Thom is an appropriate form of medium to long term incentive for the Company's executive Directors. The Board considers that Mr Dixon and Mr Thom are essential to the executive management and successful operation of the Company's ongoing business.

6.1 Proposal

Shareholder approval is being sought by the Company to allot and issue:

- a) 4,500,000 Performance Rights to Mr Dixon, the Managing Director, or his nominee pursuant to Resolution 11; and
- b) 4,500,000 Performance Rights to Mr Thom, the Project Director, or his nominee pursuant to Resolution 12,

for the purposes ASX Listing Rule 10.11 which provides that, subject to certain exceptions (none of which are relevant here), a company must not issue or grant securities to a related party without shareholder approval.

In determining the quantum of Performance Rights to be issued to Mr Thom and Mr Dixon, the Board took into account the Company's remuneration strategy, the Company's situation, the role and contribution of Mr Dixon and Mr Thom and the market practice for remuneration of executive officers in positions of similar responsibility. Accordingly, they determined that the proposed grant of Performance Rights to Mr Thom and Mr Dixon is appropriate.

Each one (1) Performance Right will convert into one (1) Share upon satisfaction of the relevant vesting conditions and on the terms and conditions set out below.

The object of Resolutions 11 and 12 is to provide Mr Dixon and Mr Thom 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. 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.

If Shareholder approval is obtained for Resolutions 11 and 12, the Performance Rights will be granted within one month of the receipt of Shareholder approval.

6.2 Vesting conditions and performance hurdles

The Performance Rights proposed to be issued to Mr Dixon and Mr Thom under Resolutions 11 and 12 respectively will vest upon the satisfaction of each of the following conditions, in each case on or before 31 December 2017 (or such other date as the Board may agree):

1. Upon the completion of a pre-feasibility study or definitive feasibility study for the Matilda Gold Project, indicating an internal rate of return of greater than 50% and more than 500,000 ounces of mineral inventory, 750,000 of the Performance Rights issued to each of Mr Dixon and Mr Thom will vest.
2. Upon the drawdown of a project debt facility for the Matilda Gold Project 1,000,000 of the Performance Rights issued to each of Mr Dixon and Mr Thom will vest.
3. Upon the first gold pour from Matilda Gold Project 1,250,000 of the Performance Rights issued to each of Mr Dixon and Mr Thom will vest.
4. Upon the Company having EBITDA of more than AUD\$20,000,000 in the first or second half year reporting period following the commencement of commercial operations at the Matilda Gold Project, 1,500,000 of the Performance Rights issued to each of Mr Dixon and Mr Thom will vest.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue securities to a related party without shareholder approval. Resolutions 11 and 12 seek this approval.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolutions 11 and 12 is set out below and is also provided in the Notice of Meeting and the Explanatory Memorandum above.

a) *The name of the person*

The Performance Rights will be granted to Mr Bryan Dixon, the Managing Director of the Company under Resolution 11 and to Mr Alan Thom, an executive Director of the Company under Resolution 12, and/or their respective nominees.

b) *The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person*

The maximum number of Performance Rights which will be granted to Mr Dixon and/or his nominee under Resolution 11 is 4,500,000.

The maximum number of Performance Rights which will be granted to Mr Thom and/or his nominee under Resolution 12 is 4,500,000.

c) *The date by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting*

The Performance Rights will be issued within one month of the date of the Meeting.

d) *The issue price of the securities and a statement of the terms of issue*

No consideration is payable by Mr Thom and Mr Dixon at the time of grant of the Performance Rights or upon the issue of Shares to which they may become entitled on the vesting and conversion of some or all of the Performance Rights. Therefore no funds will be raised by the issue of the Performance Rights.

The grant of Performance Rights will be performance tested over the period between 1 June 2015 and 31 December 2017, the details of which are set out above in section 6.2 and the other terms and conditions of the Performance Rights are summarised in Annexure "D".

In the event that the Performance Rights are not approved by Shareholders, in order to meet the Company's contractual obligations under Mr Dixon's and Mr Thom's employment contracts, it will be necessary for the Board to agree an alternative remuneration structure to provide Mr Dixon and Mr Thom with their contractual entitlement. This could include an alternative equity proposal to be put to Shareholders and/or an amount in cash. Any such offer would be equivalent to the current proposed awards and, to the extent that they are relevant, on similar terms as set out above (including the satisfaction of applicable performance hurdles and service conditions).

6.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to grant the Performance Rights to Mr Dixon and Mr Thom and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

Shareholders should note that the grant of Performance Rights to Mr Dixon and Mr Thom and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

6.5 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Performance Rights to Mr Thom and Mr Dixon under Resolutions 11 and 12 constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the proposed grant of Performance Rights pursuant to Resolutions 11 and 12 fall within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the positions held by Mr Dixon and Mr Thom. Accordingly, the Directors have determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Performance Rights to Mr Dixon and Mr Thom.

Other Information

The following table shows the nature and amount of emoluments for the last three years for Dixon and Mr Thom:

Year ended	Salary \$	Superannuation \$	Options Issued \$	Total \$
<u>Bryan Dixon</u>				
30/6/2014	196,200	-	98,665	294,865
30/6/2013	196,200	-	229,107	425,307
30/6/2012	196,200	-	-	196,200
<u>Alan Thom</u>				
30/6/2014	220,000	-	98,665	318,665
30/6/2013	237,349	-	160,620	397,969
30/6/2012	58,500	3,780	-	62,280

Mr Dixon and Mr Thom's relevant interests in Securities as at the date of this Notice Of Meeting are set out below.

Bryan Dixon	580,000	Nil
Alan Thom	Nil	1,500,000

The latest available price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 18 June 2015 was \$0.17. The highest price for Shares trading on the ASX over the last 12 months was \$0.26 and the lowest price in that period was \$0.043.

6.6 Grant of termination benefits

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Group. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or its related bodies corporate if it is approved by shareholders or an exemption applies.

Resolutions 11 and 12 seek Shareholder approval for the grant of termination benefits in connection with the Performance Rights that are proposed to be granted to Mr Dixon and Mr Thom pursuant to Resolution 11 and Resolution 12 respectively.

Under the terms and conditions of the Performance Rights (which are summarised in Annexure “D”), the circumstances in which the early vesting of the Performance Rights are permitted, include termination of the employee’s employment or office with the Company due to death, illness, total or permanent disablement, redundancy or in other circumstances where the Board exercises its discretion to do so as well as change of control events, notwithstanding the Company will comply with Listing Rules 10.18 and 10.19. The termination “benefit” under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolutions 11 and 12, the early vesting of the Performance Rights.

Resolution 11 and 12 therefore also seek approval of any “termination benefit” that may be provided to Mr Dixon or Mr Thom respectively under the proposed terms of the Performance Rights, being individuals who hold a managerial or executive office (as defined in the Corporations Act) in the Company.

Specifically, Shareholder approval is being sought to give the Board (or the Boards’ delegate) the capacity to exercise certain discretions under the terms and conditions of the Performance Rights, including the discretion to determine to vest some or all of the unvested Performance Rights of Mr Dixon or Mr Thom if their employment with the Company is terminated (in certain circumstances).

If all relevant Shareholder approvals are obtained under Resolutions 11 and 12 and the Board exercises its discretion to vest some or all of an affected Director’s Performance Rights (or to provide that the Performance Rights do not lapse but will continue and be vested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant Performance Rights holder’s cap for the purposes of section 200F(2)(b) or section 200G(1)(c) of the Corporations Act.

6.7 Section 200E Corporations Act information requirements

Section 200E requires certain information to be provided to shareholders when seeking approval of a termination benefit for the purposes of section 200B of the Corporations Act. Whilst the value of the proposed termination benefits cannot current be ascertained, the manner in which the value of the proposed termination benefits is calculated, and the matters, events and circumstances that will, or are likely to, affect the calculation of the value are as follows:

a) *Details of the termination benefits*

The terms and conditions of the Performance Rights, if approved by Shareholders under Resolutions 11 and 12, contain provisions setting out the treatment of unvested Performance Rights in situations such as where the Performance Rights holder leaves the employment of the Company or a related body corporate of the Company (in certain circumstances) or where there is a change in control of the Company. For example, under the terms and conditions of the Performance Rights, where a Performance Rights holder retires from his or her employment with the Company or a related body corporate of the Company (in certain circumstances) before his or her Performance Rights have vested, the Board may exercise its discretion to determine that some or all of the Performance Rights will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions). Similarly, if a “change of control” occurs, the Board may determine that some or all of a Performance Rights holder’s unvested Performance Rights will vest. Notwithstanding any of the other terms and conditions of the Performance Rights, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Conditions) in relation to any Performance Rights granted to any Performance Rights holder.

The exercise of these discretions will constitute a “benefit” for the purposes of the Corporations Act’s termination benefits provisions.

b) *Value of the termination benefits*

The value of the termination benefits that the Board may give under the proposed terms and conditions of the Performance Rights cannot be determined in advance. If the Performance Rights are approved by Shareholders under Resolutions 11 and 12, the value of a particular benefit will depend on the Company's share price at the time of vesting and the number of Performance Rights that the Board decide to vest. Some of the factors that may affect the value of the termination benefits are as follows:

- (a) the Performance Rights holder's length of service and the proportion of any relevant performance periods that have expired at the time they leave employment;
- (b) the Performance Rights holder's total fixed remuneration at the time grants are made under the Plan and at the time they leave employment; and
- (c) the number of unvested Performance Rights that the Performance Rights holder holds at the time they leave employment.

6.8 Directors' recommendation

Mr Dixon declines to make a recommendation to Shareholders in relation to Resolution 11 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 11, recommend that Shareholders vote in favour of Resolution 11. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 11.

Mr Thom declines to make a recommendation to Shareholders in relation to Resolution 12 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 12, recommend that Shareholders vote in favour of Resolution 12. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 12.

GLOSSARY

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

\$ or AUD means Australian dollars.

2014 Financial Report means the Company's financial report for the financial year ended 30 June 2014, which can be downloaded from the Company's website at www.blackhamresources.com.au.

AGM means the annual general meeting of shareholders.

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

Annexure B Option means an Option as per the terms and conditions set out in Annexure "B".

Annexure C Option means an Option as per the terms and conditions set out in Annexure "C".

ASIC means the Australian Securities and Investments Commission.

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

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

BBSW Rate means the average mid rate displayed at or about 10.30am (Sydney time) on the first day of the relevant period on the Reuters screen BBSW page for a term of 3 months or otherwise in accordance with the Facility Agreement.

Blackham Group means Blackham and all its subsidiaries as at the date of this Notice.

Board means the board of Directors.

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

Chair means the chairperson of the Meeting.

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

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

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

Constitution means the Company's constitution.

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

Director means a director of the Company.

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

Facility Agreement means the facility agreement – Matilda gold project dated 18 May 2015 between the Blackham Group and Orion.

Funding Facility means the entire funding facility provided by Orion to the Company pursuant to the Relevant Documents, as announced to the ASX on 19 May 2015 and on 16 June 2015..

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

General Security Deed means the general security deed dated 18 May 2015 between each entity specified in schedule 1 to that deed (being the Blackham Group) and each entity named in schedule 2 to that deed (being Orion).

Initial Investment means the portion of the Funding Facility referred to in section 1.2 of Part A to this Explanatory Memorandum.

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

Matilda Gold Project means the Matilda gold project located in Wiluna approximately 20 kilometres surrounding Wiluna, Western Australia.

Matilda Mortgages means mortgages over the Matilda Gold Project tenements, granted by the relevant member of the Blackham Group in favour of Orion.

Non-Amortizing Term Facility means the non-amortizing term facility of AUD\$6,000,000 referred to in the Facility Agreement.

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

Option means an option to acquire a Share.

Option Subscription Deed means the option subscription deed entered into by Blackham and Orion Fund JV dated 18 May 2015, as varied by a letter dated 28 May 2015 between Blackham and Orion Fund JV.

Orion means Orion Fund JV and Orion Titheco.

Orion Fund JV Limited means Orion Fund JV Limited, an exempted company organised under the laws of Bermuda.

Orion Titheco means Orion Titheco Limited, an exempted company organised under the laws of Bermuda.

Performance Right means the entitlement to receive one Share per performance right on the terms and conditions summarised in Annexure "D", proposed to be granted to Mr Bryan Dixon and Mr Alan Thom pursuant to Resolution 11 and Resolution 12 respectively.

Placement Shares means the 19,230,769 Shares issued under the terms and conditions of the Share Subscription Agreement.

Project Financing Facility means the project financing facility of up to AUD\$30,000,000 made available to Blackham by Orion JV Fund pursuant to the Facility Agreement.

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

Purchase and Sale Agreement means the purchase and sale agreement – Matilda gold project dated 18 May 2015 between each entity named in schedule 1 to that agreement (being the relevant Blackham Group members) and Orion Titheco, as varied by a letter dated 28 May 2015 between each entity named in schedule 1 to that agreement (being the relevant Blackham Group members) and Orion Titheco.

Relevant Documents means each of:

- (a) the Facility Agreement;
- (b) the General Security Deed;
- (c) the Matilda Mortgages; and
- (d) any document entered into or given under or in connection with, or for the purpose of amending or novating, any document referred to in paragraphs (a) to (c) above.

Remuneration Report means the remuneration report set out in the Directors' Report section of the 2014 Financial Report.

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

Securities means Shares and Options.

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

Shareholder means a holder of a Share.

Share Subscription Agreement means the share subscription agreement entered into by Blackham and Orion Fund JV dated 18 May 2015.

Subscription Options means the 16,666,667 Options to be issued to Orion pursuant to the Option Subscription Deed, on the terms and conditions set out in Annexure "A".

Subsequent Investment means the portion of the Funding Facility referred to in section 1.3 of Part A to this Explanatory Memorandum.

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

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

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

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

ANNEXURE A – TERMS AND CONDITIONS OF SUBSCRIPTION OPTIONS

The terms and conditions of the Subscription Options are as follows. Capitalised terms in this schedule not otherwise defined have the meaning given in the Option Subscription Deed.

- (a) Each Subscription Option gives the Subscription Option holder the right to subscribe for one Share. To exercise the right given by each Subscription Option, the Subscription Option holder must exercise the Subscription Option in accordance with the terms and conditions of the Subscription Option. Each Subscription Option will have an expiry date of 5.00pm WST on 31 December 2017 (**Option Expiry Date**) and have an exercise price of \$0.18 (**Option Exercise Price**).
- (b) Each Subscription Option is freely transferrable but will not be listed on any exchange.
- (c) Any Subscription Option not exercised before 5:00pm WST on the Option Expiry Date will automatically lapse on that Option Expiry Date.
- (d) The Subscription Option holder may exercise any one or more of its Subscription Options at any time before the Option Expiry Date by delivering to Blackham Resources Ltd (**Blackham**):
 - (i) written notice of exercise of Subscription Options specifying the number of Subscription Options being exercised (Option Exercise Notice); and
 - (ii) a cheque or electronic funds transfer for the relevant Option Exercise Price for the number of Subscription Options being exercised.
- (e) An Option Exercise Notice is only effective when Blackham has received the full amount of the relevant Option Exercise Price in cleared funds in respect of those Subscription Options being exercised.
- (f) Within 14 Business Days of receipt of the Option Exercise Notice accompanied by the relevant Option Exercise Price for the number of Subscription Options being exercised, Blackham will issue and allot the number of Shares required under these terms and conditions in respect of the number of Subscription Options specified in the Option Exercise Notice (**Share Issue Date**).
- (g) If the Option holder validly exercises any one or more of its Subscription Options in accordance with these terms, Blackham must:
 - (i) prepare, in accordance with section 708A(5) of the Corporations Act, and give to the ASX, a notice (**Cleansing Notice**) that complies with section 708A(6) of the Corporations Act within 5 Business Days after the Share Issue Date; or
 - (ii) if Blackham is unable to give the Cleansing Notice to ASX within the timeframe specified in paragraph g(i) then Blackham Resources must, within 30 days of the Share Issue Date, lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations Act,so as to ensure that the offer of any Share, issued and allotted on the exercise of any Subscription Option, for sale within 12 months from the relevant Share Issue Date will not require a disclosure document to be prepared in accordance with Chapter 6D of the Corporations Act.
- (h) All Shares issued and allotted upon the exercise of Subscription Options will rank equally in all respects with all other Shares on issue (including with respect to distribution rights).
- (i) If Blackham remains listed on ASX at the time of exercise of any Subscription Options, Blackham must, at its own cost:
 - (i) on or before the Share Issue Date, apply, in the form of an Appendix 3B, to ASX for official quotation (as that expression is used in the ASX Listing Rules) of the Shares being issued (or to be issued, as applicable) to the Option holder (or its nominee or any transferee of the Subscription Options) following the Subscription Options being exercised; and
 - (ii) ensure that all conditions to the granting of official quotation by ASX are satisfied on or by the Share Issue Date and that the applicable number of Shares being issued to the Subscription Option holder are unconditionally quoted within 2 Business Days after the Share Issue Date.

- (j) Blackham acknowledges and agrees that it must comply with ASX Listing Rule 7.22 and otherwise in a manner consistent with the Corporations Act in relation to any capital reconstruction or reorganisation event. Blackham further acknowledges that the purpose and intention of this paragraph is that any adjustment arising from compliance with ASX Listing Rule 7.22 and or applicable Corporations Act requirements will have an economically neutral effect on Blackham Resources and the Subscription Option holder.
- (k) There are no participating rights or entitlements inherent in the Subscription Options and a Subscription Option holder will not be entitled to participate in a new issue of capital offered to Shareholders in respect of any Subscription Options held, other than in respect of Subscription Options that have been exercised before the record date for the Share issue. Blackham Resources will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Subscription Option holders the opportunity to exercise one or more of their Subscription Options prior to the date for determining entitlements to participate in any such issue.
- (l) If Blackham makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Subscription Option before the record date for determining entitlements to that Share issue, the Option Exercise Price of each Subscription Option is reduced in accordance with the ASX Listing Rules.
- (m) If Blackham makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Subscription Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Subscription Option is exercisable is increased by the number of Shares which the Option holder would have received if the Subscription Option holder had exercised the Subscription Option before the record date for determining entitlements to the bonus issue.

ANNEXURE B – TERMS AND CONDITIONS OF ANNEXURE B OPTIONS

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

- a) Each Annexure B Option entitles the holder to subscribe for one Share in the capital of the Company at the exercise price of \$0.20
- b) Subject to paragraph (c) below, the Annexure B Options are exercisable at any time up to 5.00pm Perth time on or before 3 February 2017 by completing an Annexure B Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Annexure B Options are exercised to the registered office of the Company. Any Annexure B Options not exercised by that time will lapse.
- c) An Annexure B Option holder may exercise some only of that person's Annexure B Options, which does not affect that holder's right to exercise the remainder of their Annexure B Options by the deadline in paragraph (b) above. Annexure B Options must be exercised in multiples of 100 at a time, unless the Annexure B Option holder exercises all Annexure B Options able to be exercised at that time.
- d) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Annexure B Options are freely transferable. Application will not be made to ASX for official quotation of the Annexure B Options.
- e) All Shares issued upon exercise of the Annexure B Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Annexure B Options.
- f) Annexure B Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Annexure B Options without exercising the Annexure B Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This will give Annexure B Option holders the opportunity to exercise their Annexure B Options prior to the date for determining entitlements to participate in any such issue.
- g) Subject to paragraph (h), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Annexure B Option or any other terms of those Annexure B Options.
- h) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Annexure B Option expiry, the rights of Annexure B Option holders, including the number of Annexure B Options or the exercise price of the Annexure B Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- i) Annexure B Option holders will be sent all communications sent to Shareholders, but Annexure B Options do not confer any rights to attend or vote at meetings of Shareholders. Notice may be given by the Company to Annexure B Option holders in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Annexure B Option holders.
- j) Notwithstanding the terms and conditions in this document, the Annexure B Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the ASX Listing Rules.

ANNEXURE C – TERMS AND CONDITIONS OF ANNEXURE C OPTIONS

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

- a) Each Annexure C Option entitles the holder to subscribe for one Share in the capital of the Company at the exercise price of \$0.30
- b) Subject to paragraph (c) below, the Annexure C Options are exercisable at any time up to 5.00pm Perth time on or before 3 February 2018 by completing an Annexure C Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Annexure C Options are exercised to the registered office of the Company. Any Annexure C Options not exercised by that time will lapse.
- c) An Annexure C Option holder may exercise some only of that person's Annexure C Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (b) above. Annexure C Options must be exercised in multiples of 100 at a time, unless the Annexure C Option holder exercises all Annexure C Options able to be exercised at that time.
- d) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Annexure C Options are freely transferable. Application will not be made to ASX for official quotation of the Annexure C Options.
- e) All Shares issued upon exercise of the Annexure C Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Annexure C Options.
- f) Annexure C Option holders cannot participate in new issues of capital offered to Shareholders during the currency of the Annexure C Options without exercising the Annexure C Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This will give Annexure C Option holders the opportunity to exercise their Annexure C Options prior to the date for determining entitlements to participate in any such issue.
- g) Subject to paragraph (h), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Annexure C Option or any other terms of those Annexure C Options.
- h) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Annexure C Option expiry, the rights of Annexure C Option holders, including the number of Annexure C Options or the exercise price of the Annexure C Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- i) Annexure C Option holders will be sent all communications sent to Shareholders, but Annexure C Options do not confer any rights to attend or vote at meetings of Shareholders. Notice may be given by the Company to Annexure C Option holders in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Annexure C Option holders.
- j) Notwithstanding the terms and conditions in this document, the Annexure C Options may only be issued or exercised within the limitations imposed by the Corporations Act 2001 and the ASX Listing Rules.

ANNEXURE D – SUMMARY OF TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The terms and conditions of the Performance Rights are summarised as follows.

- a) Each one (1) Performance Right will convert into one (1) fully paid ordinary share (**Share**) in the capital of Blackham Resources Limited (**Company**) upon satisfaction of the relevant vesting conditions on the terms and conditions set out below.
- b) The performance period for the Performance Rights will commence on 1 June 2015 and end on 31 December 2017 (**End Date**).
- c) The vesting conditions applicable to the Performance Rights (together the **Vesting Conditions** and each a **Vesting Condition**) will be as agreed by the Board as at the date of issue of the Performance Rights, subject to any variation to those Vesting Conditions that may be in accordance with the other terms and conditions of the Performance Rights.
- d) The Performance Rights will only vest (and the underlying Shares will only be issued) upon the Board making a determination that the relevant Vesting Condition has been satisfied. If the Board makes a determination that the Vesting Condition(s) have not been satisfied by the End Date, the corresponding Performance Rights will immediately lapse.
- e) If the Board determines that any of the Performance Rights will vest in accordance with the Vesting Condition(s) (**Vesting Performance Rights**):
 - i) the vesting date will be the date the relevant Vesting Condition is achieved or satisfied; and
 - ii) Shares will be issued by the Company through an automatic exercise, for nil consideration, of the Vesting Performance Rights (on the basis of one (1) Share for every one (1) Vesting Performance Right) as soon as reasonably practicable after the date of satisfaction of the corresponding Vesting Condition for those Vesting Performance Rights.
- f) If the Performance Rights holder ceases employment with the Company or a related body corporate of the Company due to the death of the Performance Rights holder or the cessation of their employment due to illness, incapacity, total or permanent disablement, redundancy, or the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company, or other circumstances determined by the Board (the occurrence of which event will be a **Specified Reason**), the Performance Rights Holder will be entitled to be issued Shares related to the unvested Performance Rights to the extent that such unvested Performance Rights become vested Performance Rights within:
 - i) six months from the date of the occurrence of the Specified Reason; or
 - ii) such longer period as the Board determines, but which period will not be later than the End Date,however any Performance Rights which have not vested by the date that is six months from the date of the Specified Reason, or the longer period determined by the Board, will automatically lapse.
- g) If the Performance Right holder ceases their employment with the Company or a related body corporate of the Company in circumstances other than those described above, all unvested Performance Rights will automatically lapse immediately.
- h) If a change of control (control having the meaning given in the *Corporations Act 2001* (Cth)) occurs in the Company (for example, a party making a takeover bid for the Company acquires voting power of more than 50% in the Company or Shareholders approve a scheme of arrangement pursuant to which a party acquires a similar voting power in the Company), any Performance Rights that have not yet vested will immediately vest:
 - i) if the change of control occurs within 12 months of the date of the grant of the Performance Right (or such other date as determined by the Company), on the date of the change of control; or
 - ii) if the change of control occurs more than 12 months of the date of grant of the Performance Right (or such other date as determined by the Company), on the date of the change of control but only if the Vesting Condition(s) would have been satisfied for the financial year ended immediately prior to the change of control and the Board has not determined otherwise.

- i) If the Company agrees to sell a majority interest in its Matilda Gold Project, or to sell a majority interest in the Company which owns the Matilda Gold Project, either directly or indirectly any Performance Rights that have not yet vested will immediately vest:
 - i) if the sale is completed within 12 months of the date of the grant of the Performance Right (or such other date as determined by the Company), on the date of the completion of the sale; or
 - ii) if the sale is completed more than 12 months of the date of grant of the Performance Right (or such other date as determined by the Company), on the date of completion of the sale but only if the Vesting Condition(s) would have been satisfied for the financial year ended immediately prior to the completion of the sale and the Board has not determined otherwise.
- j) A Performance Right is only transferable:
 - i) with the consent of the Board; or
 - ii) by force of law upon death to the Performance Rights holder's legal personal representative or upon bankruptcy to the Performance Rights holder's trustee in bankruptcy.
- k) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each Performance Rights holder is entitled, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the Performance Rights holder as a result of the bonus issue.
- l) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Performance Rights holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Performance Rights holder as a result of such corporate actions.
- m) Subject to paragraphs (k) and (l), during the currency of any Performance Rights and prior to vesting, Performance Rights holders are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights. In addition, Performance Rights holders are not entitled to vote nor to receive dividends as a result of their holding Performance Rights.
- n) The Company must give notice to each Performance Right holder of any adjustment to the number of Shares which the Performance Right holder is entitled to acquire on vesting of a Performance Right.
- o) Subject to the ASX Listing Rules, the Board may at any time by resolution amend or add to all or any of the terms or conditions of any Performance Right.
- p) Notwithstanding any of the other terms and conditions of any Performance Right, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Conditions) in relation to any Performance Rights granted to any Performance Rights holder.