BLACK ROCK MINING LIMITED

ACN 094 551 336

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:00pm (AEDT)

DATE: 30 November 2016

PLACE: Deloitte Melbourne Office
550 Bourke Street
Melbourne, Victoria 3000

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

This Notice of Meeting 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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEDT) on 28 November 2016.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. 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 resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

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

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

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

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

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
(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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN COPULOS

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

> *"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Stephen Copulos, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any 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 will 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.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES

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 of 31,833,333 Placement Shares on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: 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 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.

6. RESOLUTION 5 – ISSUE OF SHARES TO RELATED PARTY – MR STEPHEN COPULOS

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

> *"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,333,333 Related Party Shares to Stephen Copulos (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Stephen Copulos (and his nominee) 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 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.

7. RESOLUTION 6 – ISSUE OF SHARES TO RELATED PARTY – MR STEVEN TAMBANIS

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

> *"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Related Party Shares to Steven Tambanis (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Steven Tambanis (and his nominee) 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 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.

8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – MR GABRIEL CHIAPPINI

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

> *"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 66,667 Related Party Shares to Gabriel Chiappini (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Gabriel Chiappini (and his nominee) 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 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.

9. RESOLUTION 8 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR STEPHEN COPULOS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,800,000 Performance Rights as Director incentive remuneration to Mr Stephen Copulos (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. 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 person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR STEVEN TAMBANIS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,400,000 Performance Rights as Director incentive remuneration to Mr Steven Tambanis (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. 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 person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR GABRIEL CHIAPPINI

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,800,000 Performance Rights as Director incentive remuneration to Mr Gabriel Chiappini (or his nominee/s) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors. 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 person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and
(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 6 October 2016

By order of the Board

Gabriel Chiappini
Director/Company Secretary

Voting in person

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

Voting by proxy

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

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

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

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

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9320 7550.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.blackrockmining.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 company or 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 annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) 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 of the company is approved will be the directors of the company.

2.3 Previous voting results

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN COPULOS

3.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Stephen Copulos, who has served as a director since 21 January 2015 and is the longest standing director since re-election, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Copulos has over thirty years' experience in a variety of businesses and investments across a wide range of industries, including mining, manufacturing, property development, fast food and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997 and has extensive experience as a company director of both listed and unlisted public companies in Australia, UK and the USA.

Mr Copulos is an active global investor who brings significant business acumen and great diversity to the Board of Black Rock. In addition to his proposed role with the Company, Mr Copulos is also a director of ASX listed company, Crusader Resources Ltd (Chairman).

3.3 Independence

The Board does not consider Mr Copulos an independent director, given his shareholding interest in the Company.

3.4 Board recommendation

The Board supports the re-election of Stephen Copulos and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of $50,239,429 based on the number of Shares on issue and the closing price of Shares on the ASX on 19 October 2016.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

As at the date of this Notice, the Company currently has three (3) classes of quoted Equity Securities on issue, being the Shares (ASX Code: BKT), Options (ASX Code: BKTOC) and Options (ASX Code: BKTOD) .

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

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

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

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

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4,2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

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

(i) 12 months after the date of this Meeting; and

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

(**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 11 October 2016.

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 Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	**$0.08 50% decrease in Issue Price**	**$0.16 Issue Price**	**$0.24 50% increase in Issue Price**
317,384,697 (Current Variable A)	**Shares issued - 10% voting dilution**	31,738,469 Shares	31,738,469 Shares	31,738,469 Shares
	Funds raised	$2,539,078	$5,078,155	$7,617,232
476,077,046 (50% increase in Variable A)	**Shares issued - 10% voting dilution**	47,607,704 Shares	47,607,704 Shares	47,607,704 Shares
	Funds raised	$3,808,616	$7,617,232	$11,425,848
634,769,394 (100% increase in Variable A)	**Shares issued - 10% voting dilution**	63,476,939 Shares	63,476,939 Shares	63,476,939 Shares
	Funds raised	$5,078,155	$10,156,310	$15,234,465

*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 with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 317,384,697 Shares on issue comprising:
   (a) 313,496,432 existing Shares as at the date of this Notice of Meeting;
   (b) 1,500,000 Shares which are to be issued pursuant to Resolutions 5, 6 and 7; and
   (c) 2,388,265 Shares that are subject to escrow restrictions.
2. The issue price set out above is the closing price of the Shares on the ASX on 19 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. 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.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

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

(i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, feasibility studies and ongoing project administration, general working capital etc; or

(ii) as non-cash consideration for the acquisition of new resources assets and investments including/excluding previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

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

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

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

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

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2015 (**Previous Approval**).

The Company has issued no Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 November 2016, the Company also issued a further 89,982,195 Shares, 25,385,989 Options and 5,000,000 Performance Rights which represents approximately 41.54% of the total diluted number of Equity Securities on issue in the Company on 30 November 2015, which was 289,725,953 Shares.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

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

(i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and

(ii) the information required by Listing Rule 3.10.5A for release to the market.

4.3 Voting Exclusion

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

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES

5.1 Background

As announced on 14 September 2016, the Company intends to issue a total 33,333,333 Shares at an issue price of $0.15 per Share to raise approximately $5,000,000 (**Placement**), comprising of:

(a) 31,833,333 Shares (**Placement Shares**) to institutional and professional investors to raise approximately $4,775,000; and

(b) 1,500,000 Shares (**Related Party Shares**) to the Board, subject to shareholder approval pursuant to Resolutions 5, 6 and 7, to raise $225,000.

As announced on 21 September 2016, the 27,066,671 Placement Shares were issued to institutional and sophisticated investors on 20 September 2016 and 4,776,662 Placement Shares were issued to institutional and sophisticated investors on 21 September 2016.

The funds raised from the Placement are intended to be used to further advance and accelerate the Company's current development program, including but not limited to upgrading and increase to the Company's JORC resources, Cascades drilling program, delivery of a pre-feasibility study, securing offtake agreements and delivering a definitive feasibility study.

5.2 General

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Placement Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

(a) 31,833,333 Placement Shares were issued;

(b) the issue price was $0.15 per Placement Share;

(c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(d) the Placement Shares were issued to institutional and sophisticated clients of Blue Ocean Equities Pty Ltd. None of these subscribers, besides the Directors (refer to Resolutions 5, 6 and 7), are related parties of the Company; and

(e) the funds raised from this issue were used to further advance and accelerate the Company's current development program.

6. RESOLUTIONS 5, 6 AND 7 – ISSUE OF SHARES TO RELATED PARTIES

6.1 General

Refer to section 5.1 above for background on the Placement.

Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini (together the **Related Parties**) wish to participate in the Placement.

Resolutions 5, 6 and 7 seek Shareholder approval for the in the issue of up to 1,500,000 Related Party Shares to the Board, comprising:

(a) 1,333,333 Related Party Shares by Stephen Copulos (or his nominee);

(b) 100,000 Related Party Shares to Steven Tambanis (or his nominee); and

(c) 66,667 Related Party Shares to Gabriel Chiappini (or his nominee),

arising from the participation by the Related Parties in the Placement (**Participation**). Together with the funds raised through the issue of the Placement Shares, the Company will have raised a total of $5,000,000 pursuant to the Placement.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Stephen Copulos in relation to Resolution 5, Mr Steven Tambanis in relation to Resolution 6 and Mr Gabriel Chiappini in relation to Resolution 7 who each has a material personal interest in each respective Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Placement involves the issue of Shares to a replated party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

(a) the Related Party Shares will be issued to the Related Parties (or his nominee);

(b) the maximum number of Related Party Shares to be issued is 1,500,000, comprising of:

(i) 1,333,333 Related Party Shares to Stephen Copulos;

(ii) 100,000 Related Party Shares to Steven Tambanis; and

(iii) 66,667 Related Party Shares to Gabriel Chiappini.

(c) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(d) the issue price will be $0.15 per Placement Share, being the same as all other Shares issued under the Placement;

(e) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

(f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 5.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 8 – REPLACEMENT OF CONSTITUTION

7.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and

- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.blacrickmining.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9320 7550). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than $500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not a pay a dividend unless:

(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;

(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

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.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

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

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

(a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

(b) assisting in preventing Shareholders from being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

(a) proportional takeover bids may be discouraged;

(b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

8. RESOLUTIONS 9, 10 AND 11 – ISSUE OF OPTIONS AND PERFORMANCE RIGHTS TO RELATED PARTIES

8.1 General

On 6 October 2016, the Board resolved to seek Shareholder approval to issue a total of 6,000,000 Performance Rights (**Related Party Performance Rights**) to Messrs Stephen Copulos (or his nominee/s), Steven Tambanis (or his nominee/s) and Gabriel Chiappini (or his nominee/s) (together the **Related Parties**) on the terms and conditions set out below. These Related Party Performance Rights are intended to provide a long term incentive to management to continue the growth of the Company.

The Milestones have been determined to align management incentives to value driving events within the control of management. Those value driving events are events relating to the ongoing development and delivery of the Company's graphite project in Tanzania.

Mr Tambanis was previously issued 1,950,000 Performance Rights, Mr Chiappini was previously issued 1,475,000 Performance Rights and Mr Copulos was issued 1,475,000 Performance Rights , each pursuant to Shareholder approval granted at the annual general meeting of the Company held on 30 November 2015.

8.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Performance Rights constitutes the giving of a financial benefit and Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini are related parties of the Company by virtue of being directors of the Company.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Performance Rights to the Related Parties.

8.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Performance Rights:

(a) the related parties are Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini and they are related parties by virtue of being directors of the Company;

(b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

(i) 1,800,000 Related Party Performance Rights to Stephen Copulos comprising of:

(A) 600,000 Class A Performance Rights;

(B) 600,000 Class B Performance Rights; and

(C) 600,000 Class C Performance Rights;

(ii) 2,400,000 Related Party Performance Rights to Steven Tambanis comprising of:

(A) 800,000 Class A Performance Rights;

(B) 800,000 Class B Performance Rights; and

(C) 800,000 Class C Performance Rights;

(iii) 1,800,000 Related Party Performance Rights to Gabriel Chiappini comprising of:

(A) 600,000 Class A Performance Rights;

(B) 600,000 Class B Performance Rights; and

(C) 600,000 Class C Performance Rights;

(c) the Related Party Performance Rights will vest in accordance with those Milestones as set out in Schedule 2;

(d) the Related Party Performance Rights will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;

(e) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;

(f) the terms and conditions of the Related Party Performance Rights are set out in Schedule 2 and will each convert into one (1) Share upon the occurrence of the Milestones as set out Schedule 2;

(g) the value of the Related Party Performance Rights and the pricing methodology is set out in Schedule 3;

(h) the relevant interests of the Related Parties in securities of the Company are set out below (excluding the Related Party Shares to be issued to the Board, subject to shareholder approval pursuant to Resolution 5, 6 and 7 above):

Related Party	Shares	Options
Stephen Copulos	73,530,170[1]	22,957,746[2]
Steven Tambanis	9,086,315[3]	1,000,000
Gabriel Chiappini	4,533,333	591,666[4]

Notes:

1. Comprising 8,362,747 Shares held by Eyeon No 2 Pty Ltd, 9,066,667 Shares held by Supermax Pty Ltd, 26,267,424 Shares held by Eyeon Investments Pty Ltd, 25,166,666 Shares held by Citywest Corp Pty Ltd and 4,666,666 Shares held by Spacetime Pty Ltd.

2. Comprising of

   (a) 1,291,080 Options exercisable at $0.20 on or before 19 January 2018 held by Supermax Pty Ltd;

   (b) 7,500,000 Options exercisable at $0.05 on or before 20 March 2017 held by Eyeon Investments Pty Ltd;

   (c) 2,000,000 Options exercisable at $0.075 on or before 30 November 2018 held by Eyeon Investments Pty Ltd;

   (d) 2,333,333 Options exercisable at $0.075 on or before 30 November 2018 held by Citywest Corp Pty Ltd;

   (e) 7,500,000 Options exercisable at $0.05 on or before 20 March 2017 held by Citywest Corp Pty Ltd; and

   (f) 2,333,333 Options exercisable at $0.075 on or before 30 November 2018 held by Spacetime Pty Ltd.

3. Comprising of 8,686,315 held by Steven Tambanis and 400,000 held by his spouse.

4. Comprising of:

   (a) 250,000 Options exercisable at $0.05 on or before 20 March 2017;

   (b) 266,666 Options exercisable at $0.075 on or before 30 November 2018; and

   (c) 75,000 Options exercisable at $0.06 on or before 28 November 2016.

(i) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year ended 30 June 2015
Stephen Copulos	$100,000	$60,801
Steven Tambanis	$330,000 plus statutory superannuation	$119,066
Gabriel Chiappini	$150,000[1]	$121,916

Notes

1. In addition to serving as a director, Mr Chiappini also provides company secretarial, financial, investor relations and back office management accounting services. Mr Chiappini is paid $3,000 per month for his director services, with the remaining fees covering the other services provided by Mr Chiappini.

(j) if the maximum number of Related Party Performance Rights granted to the Related Parties are exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares currently on issue from 313,996,433 to 319,996,433 (assuming that no other Options or Performance Rights are exercised and no other Shares (including under any other Resolutions pursuant to this Notice of Meeting) are issued), with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.91% by the Related Party Performance Rights, comprising 0.57% by Stephen Copulos, 0.76% by Steven Tambanis and 0.57% by Gabriel Chiappini;

(k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	$0.215	1 August 2016
Lowest	$0.025	17 February 2016
Last	$0.16	11 October 2016

(l) the Board acknowledges that the grant of Related Party Performance Rights to Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Performance Rights and the Related Party Options to Messrs Stephen Copulos, Steven Tambanis and Gabriel Chiappini is reasonable in the circumstances for the reason set out in paragraph (n);

(m) the primary purpose of the grant of the Related Party Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;

(n) Stephen Copulos declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Performance Rights in the Company should Resolution 9 be passed. However, in respect of Resolutions 10 and 11 he recommends that Shareholders vote in favour of those Resolutions for the following reasons:

(i) the grant of Related Party Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;

(ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and

(iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights upon the terms proposed;

(o) Steven Tambanis declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Performance Rights in the Company should Resolution 10 be passed. However, in respect of Resolutions 9 and 11, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);

(p) Gabriel Chiappini declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Performance Rights in the Company should Resolution 11 be passed. However, in respect of Resolutions 9 and 10, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);

(q) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be issued; and

(r) 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 Resolutions 9, 10 and 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 4.1.

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

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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 chair 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 entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Black Rock Mining Limited (ACN 094 551 336).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

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

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning given in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Parties has the meaning given in Sections 6.1 and 8.1 of the Explanatory Statement.

Related Party Performance Rights means a Performance Right granted pursuant to Resolutions 9, 10 and 11 with the terms and conditions set out in Schedule 2.

Related Party Shares has the meaning given in Section 5.1 of the Explanatory Statement.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in Section 4.2.

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

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 30 NOVEMBER 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)[1]	Form of consideration
Issue – 30 December 2015 Appendix 3B – 30 December 2015	36,316,427	Shares[2]	Sophisticated and institutional investors pursuant to a placement as announced on 29 October 2015	$0.075 representing no discount	Amount raised = $5,000,000 Amount spent = $5,000,000 Use of funds placement was part of the Company's funding strategy to support its stated goal to finalise a JORC resource at Mahenge and to commence scoping studies. Amount remaining = $Nil Proposed use of remaining funds[5] Not Applicable
Issue – 30 December 2015 Appendix 3B – 30 December 2015	18,269,322	Unquoted Options[3]	Free attaching options as part of the placement as announced on 29 October 2015.	Nil	Consideration: free attaching options as part of the placement as announced on 29 October 2015. Current value[6] = $2,740,398
Issue – 30 December 2015 Appendix 3B – 30 December 2015	1,200,000	Shares[2]	Issued in lieu of corporate services fees of $60,000	Nil (deemed issue price of $0.05)	Consideration: Issued in lieu of corporate services fees of $60,000. Current value[6] = $198,000
Issue – 30 December 2015 Appendix 3B – 30 December 2015	600,000	Shares[2]	Issued in lieu of investor relations services fees of $30,000	Nil (deemed issue price of $0.05)	Consideration: Issued in lieu of investor relations services fees of $30,000. Current value[6] = $99,000
Issue – 29 December 2015 Appendix 3B – 30 December 2015	5,000,000	Performance Rights[4]	Issued to directors in lieu of remuneration and as a performance incentive	Nil	Consideration: Issued to directors in lieu of remuneration and as a performance incentive. Current value[6] = $825,000
Issue – 18 January 2016 Appendix 3B – 18 January 2016	5,233,333	Shares[2]	Sophisticated and institutional investors pursuant to a placement as announced on 29 October 2015	$0.075 representing no discount	Amount raised = $5,000,000 Amount spent = $5,000,000 Use of funds placement was part of the Company's funding strategy to support its stated goal to finalise a JORC resource at Mahenge and to commence scoping studies. Amount remaining = Nil Proposed use of remaining funds[5] Not Applicable

Issue – 18 January 2016 Appendix 3B – 18 January 2016	2,616,667	Unquoted Options[3]	Free attaching options as part of the placement as announced on 29 October 2015.	Nil	Consideration: free attaching options as part of the placement as announced on 29 October 2015. Current value[6] =$392,500
Issue – 28 January 2016 Appendix 3B – 28 January 2016	5,000,000	Shares[2]	Sophisticated and institutional investors pursuant to a placement as announced on 29 October 2015	$0.075 representing noa discount	Amount raised = $5,000,000 Amount spent = $5,000,000 Use of funds placement was part of the Company's funding strategy to support its stated goal to finalise a JORC resource at Mahenge and to commence scoping studies. Amount remaining = Nil Proposed use of remaining funds[5] Not applicable
Issue – 28 January 2016 Appendix 3B – 28 January 2016	2,500,000	Unquoted Options[3]	Free attaching options as part of the placement as announced on 29 October 2015.	Nil	Consideration: free attaching options as part of the placement as announced on 29 October 2015. Current value[6] = $375,000
Issue – 28 January 2016 Appendix 3B – 28 January 2016	2,433	Shares[2]	to investor upon correction on unmarketable parcel	$0.0475 representing no discount	Amount raised = $115.57 Amount spent = $115.57 Use of funds to investor upon correction on unmarketable parcel. Amount remaining = Nil Proposed use of remaining funds[5] Not Applicable
Issue – 9 May 2016 Appendix 3B – 9 May 2016	7,800,004	Shares[2]	To holders of Performance Rights	Nil, issued upon conversion of Performance Rights upon satisfaction of JORC Milestone.	Consideration: issued upon conversion of Performance Rights. Current value[6] = $1,287,000
Issue – 9 May 2016 Appendix 3B – 9 May 2016	2,000,000	Unquoted Options[3]	Issued for corporate advisory for services provided pursuant to placement as announced on 9 May 2016	Nil, issued in accordance with placement mandate	Consideration: issued in accordance with placement mandate. Current value[6] = $300,000
Issue – 17 June 2016 Appendix 3B – 17 June 2016	300,000	Shares[2]	Issued in lieu of payment for investor relations services	Nil	Consideration: Issued in lieu of payment for investor relations services. Current value[6] = $49,500

Issue – 5 August 2016 Appendix 3B – 5 August 2016	833,332	Shares[2]	Issued upon conversion of Options exercisable at $0.075 on or before 30 November 2018.	Nil	Consideration: Issued upon conversion of Options exercisable at $0.075 on or before 30 November 2018. Current value[6] = $137,500
Issue – 5 August 2016 Appendix 3B – 5 August 2016	30,000	Shares[2]	Issued upon conversion of Options exercisable at $0.05 on or before 25 March 2017.	Nil	Consideration: Issued upon conversion of Options exercisable at $0.05 on or before 25 March 2017. Current value[6] = $4,950
Issue – 1 September 2016 Appendix 3B – 2 September 2016	300,000	Shares[2]	Issued upon conversion of Options exercisable at $0.05 on or before 25 March 2017.	Nil	Consideration: Issued upon conversion of Options exercisable at $0.05 on or before 25 March 2017. Current value[6] = $49,500
Issue – 1 September 2016 Appendix 3B – 2 September 2016	33,333	Shares[2]	Issued upon conversion of Options exercisable at $0.075 on or before 30 November 2018.	Nil	Consideration: Issued upon conversion of Options exercisable at $0.075 on or before 30 November 2018. Current value[6] = $5,500
Issue – 20 September 2016 Appendix 3B – 21 September 2016	27,066,671	Shares[2]	Issued to professional and sophisticated investors pursuant to the placement as announced on 14 September 2016	$0.15, representing a discount of 9%	Amount raised = $4,060,000 Amount spent = $525,000 Use of funds working capital to invest in the Company's graphite project in Tanzania. Amount remaining = $3,535,000 Proposed use of remaining funds[5] finalise in-fill drilling, pre feasibility study, marketing and definitive feasibility study
Issue – 21 September 2016 Appendix 3B – 23 September 2016	4,766,662	Shares[2]	Issued to professional and sophisticated investors pursuant to the placement as announced on 14 September 2016	$0.15, representing a discount of 9%	Amount raised = $714,999 Amount spent = $Nil Use of funds working capital to invest in the Company's graphite project in Tanzania. Amount remaining = $714,999 Proposed use of remaining funds[5] finalise in-fill drilling, pre feasibility study, marketing and definitive feasibility study

Issue – 21 September 2016 Appendix 3B – 23 September 2016	500,000	Shares[2]	Optionholders upon conversion of Unquoted Options[3]	Nil	Amount raised = $37,500 Amount spent =$37,500 Use of funds General & Administrative Amount remaining = Nil Proposed use of remaining funds[5] Not Applicable

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: BKT (terms are set out in the Constitution).
3. Unquoted Options, exercisable at $0.075 each, on or before 30 November 2018.
4. The full terms and conditions of the Performance Shares were disclosed in the notice of meeting for the shareholder meeting held on 30 November 2015.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares ($0.165) or Options ($0.135 for BKTOC and $0.15 for BKTOD) as the context requires on the ASX on 7 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY PERFORMANCE RIGHTS

The Performance Rights entitle the holder to Shares on the following terms and conditions:

(a) Subject to the satisfaction of the milestones set out in paragraph (b), each Performance Right vests to one (1) Share.

(b) The Performance Rights will vest upon satisfaction of the following milestones:

(i) **Class A**: The Company signing a binding offtake agreement or aggregate binding offtake agreements totalling 50% or more of the current targeted production as outlined in the Company's scoping study, as announced on 22 March 2016, on or before 31 December 2016 (**Milestone 1**);

(ii) **Class B**: The delivery of a positive definitive feasibility study by the Company on its Mahenge project in Tanzania that matches or exceeds the economic model as disclosed in the scoping study released on 22 March 2016 (**Milestone 2**); and

(iii) **Class C**: The Company achieving a target share price of $0.30 based on a 10 day VWAP (**Milestone 3**);

(together, the **Milestones**).

(c) The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:

(i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;

(ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

(iii) any person becomes bound or entitled to acquire shares in the Company under:

(A) section 414 of the Corporations Act; or

(B) Chapter 6A of the Corporations Act;

(iv) the Company passes a resolution for voluntary winding up; or

(v) an order is made for the compulsory winding up of the Company, and

such a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.

(d) In the event the holder ceases to be a Director, consultant or employee prior to the satisfaction of the Milestone, all Performance Rights shall automatically lapse unless the holder ceases to be a Director as a result of being removed from office by Shareholders other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.

(e) The Performance Rights will expire on the following dates:

(i) Tranche A Performance Rights not converted into a Share in the Company before 31 December 2018 will lapse;

(ii) Tranche B Performance Rights not converted into a Share in the Company before 31 December 2018 will lapse; and

(iii) Tranche C Performance Rights not converted into a Share in the Company before 31 December 2018 will lapse,

(separately, the **Relevant Expiry Dates**).

Any Performance Right not vested before the Relevant Expiry Date of each Tranche shall automatically lapse on the Relevant Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.

(f) The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the satisfaction of the Milestone.

(g) Immediately following the Relevant Expiry Date the Company shall notify the holder of that proportion of Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Relevant Expiry Date.

(h) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.

(i) All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.

(j) The Performance Rights are not transferable except with the prior written consent of the Board.

(k) A Performance Right does not confer any right to participate in new issues of securities, such as bonus issues or entitlement issues, or any right to vote as meetings, unless expressly authorised by law.

(l) If Shares are issued pro-rata to 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 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 accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(m) 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 Participant 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 holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) Subject to paragraphs (k) and (m), there are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights unless the Milestones have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.

(o) A Performance Right does not confer the right to vote or receive dividends.

BLACK ROCK
MINING LIMITED
ABN 59 094 551 336

BKT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

Vote and view the annual report online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 **PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 2:00pm (AEDT) Monday, 28 November 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Black Rock Mining Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Black Rock Mining Limited to be held at Deloitte Melbourne Office, 550 Bourke Street, Melbourne, Victoria on Wednesday, 30 November 2016 at 2:00pm (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 9 - 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 9 - 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 9 - 11 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Stephen Copulos	☐	☐	☐
Resolution 3	Approval of 10% Placement Capacity	☐	☐	☐
Resolution 4	Ratification of Prior Issue – Placement Shares	☐	☐	☐
Resolution 5	Issue of Shares to Related Party – Mr Stephen Copulos	☐	☐	☐
Resolution 6	Issue of Shares to Related Party – Mr Steven Tambanis	☐	☐	☐
Resolution 7	Issue of Shares to Related Party – Mr Gabriel Chiappini	☐	☐	☐
Resolution 8	Replacement of Constitution	☐	☐	☐
Resolution 9	Issue of Performance Rights to Related Party – Mr Stephen Copulos	☐	☐	☐
Resolution 10	Issue of Performance Rights to Related Party – Mr Steven Tambanis	☐	☐	☐
Resolution 11	Issue of Performance Rights to Related Party – Mr Gabriel Chiappini	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	**Securityholder 2**	**Securityholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /

SCHEDULE 3 – VALUATION OF RELATED PARTY PERFORMANCE RIGHTS

The Related Party Performance Rights to be issued to the Related Parties pursuant to Resolutions 9, 10 and 11, have been independently valued by RSM Australia Pty Ltd.

Based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value:

Related Party Performance Rights

Assumptions:	
Valuation date	12 October 2016
Market price of Shares	$0.162
Expected expiry date (length of time from issue)	3 years from the date of issue
Expected future volatility	120%
Vesting Target	$0.30
Risk-Free Rate	1.67%
Indicative value per Related Party Performance Right	$0.125
Total Value of Related Party Performance Right	$750,000
- Mr Stephen Copulos	$225,000
- Mr Steven Tambanis	$300,000
- Mr Gabriel Chiappini	$225,000

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