



BLACKHAM
Resources Limited

BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9.00 am (WST)

DATE: 27 November 2015

PLACE: Level 2
38 Richardson Street
WEST PERTH WA 6005

This Notice of Annual 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 Annual 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 the Annual General Meeting of the Shareholders convened by this Notice of Meeting will be held at 9.00am (WST) on 27 November 2015 at:

Level 2
38 Richardson Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 25 November 2015 will be taken, for the purposes of this Annual 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 Annual General Meeting at the time, date and place set out above.

VOTING BY PROXY

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

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

so that it is received not later than 9.00am (WST) on 25 November 2015.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Blackham Resources Limited will be held at **Level 2, 38 Richardson Street, West Perth, Western Australia at 9.00am WST on Friday 27 November 2015.**

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

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

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2015 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report thereon.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report."

Note: the vote on this Resolution is advisory only and does not bind the Board or the Company.

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 2 – ELECTION OF DIRECTOR – MR PETER ROZENAVERS

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

"That for all purposes, Mr Peter Rozenauers, a Director of the Company appointed under the casual vacancy provisions of the Constitution, retires in accordance with the Constitution, and being willing and eligible for election, is elected as a Director."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GREG MILES

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

"That Mr Greg Miles, a Non-Executive Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director."

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities under this Resolution and 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 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 – APPROVAL OF ISSUE OF SHARES TO SBD DRILLERS

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 approve the issue of a total of 236,261 ordinary fully paid shares to SBD Drillers 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 SBD Drillers as referred to in the Explanatory Statement having regard to the resolution 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 6 – APPROVAL OF ISSUE OF SHARES TO TOPDRIVE DRILLERS

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 approve the issue of a total of 429,109 ordinary fully paid shares to Topdrive Drillers 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 Topdrive Drillers as referred to in the Explanatory Statement having regard to the resolution 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 7 – APPROVAL OF BLACKHAM RESOURCES LIMITED EMPLOYEE INCENTIVE PLAN

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

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given to adopt the Company's Employee Incentive Plan and to issue and allot securities under that plan, and to issue and allot Shares pursuant to those securities, from time to time upon the terms and conditions summarised in the Explanatory Memorandum as an exception to ASX Listing Rule 7.1."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associates of such a Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 8 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BLACKHAM RESOURCES LIMITED EMPLOYEE INCENTIVE PLAN

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

"That, for the purpose of Sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the giving of termination benefits under the Company's Employee Incentive Plan by the Company to a person or their associates in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate of the Company, as detailed in the Explanatory Memorandum."

Voting Exclusion Statement:

For the purpose of ASX Listing Rule 10.11 and Section 200E(2A) of the Corporations Act, the Company will disregard any votes cast on this Resolution by any Shareholders who are also managerial or executive officers of the Company and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 9 – REFRESH APPROVAL OF THE PROPORTIONAL TAKEOVER PROVISIONS

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

"That approval of the proportional takeover provisions previously received at the 2012 Annual General Meeting and set out in the Company's Constitution be refreshed for a further three years."

RESOLUTION 10 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR PAUL MURPHY

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

"That for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11, and for all other purposes, the Company is authorised to issue and allot up to 500,000 Director Options to Mr Paul Murphy, 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 Paul Murphy 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 1, 7, 8 and 10 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 1, 7, 8 and 10.

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 1, 7, 8 and 10 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 1, 7, 8 and 10 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 1, 7, 8 and 10.

If you appoint any other person as your proxy

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

DATED: 20 OCTOBER 2015

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

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 Annual General Meeting at the annual general meeting of Shareholders to be held at Level 2, 38 Richardson Street, West Perth, Western Australia 6005 at **9.00am WST** on **27 November 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.

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 Annual General Meeting.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2015 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report thereon.

The Company will not provide a hard copy of the 2015 Financial Report to Shareholders unless specifically requested to do so. The 2015 Financial Report is available on its website at www.blackhamresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Board or the Company.

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

2.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report at the two consecutive annual general meetings, the company will be required to put to shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the company's 2016 annual general meeting. All of the directors who were in office when the company's 2016 directors' report was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the 2015 Financial Report.

At the Company's previous annual general meeting, less than 25% of votes were cast against the remuneration report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR PETER ROZENAVERS

3.1 Background

Clause 11.12 of the Constitution requires that any Director appointed to fill a casual vacancy or as an addition to the Board, holds office until the next annual general meeting and is then eligible for election.

Mr Peter Rozenauers was appointed to the Board as a Non-Executive Director on 17 June 2015. Mr Rozenauers retires by virtue of clause 11.12 of the Constitution and, being willing and eligible for election, seeks election. The profile of Mr Peter Rozenauers is set out in the 2015 Financial Report.

Directors' Recommendation

The Directors (other than Mr Peter Rozenauers) recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GREG MILES

4.1 Background

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election. The Company currently has five (5) Directors and accordingly one (1) must retire by rotation.

Mr Greg Miles retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. The profile of Mr Greg Miles is set out in the 2015 Financial Report.

Directors' Recommendation

The Directors (other than Mr Greg Miles) recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 Purpose of resolution

The purpose of this special resolution is to authorise the Directors to seek Shareholder approval to allow it to issue a further 10% of the Company's issued share capital under Listing Rule 7.1A during the 10% Placement Period in addition to and without using the Company's 15% placement capacity under Listing Rule 7.1.

The additional 10% placement capacity under Listing Rule 7.1A is in addition to the existing 15% annual placement capacity available under Listing Rule 7.1.

5.2 General information

Listing Rule 7.1A came into effect on 1 August 2012 and enables "eligible entities" to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting if the Equity Securities are in an existing quoted class of the Company's securities ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement annual capacity under Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility during the period up to 12 months after the Meeting. As Resolution 4 is a special resolution 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

If Shareholders approve Resolution 4 the exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 5.3 (c) below).

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities under the 10% Placement Facility.

5.3 Description of Listing Rule 7.1A

Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting, which is in addition to its 15% annual placement capacity.

Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely Shares.

Formula for calculating Additional 10% Placement Facility

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

$$(a \times d) - e$$

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

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% annual placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

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

***d** is 10%*

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

Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 198,383,857 Shares and therefore has a capacity to issue:

- (v) 15% or 27,757,578 Equity Securities under Listing Rule 7.1; and
- (vi) 10% or 19,838,385 Equity Securities subject to Shareholder approval being sought under this Resolution 4 under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 5.3(c) above).

Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

Minimum Price

The issue price of the new Equity Securities will be no lower than 75% of the calculated VWAP over the 15 Trading Days in which trades in the relevant class of security were recorded, immediately before:

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

Date of Issue

The Equity Securities may be issued under the 10% Placement Facility commencing on the date of the Meeting and expires on the earlier to occur of:

- the date that is 12 months after the date of this Meeting; or
- the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Risk of economic and voting dilution

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below.

Shareholders should note that there is a risk that:

- the market price for the Equity Securities to be issued may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.
- a) Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.
 - b) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice, assuming the full 10% dilution.
 - c) The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.115 50% decrease in Issue Price	\$0.23 Issue Price	\$0.345 50% increase in Issue Price
Current Variable A 198,383,857 Shares	Shares issued	19,838,386 Shares	19,838,386 Shares	19,838,386 Shares
	Funds raised	\$2,281,414	\$4,562,829	\$6,844,243
50% increase* in current Variable A 297,575,786 Shares	Shares issued	29,757,579 Shares	29,757,579 Shares	29,757,579 Shares
	Funds raised	\$3,422,122	\$6,844,243	\$10,266,365
100% increase* in current Variable A 396,767,714 Shares	Shares issued	39,676,771 Shares	39,676,771 Shares	39,676,771 Shares
	Funds raised	\$4,562,829	\$9,125,657	\$13,688,486

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued under Listing Rule 7.1.

The table has been prepared on the following assumptions:

- The current Shares on issue are the Shares on issue at 13 October 2015.
- The issue price set out above is the closing price of the Shares on the ASX on 13 October 2015.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility hence the voting dilution is shown in each example as 10%.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- No unlisted options of the Company are exercised into Shares before the date of issue of the Equity Securities.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

Purpose of issue under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- as cash consideration, in which case the Company intends to use the funds raised towards continued exploration and development of the Company's Matilda Gold Project and its other projects, the evaluation and acquisition of new opportunities and general working capital; or
- as non-cash consideration for the exploration and development of the Company's Matilda Gold Project, the acquisition of new resource assets and other investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

Allocation under the 10% Placement Facility

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

- the purpose of the issue;
- the alternative methods of raising funds that are available to the Company, including but not limited to, an entitlement issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including but not limited to the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

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

Previous Approval under ASX Listing Rule 7.1A

The Company last obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 27 November 2014.

Voting Exclusive

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not invited any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5.4 Listing Rule 7.3A.6 Details of Equity Securities issued during last 12 months

Date of Issue	16 Sep 2014	5 Nov 2014	5 Nov 2014	10 Nov 2014	10 Nov 2014	24 Nov 2014
Number issued	1	3,700,869	20,086,957	175,000	800,000	389,582
Class/Type	Ordinary Share	Ordinary Shares	Ordinary shares	Ordinary Shares	Employee Options	Ordinary Shares
Summary of Terms	NA	NA	Per subscription agreements detailed in ASX release on 5 Nov 2014	NA	Exercise price of \$0.122 on or before 9/11/16	NA
Name of Persons Issued Securities	Sophisticated Investor	Sophisticated Investors	Lanstead Capital	Sophisticated Investors	Employees	(i) P Nesveda (ii) Pubmate Aust P/L
Deemed/Issue Price	\$0.21	\$0.115	\$2,200,000	\$0.115	NA	\$0.08
Discount to market	NA	NA	NA	NA	NA	Nil
CASH ISSUES						
Cash Received	\$0.21	\$425,600	\$1,231,171	\$20,125	NA	NA
Cash Spent	\$0.21	\$425,600	\$1,098,543	\$20,125	NA	NA
Use of Cash	NA	Exploration and development of Matilda Gold Project and working capital	Exploration and development of Matilda Gold Project and working capital	Exploration and development of Matilda Gold Project and working capital	NA	NA
Cash Unspent	\$Nil	\$Nil	\$1,101,457	\$Nil	NA	NA
NON-CASH ISSUES						
Non-cash consideration	NA	NA	NA	NA	NA	(i) Consulting (ii) Marketing Services
Current value of non-cash consideration	NA	NA	NA	NA	NA	\$81,812

Date of Issue	24 Nov 2014	15 Dec 2014	3 Feb 2015	4 Feb 2015	5 Feb 2015	27 Feb 2015
Number Issued	323,000	2,000,000	755,058	2,000,000	33,494,435	298,246
Class/Type	Ordinary Shares	Director Options	Ordinary Shares	Options	Ordinary Shares	Ordinary Shares
Summary of Terms	NA	Exercise price of \$0.50 on or before 14/12/17	NA	1,000,000 Exercise price of \$0.20 on or before 3/2/17 1,000,000 Exercise price of \$0.30 on or before 3/2/18	NA	NA
Name of Persons Issued Securities	Sophisticated Investors	Director	(i) Xavier Group (ii) PCF Capital	BW Equities	Sophisticated Investors	(i) Paradigm Securities (ii) PCF Capital
Deemed/Issue Price	\$0.115	NA	\$0.0629	NA	\$0.09	\$0.0838
Discount to market	NA	NA	Nil	NA	NA	Nil
CASH ISSUES						
Cash Received	\$37,145	NA	NA	NA	\$3,014,500	NA
Cash Spent	\$37,145	NA	NA	NA	\$3,014,500	NA
Use of Cash	Exploration and development of Matilda Gold Project and working capital	NA	NA	NA	Exploration and development of Matilda Gold Project and working capital	NA
Cash Unspent	\$Nil	NA	NA	NA	\$Nil	NA
NON-CASH ISSUES						
Non-cash consideration	NA	NA	Consulting Services	NA	NA	Consulting Services
Current value of non-cash consideration	NA	NA	\$158,562	NA	NA	\$62,632

Date of Issue	10 Apr 2015	4 May 2015	4 May 2015	22 May 2015	28 May 2015	29 May 2015
Number Issued	702,825	87,581	1	19,230,769	200,000	1
Class/Type	Ordinary Shares	Ordinary Shares	Ordinary Share	Ordinary Shares	Ordinary Shares	Ordinary Share
Summary of Terms	NA	NA	NA	NA	NA	NA
Name of Persons Issued Securities	(i) Xavier Group (ii) Peter Nixon	Xavier Group	Sophisticated Investor	Orion Fund JV Ltd	S3 Consortium	Sophisticated Investor
Deemed/Issue Price	\$0.095	\$0.157	\$0.09	\$0.13	\$0.15	\$0.15
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	\$0.09	\$2,500,000	NA	\$0.15
Cash Spent	NA	NA	\$0.09	\$2,500,000	NA	\$0.15
Use of Cash	NA	NA	NA	Exploration and development of Matilda Gold Project and working capital	NA	NA
Cash Unspent	NA	NA	\$Nil	\$Nil	NA	\$Nil
NON-CASH ISSUES						
Non-cash consideration	(i) Consulting Services (ii) Drilling Services	Consulting Services	NA	NA	NA	NA
Current value of non-cash consideration	\$147,593	\$18,392	NA	NA	\$42,000	NA

Date of Issue	27 July 2015	28 July 2015
Number Issued	16,666,667	9,000,000
Class/Type	Options	Performance Rights
Summary of Terms	Exercise price of \$0.18 on or before 31/12/17	Performance rights as detailed in Notice of Meeting dated 19/6/15
Name of Persons Issued Securities	Orion Fund JV Ltd	(i) Warrior Strategic P/L (ii) WMG Enterprise P/L
Deemed/Issue Price	NA	NA
Discount to market	NA	NA
CASH ISSUES		
Cash Received	NA	NA
Cash Spent	NA	NA
Use of Cash	NA	NA
Cash Unspent	NA	NA
NON-CASH ISSUES		
Non-cash consideration	NA	NA
Current value of non-cash consideration	NA	NA

Pursuant to and in accordance with Listing Rule 7.3A.6 (a), the total number of Equity Securities issued since the date of the last AGM held on 27 November 2014 are as follows:

Class/Type	On Issue 27 November 2014	Number Issued Since 27 November 2014	% Issued Since 27 November 2014
Ordinary Shares	143,614,941	54,768,916	38%
Unlisted Options and Performance Options	16,795,000	23,636,667	141%
Performance Rights	-	9,500,000	100%

Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required and which will be in addition to, and without using, the Company's 15% annual placement capacity. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly the Directors recommend that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO SBD DRILLERS

6.1 Background

The Company had contractual arrangements in place with suppliers for project and contract work for the Matilda Gold Project.

Resolution 5 seeks the approval from the Shareholders for the issue of 236,261 Shares to SBD Drillers in lieu of payment for contract work undertaken on the project. The Shares were to be issued on 2 November 2015.

6.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 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.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

236,261 Shares

If shareholders approve Resolution 5, the issue of 236,261 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Deemed Issue price of securities

In lieu of services of provided at an average deemed issue price of \$0.153.

(c) Terms of the securities

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

(d) Allottees

SBD Drillers

(e) Intended use of funds raised.

No funds were raised by the issue.

Directors' Recommendation

The Board recommends Shareholders vote in favour of resolution 5 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO TOPDRIVE DRILLERS

7.1 Background

The Company had contractual arrangements in place with suppliers for project and contract work for the Matilda Gold Project.

Resolution 6 seeks the approval from the Shareholders for the issue of 429,109 Shares to Topdrive Drillers in lieu of payment for contract work undertaken on the project. The Shares were to be issued on 2 November 2015.

7.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 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.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

429,109 Shares

If shareholders approve Resolution 6, the issue of 429,109 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Deemed Issue price of securities

In lieu of services of provided at an average deemed issue price of \$0.153.

(c) Terms of the securities

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

(d) Allottees

Topdrive Drillers

(e) Intended use of funds raised.

No funds were raised by the issue.

Directors' Recommendation

The Board recommends Shareholders vote in favour of resolution 6 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

8. RESOLUTION 7 – APPROVAL OF BLACKHAM RESOURCES LIMITED EMPLOYEE INCENTIVE PLAN

8.1 General

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of high calibre executive personnel and key employees, the Company seeks to refresh the approval of the “Blackham Resources Limited Employee Incentive Plan” (**Plan**), including the issue of securities under the Plan. The Plan was last approved by shareholders at the Company's 2012 Annual General meeting.

ASX Listing Rule 7.1 prohibits the Company from issuing equity securities which in aggregate exceed fifteen (15%) of its fully paid ordinary share capital in any twelve month period, unless an exception applies. ASX Listing Rule 7.2, Exception 9 provides that this rule does not apply to the issue of securities by the Company under an employee incentive scheme if the scheme has been approved by Shareholders within three (3) years from the date of issue of the relevant securities.

Resolution 7 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the grant of Options under the Plan (**Incentive Options**), and the issue of Shares on exercise of the Incentive Options, as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will have the ability to issue Incentive Options to Eligible Participants under the Plan over a period of three years without impacting on the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Shareholders do not renew approval for the Plan, the Company will not be able to grant further options under the Plan, but all already outstanding options will continue unaffected.

Executive directors and key employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the Plan is an appropriate method to:

- a) reward executive directors and key employees for their past performance;
- b) provide long term incentives for participation in the Company's future growth;
- c) motivate executive directors and generate loyalty from senior employees; and
- d) assist to retain the services of valuable executive directors and employees.

The Plan will be used as part of the remuneration planning for executive personnel and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. Non-executive Directors are not eligible to participate in the Plan.

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

In accordance with Listing Rule 7.2 (Exception 9(b)), the following information is disclosed to Shareholders for the purposes of Resolution 7:

- (a) A summary of the terms and conditions of the Plan is set out in section 8.3 below.
- (b) A total of 6,665,000 Incentive Options have been granted under the Plan since the Shareholder approval was last obtained at the 2012 Annual General Meeting.
- (c) A voting exclusion statement is included in the Notice.

8.3 Employee Incentive Option Plan

- (a) **Eligibility and Grant of Incentive Options:** The Board may grant Incentive Options to any full or part time employee (and their associates) or executive Director (but not a non-executive Director) of the Company or an associated body corporate. Incentive Options may be granted by the Board at any time.

- (b) **Consideration:** Each Incentive Option issued under the Plan will be issued for nil cash consideration.
- (c) **Conversion:** Each Incentive Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Incentive Options granted under the Plan will be determined by the Board prior to the grant of the Incentive Options.
- (e) **Exercise Restrictions:** The Incentive Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Incentive Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Incentive Options.
- (f) **Lapsing of Incentive Options:** Subject to the terms of the Offer made to a Participant, an unexercised Incentive Option will lapse:
 - (i) on its Expiry Date;
 - (ii) if any Exercise Condition is unable to be met; and
 - (iii) subject to certain exceptions, on the eligible participant ceasing employment with the Company.
- (g) **Share Restriction Period:** Shares issued on the exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the offer for the Incentive Options.
- (h) **Disposal of Incentive Options:** Incentive Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.
- (i) **Trigger Events:** The Company may permit Incentive Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Participation in Rights Issues and Bonus Issues:**
 - (i) There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.
 - (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.
 - (iii) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option Exercise Price shall be reduced according to the formula specified in the Listing Rules.
 - (iv) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- (k) **Reorganisation:** The terms upon which Incentive Options will be granted will not prevent the Incentive Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (l) **Limitations on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Incentive Options offered under an offer when aggregated with:

- (i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under the Plan or any other employee share scheme of the Company were to be exercised or accepted; and
- (ii) the number of Shares issued during the previous 5 years from the exercise of Incentive Options issued under the Plan (or any other employee share plan of the Company extended only to Eligible Participants),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with ASIC Class Order 03/184).

Directors' Recommendation

The Board (other than the Executive Directors) recommend that Shareholders vote in favour of Resolution 7.

9. RESOLUTION 8 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER BLACKHAM RESOURCES LIMITED EMPLOYEE INCENTIVE PLAN

9.1 General

The Corporations Act restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on leaving their employment with the Company. 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. The provisions of the Corporations Act relating to termination benefits were amended in 2009 to significantly reduce the maximum termination benefits that can be given without prior shareholder approval and to expand the scope of the provisions. The new, lower termination benefits cap applies to all Directors (including executive Directors) and, since November 2009, to all key management personnel of the Company (that is, to all persons whose remuneration is required to be disclosed in the Remuneration Report), including those who are not Directors. Additionally, persons subject to the restrictions remain subject to them for at least three years after they cease to hold a managerial or executive office.

Under the proposed Plan (the subject of Resolution 7), circumstances in which the early vesting of Incentive Options are permitted, include termination of the employee's employment or office with the Company due to redundancy or in other circumstances where the Board exercises its discretion to do so as well as change of control events, notwithstanding that the Company will comply with its obligations under ASX Listing Rules 10.18 and 10.19. The termination "benefit" under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolution 7, the early vesting of Incentive Options granted under the Plan.

Resolution 8 therefore seeks approval of any "termination benefit" that may be provided to an employee under the proposed Plan (the subject of Resolution 7), who from, time to time, holds a managerial or executive office (as defined in the Corporations Act) in the Company.

Specifically, Shareholder approval is being sought to give the Board (or the Boards' delegate) the capacity to exercise certain discretions under the Plan, including the discretion to determine to vest some or all of the unvested Incentive Options of any relevant participant who is affected by the new termination benefits laws when they leave employment with the Company.

Non-Executive Directors are not entitled to participate in the Plan and so the approval will not apply to them. The Company is seeking approval to assist the Company in meeting its existing obligations to executive Directors and employees of the group, and to provide the Company with the flexibility to continue to remunerate employees fairly and responsibly.

If all relevant Shareholder approvals are obtained under Resolution 7 and this Resolution 8, and the Board exercises its discretion to vest some or all of an affected participant's unvested Incentive Options (or to provide that the participant's Incentive Options do not lapse but will continue and be vested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participants cap for the purposes of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

9.2 Section 200E of the Corporations Act

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

(A) Details of the termination benefits

The proposed Plan, if approved by Shareholders under Resolution 7, contains provisions setting out the treatment of unvested options in situations such as where an employee leaves the Company (in certain circumstances) or where there is a change in control of the Company. For example, under the rules of the Plan, where a participant resigns from his or her employment with the Company before his or her Incentive Options have vested, the Board may exercise its discretion to determine that some or all of the Incentive Options will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions). Similarly, if a "change of control" occurs, the Board may determine that some or all of a participant's unvested Incentive Options will vest.

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

(B) Value of the termination benefits

The value of the termination benefits that the Board may give under the proposed Plan cannot be determined in advance. This is because the proposed Plan is subject to approval under Resolution 7 and if approved by Shareholders, various matters will, or are likely to affect that value. Specifically, if the Plan is approved by Shareholders under Resolution 7, the value of a particular benefit will depend on the Company's share price at the time of vesting and the number of Incentive Options that the Board decided to vest. Some of the factors that may affect the value of the termination benefits are as follows:

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

Directors' Recommendation

The Board (other than the Executive Directors) recommends Shareholders vote in favour of resolution 8.

10. RESOLUTION 9 – REFRESH APPROVAL OF THE PROPORTIONAL TAKEOVER PROVISIONS

10.1 Background

The Proportional Takeover Provisions contained in part 26 of the Company's Constitution requires the renewal of approval for the provisions every three years or the provisions cease to have effect. The proportional takeover provisions were adopted by Shareholders at the Annual General Meeting in 2012.

The Company's constitution includes part 26 "Approval required for proportional takeover" (as set out in Annexure A to this Explanatory Memorandum). The Corporations Act requires the Company to provide Shareholders with an explanation of the proportional takeover approval provisions so that Shareholders may make an informed decision on whether to support or oppose the resolution.

Proportional Takeover Bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares (i.e. less than 100%).

Effect of a Proportional Takeover Bid Provision

If a proportional takeover bid is made, the Directors must ensure that a meeting of Shareholders is held and the Shareholders vote on a resolution to approve the takeover bid at least 14 days before the last day of the bid period. Each Shareholder has one vote for each fully paid Share held. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, no transfer will be registered as a result of the takeover bid and the offer will be taken to have been withdrawn. If the resolution is not voted on by the deadline, the resolution approving the bid is taken to have been passed. If the bid is approved (or taken to have been approved) all valid transfers must be registered, providing they comply with the other provisions of the Company's constitution.

The proportional takeover approval provisions do not apply to full takeover bids and will only apply for 3 years after the date of the adoption of the proposed Constitution (i.e. until 26 November 2018) unless again renewed by Shareholders.

Knowledge of any Acquisition Proposals

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

Reasons for and Potential Advantages and Disadvantages of Rule

The Directors consider that the takeover approval provisions have no potential advantages for them. The reasons for and potential advantages of the proposed proportional takeover approval rule for Shareholder include:

- Shareholder have the right to decide by majority vote whether to accept a proportional takeover bid;
- It may help Shareholders to avoid being locked in as a minority and avoid the bidder acquiring control of the Company without paying an adequate control premium (i.e not being required to pay for all of the Shares on issue);
- It increases Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- Knowing the view of the majority of Shareholders may help each individual Shareholder to form and opinion on whether to accept or reject an offer under the bid.

The potential disadvantages of the proposed proportional takeover approval rule for Shareholders include:

- Proportional takeover bids for Shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- the likelihood of a proportional takeover succeeding may be reduced.

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that refreshing the proportional takeover provisions is in the interests of Shareholders.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 9.

11. RESOLUTION 10 – APPROVAL OF ISSUE OF DIRECTOR OPTIONS TO MR PAUL MURPHY

11.1 Background

Resolution 10 seeks the approval of Shareholders for the issue of 500,000 Director Options to Mr Paul Murphy and/or his nominee(s) on the following terms:

The Director Options have an expiry date on or before 5.00pm WST on the date that is 2 years less one day following the date of issue at an exercise price of \$0.256 per option. The Director Options will vest on the first gold pour from the Matilda Gold Project.

Shareholder approval of the grant of the Director Options the subject of Resolution 10 is sought for the purposes of:

- 1) Part 2E.1 of the Corporations Act, which governs the giving of financial benefits to directors and other “related parties” of a company; and
- 2) 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 director without shareholder approval.

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

If Shareholder approval is obtained for Resolution 10, the Director Options will be granted within one month of Shareholder approval.

11.2 Terms of Director Options

Subject to Shareholder approval, the Director Options will be granted on the terms and conditions set out in Annexure “B” to this Explanatory Memorandum.

11.3 Part 2E.1 of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving financial benefit to a “related party” of the Company (such as a Director) unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- b) prior Shareholder approval is obtained to the giving of the benefit.

For the purposes of Part 2E.1, Mr Paul Murphy (and/or his nominee(s)) is considered to be a related party of the Company and, therefore, the proposed grant of Director Options to him (and/or his nominee(s)) requires prior Shareholder approval.

Other Information

The annual remuneration package including any superannuation and non-cash benefits payable to Mr Murphy is as follows:

Director	Remuneration (p.a)	Estimated value of Director Options to be issued (see Annexure “C” for details)
Paul Murphy	\$60,000	\$58,280

The following table sets out Mr Murphy's beneficial interest in the securities of the Company:

Director	Current Ordinary Shares (*)	Proposed Ordinary Shares (**)
Paul Murphy	7,361,809	7,861,809

(*) Majority of shares (7,351,809) held by HSBC Custody Nominees (Australia) Pty Ltd as beneficiary for Maree Winifred Wilson. Paul Murphy retains a power of attorney over these shares.

(**) Assuming Shareholders approve the issue of the Director Options to Mr Murphy that are the subject of Resolution 10 and all Director Options are exercised.

In accordance with the requirements of Part 2E.1 and, in particular, sections 219 and 221 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to Shareholders to allow them to assess the proposed grant of Director Options:

- being a Director, Mr Murphy is a related party of the Company to whom the financial benefit would be given by virtue of section 228(2)(a) of the Corporations Act (or in the case of their respective nominee(s), section 228(4) of the Corporations Act);
- the nature of the financial benefit to be given is the grant of a maximum of 500,000 Director Options to Mr Murphy on the terms set out in Annexure "B" to this Explanatory Memorandum;
- the Director Options will be issued within one month of the date of the Meeting;
- Mr Murphy is not entitled and does not wish to make a recommendation to Shareholders regarding Resolution 10 on the basis that he has an interest in the outcome of the Resolution;
- other Directors recommend that Shareholders vote in favour of Resolution 10;
- the Director Options are to be granted for nil consideration and therefore no funds will be raised from their issue;
- an estimate of the value of the Director Options is set out in Annexure "C" to this Explanatory Memorandum;
- neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolution other than as follows:
 - (a) if the Director Options the subject of Resolution 10 are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares) will be diluted by 0.25%;
 - (b) the Directors consider that the incentive represented by the grant of Director Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration;
 - (c) the primary purpose of the grant of Director Options is to provide an incentive to Mr Murphy. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Director Options that are the subject of Resolution 10 (other than as set out below); and
 - (d) the Board has examined carefully the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles.

However the Board considers the grant to Mr Murphy is appropriate in the circumstances for the reasons set out below:

- Based on the examination, the Board has concluded that the totality of Mr Murphy's remuneration package, including the equity component of 500,000 Director Options now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Mr Murphy's management experience and knowledge of the mineral exploration industry.
- The Directors do not consider that there are any opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Director Options pursuant to Resolution 10, other than, if the Director Options are exercised when the market price of the Shares is greater than the exercise price of the Director Options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised. Any funds raised from the exercise of Director Options will supplement the Company's working capital requirements.

The latest available price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 19 October 2015 was \$0.xxx. The highest price for Shares trading on the ASX over the last 12 months was \$0.24 and the lowest price in that period was \$0.043.

Directors' Recommendation

Mr Murphy declines to make a recommendation to Shareholders in relation to Resolution 10 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 10, recommend Shareholders vote in favour of Resolution 10.

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:

\$ means Australian dollars.

2015 Financial Report means the Company's financial report for the financial year ended 30 June 2015, which can be downloaded from the Company's website at www.blackhamresources.com.au.

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

Annexure means an annexure to this Explanatory Memorandum.

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.

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.

Director Options means Director Options issued on the terms and conditions set out in Annexure B.

Equity Securities has the same meaning as in the Listing Rules.

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

Incentive Options means the grant of Options under the Plan.

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.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

Option means an option to acquire a Share.

Plan means the Blackham Resources Limited Employee Incentive Plan.

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

Remuneration Report means the remuneration report set out in the Director's report section of the 2015 Financial Report.

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

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

Shareholder means a holder of a Share.

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

Part 26 of the Blackham Constitution (Proportional Takeover Provisions)

26.1 Definitions

approving resolution has the same meaning as in section 648D of the Corporations Act;
approving resolution deadline has the same meaning as in section 648D of the Corporations Act;
associate has the meaning specified in section 9 of the Corporations Act for the purposes of Chapter 6 of the Corporations Act;
proportional takeover bid has the meaning specified in section 9 of the Corporations Act.

26.2 Prohibition on registration of transfers without approval

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

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

26.3 Meetings

- a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require (including, without limitation, to the requisite notice period to ensure that the meeting is convened on or before the approving resolution deadline), in relation to a meeting that is convened for the purposes of this Clause 26.
- b) Where takeover offers have been made under a proportional takeover bid, then the Directors must ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this Clause 26 before the approving resolution deadline in relation to the proportional takeover bid.
- c) Where a resolution to approve a proportional takeover bid is voted on in accordance with this Clause 26 before the approving resolution deadline in relation to the proportional takeover bid, the Company must, on or before the approving resolution deadline:
 - i) give to the bidder; and
 - ii) serve on the Exchange,

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

26.4 Approving resolution deemed to have been passed

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no resolution to approve the proportional takeover bid has been voted on in accordance with this Clause 26, then a resolution to approve the proportional takeover bid is, for the purposes of this Clause 26, deemed to have been passed in accordance with this rule.

26.5 Proportional takeover bid rejected

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

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

26.6 Effect of this Clause

This Clause 26 ceases to have any effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

ANNEXURE B

Terms and Conditions of Blackham Director Options

The terms and conditions of the Director Options are as follows:

- (a) Each Director Option gives the Director Option holder the right to subscribe for one Share. To obtain the right given by each Director Option, the Director Option holder must exercise the Director Options in accordance with the terms and conditions of the Director Options. The Director Options will have an expiry date on or before 5.00pm WST on the date that is 2 years less one day following the date of issue ('Director Option Expiry Date') at an exercise price of \$0.256 per option. The Director Options will vest on the first gold pour from the Matilda Gold Project.
- (b) Any Director Option not exercised before the relevant Director Option Expiry Date will automatically lapse on that Director Option Expiry Date.
- (c) A Director Option holder may exercise their Director Options by lodging with the Company, before the relevant Director Option Expiry Date:
 - a. written notice of exercise of Director Options specifying the number of Director Options being exercised (**Director Option Exercise Notice**); and
 - b. cheque or electronic funds transfer for the relevant Director Option Exercise Price for the number of Director Options being exercised.
- (d) A Director Option Exercise Notice is only effective when the Company has received the full amount of the relevant Director Option Exercise Price in cleared funds.
- (e) Within 14 Business Days of receipt of the Director Option Exercise Notice accompanied by the relevant Director Option Exercise Price for the number of Director Options being exercised, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Director Option Exercise Notice.
- (f) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (g) In the event the Company is listed on ASX at the time of exercise of the Director Options the Company will apply for quotation on ASX of all Shares allotted pursuant to the exercise of Director Options within 10 Business Days after the date of allotment of those Shares.
- (h) If at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the reconstruction.
- (i) There are no participating rights or entitlements inherent in the Director Options and Director Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company 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 Director Option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be treated in accordance with the Listing Rules (if applicable).
- (k) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exercisable may be increased by the number of securities which the Director Option holder would have received if the Director Option had been exercised before the record date for the bonus issue.

ANNEXURE C

Estimated Value of Blackham Director Options To Be Issued

Using the Black & Scholes option model and based on the assumptions set out below, the Options were ascribed the following value:

Assumptions:	Paul Murphy
Number of Director Options	500,000
Valuation date	13 October 2015
Market price of Shares	\$0.23
Exercise price	\$0.256
Expiry date (length of time from issue)	2 years
Risk free interest rate	2.25%
Volatility (discount)	100%
Indicative value per Option	\$0.11656
Total Value of Related Party Options	\$58,280

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.