
BLACK RANGE MINERALS LIMITED**ACN 009 079 047****NOTICE OF GENERAL MEETING**

TIME: 10:00am (WST)

DATE: Friday, 11 January 2013

PLACE: Suite 9
5 Centro Avenue
Subiaco WA 6008

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Nicholas Day, on + 61 8 9481 4920.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Friday, 11 January 2013 at:

Suite 9
5 Centro Avenue
Subiaco WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

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 4.00 pm (WST) on Wednesday, 9 January 2013.

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, members are advised that:

- each member has a right to appoint a proxy;
 - the proxy need not be a member of the Company; and
 - a member 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.
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Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – GRANT OF DIRECTOR INCENTIVE OPTIONS

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

"That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 30,000,000 Options as Director incentive remuneration to Bullseye Geoservices Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Bullseye Geoservices Pty Ltd (or its nominee) and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the 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.

DATED: 10 DECEMBER 2012

BY ORDER OF THE BOARD

**NICHOLAS DAY
COMPANY SECRETARY**

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 which are the subject of the business of the Meeting.

1. RESOLUTION 1 – GRANT OF DIRECTOR INCENTIVE OPTIONS

1.1 General

It is proposed that the following Options will be granted to Bullseye Geoservices Pty Ltd (and/or its nominee) (**Bullseye**), the consultant company through which Mr Michael Haynes is contracted to act as Managing Director/CEO of the Company:

- (a) 7,500,000 Options that will vest immediately (**Class A Options**);
- (b) 7,500,000 Options that will vest after Mr Haynes has completed 12 months of service to the Company as Managing Director (which will be in October 2013) (**Class B Options**);
- (c) 7,500,000 Options that will vest on the Company reaching a market capitalisation of \$30,000,000 (**Class C Options**); and
- (d) 7,500,000 Options that will vest on the Company reaching a market capitalisation of \$50,000,000 (**Class D Options**),

(together the **Incentive Options**).

A summary of the principal terms of the Incentive Options is set out in Schedule 1.

The purpose of the grant of the Incentive Options to Bullseye is to reward Mr Haynes for his performance and to provide an incentive to his future performance that is linked to the Company's future growth.

1.2 Requirement for Shareholder Approval

Chapter 2E of the Corporations Act requires that 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 Directors (other than Mr Haynes who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Incentive Options because the agreement to grant the Incentive Options, reached as part of the remuneration package for Mr Haynes, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, ASX Listing Rule 10.11 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 ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Incentive Options to Bullseye.

1.3 Technical Information Required by Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Incentive Options:

- (a) the related party is Bullseye and it is a related party by virtue of being controlled by a related party of the Company, being Mr Michael Haynes, the Managing Director;
- (b) the maximum number of Incentive Options to be granted to Bullseye is:
 - (i) 7,500,000 Class A Options;
 - (ii) 7,500,000 Class B Options;
 - (iii) 7,500,000 Class C Options; and
 - (iv) 7,500,000 Class D Options;
- (c) the Incentive Options will be granted to Bullseye 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 Incentive Options will be granted on one date;
- (d) the Incentive Options will be granted to Bullseye for nil consideration and accordingly no funds will be raised at the time of grant, however funds may be raised in the future in the event the Incentive Options are exercised;
- (e) the terms and conditions of the Incentive Options are set out in Schedule 1. The exercise price for all of the Incentive Options will be set at a 33% premium to the 5-day VWAP for the period immediately prior to the General Meeting. Once determined, the exercise price will be announced on the ASX;
- (f) in the event that Shareholders do not approve the grant of the Incentive Options, it is a term of the agreement that Mr Haynes will be paid \$200,000 within 30 days of the Meeting (**Share Payment**) and Mr Haynes will be obliged to purchase, on market, Shares in the Company to the same value of the Share Payment;
- (g) the Directors, other than Mr Haynes who has a material personal interest in the outcome of this Resolution, recommend that Shareholders vote in favour of Resolution 1 for the following reasons:
 - (i) the grant of Incentive Options to Bullseye will align Mr Haynes' interests with those of Shareholders;

- (ii) the grant of the Incentive Options 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 for Mr Haynes' services were given to Bullseye; 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 Incentive Options upon the terms proposed;
- (h) in forming their recommendations, each Director considered Mr Haynes' experience, the current market price of Shares and the current market practices when determining the number of Incentive Options to be granted, as well as the exercise price and expiry date of those Incentive Options; and
- (i) the Board, other than Mr Haynes who has a material personal interest in the outcome of this Resolution, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Bullseye, as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to Bullseye 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.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Bullseye means Bullseye Geoservices Pty Ltd (and/or its nominee), the consultant company through which Mr Michael Haynes is contracted to act as Managing Director 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.

Class A Options and **Class B Options** and **Class C Options** and **Class D Options** have the meanings given in section 1.1 of this Notice.

Company means Black Range Minerals Limited (ACN 009 079 047).

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Incentive Options has the meaning given in section 1.1 of this Notice.

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.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

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

Shareholder means a holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

- (a) Each Incentive Option entitles the holder to subscribe for one Share in the Company.
- (b) The Incentive Options are issued in accordance with the vesting terms in clause 1.1 above and are exercisable by completing an option exercise form and delivering it to the Company's registered office with the exercise monies.
- (c) The exercise price for all of the Incentive Options will be set at a 33% premium to the 5-day VWAP for the period immediately prior to the General Meeting (**Exercise Price**).
- (d) If any of the Incentive Options are not exercised within five (5) years of the date on which they are issued, those unexercised Incentive Options shall expire.
- (e) The Incentive Options are transferable, with prior approval of the Board.
- (f) 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.
- (g) 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 Incentive Option Exercise Price shall be reduced according to the formula specified in the ASX Listing Rules.
- (h) 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 Incentive Option will include the number of bonus Shares that would have been issued if the Incentive 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 Incentive Option.
- (i) Shares allotted pursuant to Incentive Options will in the case of the Shares originally under option, rank pari passu in all respects with other ordinary shares of the Company on issue of the relevant exercise date and in the case of any additional shares or other securities under option by virtue of any bonus issue referred to in (g), rank pari passu with the other shares or other securities issued by virtue of the bonus issue.
- (j) If the holder of the Incentive Options (**Option Holder**) ceases to render services to the Company or an associated body corporate for any reason (other than by death, permanent disability or permanent retirement from the workforce) prior to the lapse of the Incentive Options, and the exercise conditions attaching to the Incentive Options have been met, the Option Holder will continue to be entitled to exercise any vested Incentive Options at any time within five (5) years of the date on which they are issued.
- (k) If the Option Holder dies, becomes permanently disabled or permanently retires from the workforce as a renderer of services to the Company prior to the lapse of the Incentive Options, the Option Holder, or the participant's legal personal representative, will be entitled to exercise the Incentive Options that have vested commencing on the date of the cessation event and ending on the date of lapsing of the Incentive Options.
- (l) Incentive Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Incentive Options if the Company's Shares are listed on ASX at that time.

- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) If any of the following events occur;
- (i) the Company is subject to a takeover bid;
 - (ii) the Company proposes a scheme of arrangement with its members under Part 5.1 of the Corporations Act; or
 - (iii) a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,
- then the Board may:
- (iv) determine that Incentive Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event: or
 - (v) use its reasonable endeavours to procure that an offer is made to holder of Incentive Options on like terms to the terms proposed in such event.
- (o) Upon the occurrence of a Trigger Event, the Company's Board of Directors will determine;
- (i) that the Incentive Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Incentive Options shall lapse to the extent they have not been exercised: or
 - (ii) to use their reasonable endeavours to procure that an offer is made to holders of Incentive Options on like terms (having regard to the nature and value of the Incentive Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and. If the holder has not so elected at the end of that period, the Incentive Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.
- (p) **Trigger Event** means:
- (i) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
 - (ii) the announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or
 - (iii) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Incentive Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

PROXY FORM

**APPOINTMENT OF PROXY
BLACK RANGE MINERALS LIMITED
ACN 009 079 047**

GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR

☐

the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am (WST), on Friday, 11 January 2013 at Suite 9, 5 Centro Avenue, Subiaco WA 6008, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

Resolution 1 – Grant of Director Incentive Options

FOR

☐

AGAINST

☐

ABSTAIN

☐

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

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

☐

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 1 and that votes cast by the Chair for Resolution 1, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

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

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

**Sole
Secretary**

Director/Company

Director

Director/Company Secretary

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

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Black Range Minerals Limited, Suite 9, 5 Centro Avenue, Subiaco WA 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9226 2027,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.