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**BLACKSTONE MINERALS LIMITED****ACN 614 534 226****NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** Wednesday, 29 November 2017

**PLACE:** Suite 3, Level 3  
24 Outram Street  
WEST PERTH WA 6005

*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 on +61 8 9425 5217*

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## **IMPORTANT INFORMATION**

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### **Time and place of Meeting**

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Notice is given that the Meeting will be held at 10:00am (WST) on Wednesday, 29 November 2017 at:

Suite 3, Level 3  
24 Outram Street  
WEST PERTH WA 6005

### **Your vote is important**

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

### **Voting eligibility**

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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 4:00pm (WST) on Monday, 27 November 2017.

### **Voting in person**

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

### **Voting by proxy**

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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.

Further details on these changes are 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 (ie 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; or
  - 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 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 2017.”*

**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.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ANDREW RADONJIC

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 6.3(c) of the Constitution, and for all other purposes, Mr Andrew Radonjic, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR BRUCE MCFADZEAN

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 6.3(j) of the Constitution, and for all other purposes, Bruce McFadzean, a Director who was appointed as an*

*additional director on 24 October 2016 retires, and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR STEPHEN PARSONS**

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 6.3(j) of the Constitution, and for all other purposes, Mr Stephen Parsons, a Director who was appointed as an additional director on 30 October 2017 retires, and being eligible, is re-elected as a Director."*

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF DIRECTOR OPTIONS TO MR SCOTT WILLIAMSON**

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 1,500,000 Options to Mr Scott Williamson (or his nominee) 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 Scott Williamson (or 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.

**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:
  - (A) a member of the Key Management Personnel; or
  - (B) 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.

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**7. RESOLUTION 6 – ADOPTION OF EMPLOYEE INCENTIVE OPTION PLAN**

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

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Plan and for the issue of securities under that Plan, 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, other than any Directors who are ineligible to participate in any employee

incentive scheme in relation to the Company, 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:
  - (A) a member of the Key Management Personnel; or
  - (B) 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: 30 October 2017**

**By order of the Board**



**MR JAMIE BYRDE  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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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.

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### 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 2017 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.blackstoneminerals.com.au](http://www.blackstoneminerals.com.au).

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### 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

Under changes to the Corporations Act which came into effect on 1 July 2011, 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.

## 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

### Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – RE-ELECTION OF MR ANDREW RADONJIC

### 3.1 General

Clause 6.3(c) and 6.3(f) of the Constitution provide that one third of Directors (rounded down to the nearest whole number) must retire at each annual general meeting, and are eligible for re-election.

The Company currently has six (6) Directors and accordingly two must retire. Andrew Radonjic, having been appointed on incorporation of the Company on 30 August 2016, retires by rotation and, being eligible, seeks re-election under clause 6.3(f) of the Constitution.

### 3.2 Qualifications and other material directorships

Mr Andrew Radonjic is a geologist and mineral economist with over 25 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 15 years in Paddington, Mount Pleasant and Lady Bountiful Extended gold operations north of Kalgoorlie. He has fulfilled a variety of senior roles which gave rise to three gold discoveries, totally in excess of 3 million ounces in resources and in the development of over 1 million ounces. Mr Andrew Radonjic was appointed Technical Director on 30 August 2016 and is also a Director of Venture Minerals Limited.

### 3.3 Independence

The Board does not consider that Mr Radonjic will be an independent director as he is an Executive Director of the Company.



### **3.4 Board recommendation**

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

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## **4. RESOLUTION 3 – RE-ELECTION OF MR BRUCE MCFADZEAN**

### **4.1 General**

Clause 6.2(b) of the Constitution provides that the Directors may appoint any person as an additional Director of the Company, and clause 6.3(j) provides that any Director so appointed must retire at the next annual general meeting, and is eligible for re-election at that meeting. Accordingly, Mr McFadzean, who was appointed by the Directors during the year, retires and, being eligible, seeks re-election pursuant to clause 6.3(j) of the Constitution.

### **4.2 Qualifications and other material directorships**

**4.3** Mr McFadzean has 30 years of senior management, mining and processing experience which included significant stints at BHP Billiton and Rio Tinto, the “start up” of 5 new mining operations, and covers a broad range of commodities including Iron Ore, Diamonds, Gold and Nickel. Mr McFadzean is currently the Managing Director of Sheffield Resources Limited and previously held the role of Managing Director of Mawson West Ltd, Catalpa Resources Limited and Evolution Mining Limited following the merger with Conquest Mining Limited. Prior to that role he was General Manager Operations and then Operations Director with Territory Resources where he was instrumental in the start up of the 1.5 Mtpa Francis Creek Iron Ore operations in the Northern Territory.

### **4.4 Independence**

Having regard to the ASX Corporate Governance Principles and Recommendations (3rd edition), the Board considers Mr McFadzean to be an independent director.

### **4.5 Board recommendation**

The Board supports the re-election of Mr McFadzean and recommends that Shareholders vote in favour of Resolution 3.

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## **5. RESOLUTION 4 – RE-ELECTION OF MR STEPHEN PARSONS**

### **5.1 General**

Clause 6.2(b) of the Constitution provides that the Directors may appoint any person as an additional Director of the Company, and clause 6.3(j) provides that any Director so appointed must retire at the next annual general meeting, and is eligible for re-election at that meeting. Accordingly, Mr Parsons, who was appointed by the Directors during the year, retires and, being eligible, seeks re-election pursuant to clause 6.3(j) of the Constitution.

### **5.2 Qualifications and other material directorships**

Mr Parsons was previously the Managing Director of Gryphon Minerals Ltd, which he founded and listed on the Australian Securities Exchange, growing the company to be included in the ASX200 group of companies. During that time, Mr Parsons oversaw the discovery and delineation of the 3.6 million oz Banford Gold Project in West Africa and the subsequent takeover of the company for \$100 million by a significant North American gold company in late 2016. Mr Parsons has 20 years geology experience in the mining industry with a proven

track record of mineral discoveries, corporate growth, international investor relations and creating shareholder wealth. Mr Parsons holds an honours degree in Geology.

### 5.3 Independence

The Board does not consider that Mr Parsons will be an independent director as he is a substantial Shareholder of the Company.

### 5.4 Board recommendation

The Board supports the re-election of Mr Parsons and recommends that Shareholders vote in favour of Resolution 4.

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF DIRECTOR OPTIONS TO MR SCOTT WILLIAMSON

### 6.1 General

On 11 October 2017, the Company announced to the market the appointment of Mr Scott Williamson as Managing Director. Mr Williamson's appointment will commence on 30 October 2017. As part of Mr Williamson's services agreement, 1,500,000 Options with an exercise price of \$0.001 each and a 3 year exercise period (**Director Options**) were issued to him as part of his agreed remuneration package on 24 October 2017. The Director Options are subject to the following vesting conditions:

- (i) **Tranche 1 - 750,000 Director Options** vest upon the Company achieving a market capitalisation (based on the Shares on issue at the time) of A\$50 million for a consecutive period of greater than 30 days (**Tranche 1 Milestone**). If the Tranche 1 Milestone occurs within 12 months of commencement of Mr Williamson's appointment as Managing Director, Mr Williamson has agreed not to exercise any Tranche 1 Director Options until he has completed 12 months' employment with the Company; and
- (ii) **Tranche 2 - 750,000 Director Options** vest upon Mr Williamson having been employed for a minimum period of 18 months as the Managing Director of the Company.

Shareholder approval under ASX Listing Rule 10.11 was not sought for the issue of the Director Options as ASX Listing Rule 10.12 (Exception 6) applied.

Accordingly, Shareholder ratification is being sought only for purposes of refreshing the Company's capacity to issue Equity Securities under ASX Listing Rule 7.1, such that upon approval being obtained, the number of Equity Securities the Company will be entitled to issue under ASX Listing Rule 7.1 will be increased by the total number of Director Options that were issued to Mr Scott Williamson.

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. The Director Options were issued from this 15% placement capacity without Shareholder approval.

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. The company confirms that the issue of Director Options did not breach Listing Rule 7.1 in accordance with Listing Rule 7.4.

Resolution 5 seeks Shareholder ratification of the prior issue of the Director Options for the purpose of ASX Listing Rule 7.4.

## **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 grant of Director Options constitutes giving a financial benefit and Mr Williamson is a related party of the Company as he will be appointed as a Director on 30 October 2017.

The Directors at the date of this Notice consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Options because the agreement to grant the Director Options as part of the remuneration package for Mr Williamson is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## **6.3 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 Resolution 5:

- (i) 1,500,000 Director Options were issued;
- (ii) the Director Options were issued for free;
- (iii) the Options were issued on the terms and conditions set out in Schedule 1;
- (iv) the Options were issued to Scott Williamson; and
- (v) no funds were raised from this issue as the Director Options were issued for free as part of Scott Williamson's remuneration package as Managing Director.

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## **7. RESOLUTION 6 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN**

Resolution 6 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 4.1. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under the Plan as this is the first year of operation.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Plan is set out in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Mr Jamie Byrde). Shareholders are invited to contact the Company if they have any queries or concerns.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.001 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 30 October 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Director Options are subject to the following vesting conditions:

(a) **Tranche 1 - 750,000 Director Options** vest upon the Company achieving a market capitalisation (based on the Shares on issue at the time) of A\$50 million for a consecutive period of greater than 30 days (**Tranche 1 Milestone**). If the Tranche 1 Milestone occurs within 12 months of commencement of Mr William's appointment as Managing Director, Mr Williamson agrees not to exercise any Tranche 1 Director Options until he has completed 12 months' employment with the Company; and

(b) **Tranche 2 - 750,000 Director Options** vest upon Mr Williamson having been employed for a minimum period of 18 months as the Managing Director of the Company,

(together, the **Vesting Conditions**).

The Options are exercisable at any time after satisfaction of the respective Vesting Condition, on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Transferability**

The Options are non-transferable.

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

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## SCHEDULE 2 – EMPLOYEE INCENTIVE OPTION PLAN

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The Board has adopted an Incentive Option Plan to allow eligible participants to be granted Options to acquire Shares in the Company. The principle terms of the Plan are summarised below.

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options (**Offer**) to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option granted under the Plan will be granted for no more than nominal cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Plan will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
  - (i) on its Expiry Date;
  - (ii) if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or
  - (iii) subject to certain good leaver exceptions or a determination by the Board, where the Eligible Participant ceases to be an Eligible Participant.
- (g) **Disposal of Options:** Options will not be transferable.
- (h) **Taxation:** Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Scheme unless the Offer provides otherwise.
- (i) **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the Plan or unless an offer provides otherwise.
- (j) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (k) **Disposal of Shares:** The Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued on exercise of Options, up to a maximum of fifteen (15) years from the date of grant of the Options.
- (l) **Participation generally:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of

capital offered to Shareholders during the currency of the Options without exercising the Options.

- (m) **Rights Issues and Bonus Issues:** If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the option exercise price shall be reduced according to the formula specified in ASX Listing Rule 6.22.2. In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- (n) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (o) **Limitations on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.



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## GLOSSARY

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**\$** means Australian dollars.

**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 Blackstone Minerals Limited (ACN 614 534 226).

**Constitution** means the Company's constitution.

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

**Director Options** means the Options to be issued to Mr Williamson pursuant to Resolution 4, on the terms and conditions contained in Schedule 1.

**Directors** means the current directors of the Company.

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

**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 purchase a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**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 2017.

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

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

**Shareholder** means a registered holder of a Share.

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

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**PROXY FORM**

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**BLACKSTONE MINERALS LIMITED**  
**ACN 614 534 226****ANNUAL GENERAL MEETING**I/We of: 

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

Name: **OR:**  the Chair of the Meeting 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 Wednesday, 29 November 2017 at Suite 3, Level 3 24 Outram Street West Perth, WA 6005, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolution 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

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

<b>Voting on business of the Meeting</b>		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Andrew Radonjic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Bruce McFadzean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr Stephen Parsons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Director Options – Mr Scott Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of Employee Incentive Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

**Signature of Shareholder(s):**

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

**Date:** \_\_\_\_\_**Contact name:** \_\_\_\_\_ **Contact ph (daytime):** \_\_\_\_\_

## Instructions for completing 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):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(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.
  - **(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 PO Box 1175, West Perth WA 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 6500 9982; or
  - (c) email to the Company at [jamie@blackstoneminerals.com.au](mailto:jamie@blackstoneminerals.com.au),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.**