

29 April 2020

Notice of General Meeting

Please find attached a Notice of Meeting of the Shareholders of Blackham Resources Limited (**Blackham** or the **Company**) to be held on Tuesday 2 June 2020 at 10.00 am (AWST) (**General Meeting**).

Covid-19 Management

In response to the Australian Government's restrictions on gatherings, and the ongoing social distancing requirements, Blackham is committed to continue playing its part in contributing to the health and safety of its shareholders, employees and the broader community, by not creating environments of heightened risk.

Whilst Blackham intends to proceed with the General Meeting as proposed, it advises that:

- Directors, other than the Chairman, will not be in physical attendance, and will instead be available via telephone as required;
- No presentation or other update on the Company's operations will be provided; and
- Questions on the Company's progress and operations may be directed at any time to the Chairman or General Manager – Investor Relations (contact details stated below), who will endeavour to respond directly to shareholder questions in a prompt manner.

Shareholders are discouraged from physical attendance at the General Meeting in order to minimise contact between persons, and are instead encouraged to complete and return the proxy form to the Company.

The Company advises that the Chairman intends to demand a poll for each of the resolutions at the General Meeting.

Shareholders are reminded that all proxy votes must be received by 10am (AWST) on Sunday 31 May 2020.

Blackham appreciates the understanding of its shareholders in respect of the above matter, and advises that if there are any further changes to the arrangements for the General Meeting an appropriate announcement will be made to the ASX providing further information.

This announcement has been approved for release by the Board of Blackham Resources Limited.

For further information on Blackham please contact:

Milan Jerkovic
Chairman
+61 8 9322 6418

Jim Malone
General Manager - Investor Relations
+61 419 537 714

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Greg Fitzgerald - Non-Executive Director
Tony James - Non-Executive Director
Neil Meadows – Operations Director

ASX CODE

BLK

CORPORATE INFORMATION

9,931M Ordinary Shares
674M Quoted Options
188M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

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BLACKHAM
Resources Limited

(ACN 119 887 606)

NOTICE OF GENERAL MEETING

**Meeting to be held at Level 3, 1 Altona Street, West Perth, Western Australia
on Tuesday 2 June 2020 commencing at 10.00am (AWST).**

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to vote by lodging the Proxy Form accompanying this Notice.

**If Shareholders are in doubt as to how to vote, they should seek advice from their
accountant, solicitor or other professional adviser without delay.**

BLACKHAM RESOURCES LIMITED (ACN 119 887 606)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Blackham Resources Limited (ACN 119 887 606) will be held at Level 3, 1 Altona Street, West Perth, Western Australia on Tuesday, 2 June 2020 commencing at 10.00am (AWST).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Special business

1. Resolution 1 – Change of name of Company

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

“That, in accordance with section 157(1)(a) of the Corporations Act and for all other purposes, approval be and is hereby given for the name of the Company to change to Wiluna Mining Corporation Limited.”

2. Resolution 2 – Capital consolidation

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

“That, in accordance with section 254H of the Corporations Act and the Constitution, and for all other purposes, approval be and is hereby given that the:

- (a) Existing Shares; and*
- (b) Existing Options,*

in the Company shall be consolidated on a 1 for 100 basis, with any fractional entitlements being rounded up or down at the discretion of the Directors to the nearest whole security. The effective date of the consolidation of the Existing Shares and Existing Options will occur within 1 Business Day from the date of the Meeting.”

3. Resolution 3 – Adoption of New Constitution

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

“That, in accordance with section 136(1)(b) of the Corporations Act and for all other purposes, approval be and is hereby given for the Company to repeal its current Constitution and adopt the New Constitution in its place in the form as signed by the Chairman for identification purposes.”

4. Resolution 4 – Ratification of prior Share issue

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 allotment and issue of 9,000,000 Shares to a corporate adviser on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) DELPHI Unternehmensberatung AG; or
- (b) an associate of DELPHI Unternehmensberatung AG.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. Resolution 5 – Non-Executive Directors’ Remuneration

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

"That, for the purposes of clause 12.5 of the New Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Non-executive Directors be set at \$600,000 in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a Director; or
- (b) an associate of a Director.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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; 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:
 - does not specify the way the proxy is to vote on this resolution; and
 - 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.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

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 10:00am (AWST) on Sunday 31 May 2020.

Corporate Representative

An appointment of corporate representative form may be obtained from Link Market Services by calling (+61) 1300 554 474 or online at:

<http://www.linkmarketservices.com.au/corporate/resources/forms.html>

By order of the Board



Mr Milan Jerkovic
Executive Chairman

24 April 2020

EXPLANATORY STATEMENT

1. Resolution 1 – Change of name of Company

Section 157(1) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 1 seeks the approval of Shareholders for the Company to change its name to Wiluna Mining Corporation Limited.

If Resolution 1 is passed, the change of name will take effect from the day on which ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 1 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the meeting in order to effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the operations of the Company and the geographical region in which it primarily operates.

1.1 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

2. Resolution 2 – Capital consolidation

Resolution 2 is an ordinary resolution that proposes that the issued capital of the Company be altered by consolidating the Existing Shares and Existing Options on a 1 for 100 basis.

Any fractional entitlements as a result of holdings not being evenly divisible by 100 will be rounded up or down at the discretion of the Directors to the nearest whole number.

Section 254H of the Corporations Act enables a company to convert all of its ordinary securities into a smaller number of securities by a resolution passed at a general meeting.

The conversion proposed by Resolution 2 is permitted under section 254H of the Corporations Act.

The purpose of the consolidation of the existing issued capital of the Company is to reduce the number of Existing Shares and Existing Options on issue, which is considered to be a more appropriate capital structure for the Company going forward.

The consolidation will not result in any change to the substantive rights and obligations of holders of Existing Shares or Existing Options. For example, a Shareholder currently holding 100,000 Existing Shares will as a result of the consolidation hold 1,000 New Shares. The Company's balance sheet and tax position will remain unaltered as a result of the consolidation.

It is not considered that any taxation implications will exist for Security holders arising from the Capital Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Capital Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Capital Consolidation.

2.1 Numbers of Shares

At the date of this Explanatory Statement, the Company has 9,931,372,587 Existing Shares on issue. The consolidation on a 1 for 100 basis will reduce the number of fully paid Shares on issue to approximately 99,313,726 New Shares, subject to any rounding of fractional entitlements which shall be at the discretion of the Directors.

2.2 Numbers of Options

At the date of this Explanatory Statement, the Company has 861,256,930 Existing Options on issue. The consolidation on a 1 for 100 basis will reduce the number of Options on issue to approximately 8,612,569 New Options, subject to any rounding of fractional entitlements which shall be at the discretion of the Directors.

2.3 Share certificates

Following the Capital Consolidation, all certificates for Existing Shares and Existing Options will be cancelled and cease to have any effect, except as evidence of entitlement to a certain number of New Shares and New Options.

After the Capital Consolidation becomes effective, the Company will arrange for new share certificates or new holding statements for New Shares and New Options to be issued to Shareholders.

It is the responsibility of each Security holder to check the number of securities held prior to disposal or exercise (as the case may be).

2.4 Effect on capital structure

The effect which the Capital Consolidation will have on the Company's capital structure is set out in the table below.

	Pre-Capital Consolidation amount	Post-Capital Consolidation amount
Shares	9,931,372,587	99,313,726
Options ¹	861,256,930	8,612,569

2.5 Effect on Options

The effect the Capital Consolidation will have on the terms of the Options is as set out in the table below:

	Pre-Capital Consolidation amount	Post-Capital Consolidation amount	Pre-Capital Consolidation exercise price	Post-Capital Consolidation exercise price
Listed options expiring 12 October 2020	673,638,562	6,736,386	\$0.030	\$3.00
Unlisted options expiring 13 February 2024	72,000,000	720,000	\$0.080	\$8.00
Unlisted options expiring 31 December 2021	16,762,108	167,621	Nil	Nil
Unlisted options expiring 30 June 2023	98,856,260	988,563	Nil	Nil

¹ The terms of the Options are set out in the table at Section 2.5.

2.6 Indicative timetable

If Resolution 2 is passed, the reduction of capital will take effect in accordance with the following timetable:

Entity announces split/consolidation using an Appendix 3A.3. Entity sends out notices for security holders' meeting.	Prior to 2 June 2020
Meeting of security holders passes the necessary resolution approving the split/consolidation effective on the date of the resolution or a later date specified in the resolution. Entity announces effective date of split/consolidation (being the date of the resolution approving the split/consolidation or a later date specified in the resolution).	2 June 2020
Effective date of split/consolidation (as specified in the resolution approving the split/consolidation)	3 June 2020
Last day for trading in pre-split/consolidation securities.	4 June 2020
If agreed by ASX, trading in post-split/consolidation securities commences on a deferred settlement basis.	5 June 2020
Record date. Last day for entity to register transfers on a pre-split/consolidation basis.	9 June 2020
First day for entity to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold.	10 June 2020
Last day for entity to update its register and to send holding statements to security holders reflecting the change in the number of securities they hold and to notify ASX that this has occurred.	16 June 2020

2.7 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

3. Resolution 3 – Adoption of New Constitution

3.1 Background

Section 136(1) of the Corporations Act provides that a company may adopt a constitution after registration if the company passes a special resolution adopting a constitution.

Resolution 3 seeks the approval of Shareholders for the Company to adopt the New Constitution.

The Board proposes that the Company adopt the New Constitution to (inter alia) ensure that the Company's constitution reflects changes made in recent years to the Corporations Act and Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the Constitution with the New Constitution rather than to amend the Constitution.

3.2 Summary of material changes

A summary of the material differences between the Constitution and the New Constitution is set out below.

Restricted Securities (Clause 2.4)

The New Constitution complies with the changes to Listing Rule 15.12 which was released in 2019. Under this change, ASX requires certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form of Appendix 9A. However, for less significant holdings (such as non-related parties and non-promoters), ASX permits the Company to issue restriction notices to holders of restricted securities in the form of Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (Clause 3)

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

Meeting at more than one place (Clause 11.5)

The New Constitution includes a provision which allows a meeting of Shareholders to be held in 2 or more places linked together by any technology.

If a meeting of Shareholders is held in 2 or more places a Shareholder present at one of the places is taken to be present at the meeting.

Direct Voting (Clause 11.9(d))

The New Constitution includes a provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes.

Remuneration of Non-Executive Directors (Clause 12.5)

The New Constitution amends the provision relating to the amounts that may be paid to Non-Executive Directors to clarify what may be paid to Non-Executive Directors and what may be included in those amounts.

The amendment also sets a new initial limit in the New Constitution of \$600,000 as a total amount payable to Non-Executive Directors. While the Board has no present intention to pay its Non-Executive Directors this amount, the Board believes it provides the Company with adequate coverage under the Constitution if the circumstances of the Company change and more Non-Executive Directors are appointed or their roles change such that additional fees are deemed appropriate.

Partial (Proportional) Takeover Provisions (Clause 17)

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 New 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 New 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 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, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

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.

A copy of the New Constitution is available for review by Shareholders at the office of the Company. A copy of the New Constitution can also be sent to Shareholders upon request to

the Company Secretary and will also be available at the Meeting.

3.3 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

4. Resolution 4 – Ratification of prior Share issue

4.1 General

On 24 October 2019 the Company announced that it had:

- (a) issued 300 million Shares pursuant to a share purchase plan announced to ASX on 12 September 2019 (**Share Purchase Plan**); and
- (b) issued 9 million Shares to a corporate adviser to the Company for the Share Purchase Plan (**Adviser Shares**).

Resolution 4 seeks shareholder ratification of the issue of the Adviser Shares.

4.2 The Listing Rules

The Company issued the Adviser Shares on 24 October 2019 (**Issue Date**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Adviser Shares does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval of the Adviser Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the Adviser Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 4 is not passed, the Adviser Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

4.3 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) 9,000,000 Shares were issued.
- (b) The deemed issue price per Share was \$0.01.
- (c) The Shares were issued on 24 October 2019.
- (d) The 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.
- (e) The Shares were issued to DELPHI Unternehmensberatung AG, a substantial holder in

the Company which provided corporate advisory services to the Company in relation to the Share Purchase Plan.

- (f) The agreement between the Company and DELPHI Unternehmensberatung AG was for the performance of corporate advisory services in consideration for the issue of the Adviser Shares, and otherwise the agreement does not contain any other material terms.
- (g) Nil proceeds were raised from the issue of the Adviser Shares.
- (h) A voting exclusion statement is included in the Notice.

4.4 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Non-executive Directors' Remuneration

Clause 12.5 of the New Constitution requires that the total aggregate fixed sum per annum to be paid to Non-executive Directors shall initially be no more than \$600,000 and may be varied by ordinary resolution of the Company in general meeting.

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its Non-executive Directors without the approval of holders of its ordinary securities.

Resolution 5 seeks Shareholder approval to set the maximum total aggregate amount of directors' fees per annum that may be paid to the non-executive Directors at \$600,000. The Company advises that since listing on the ASX in September 2006, Shareholders have not been asked to approve the maximum level of non-executive remuneration, and that the Company's IPO prospectus did not disclose the prevailing maximum level of non-executive remuneration.

The Company advises that remuneration, inclusive of superannuation, paid to Non-executive Directors in the three preceding financial years is as follows:

Financial Year Ended	Remuneration paid (\$)
30 June 2017	\$157,696
30 June 2018	\$106,328 ¹
30 June 2019	\$212,496

¹Excludes remuneration paid to the Chairman following change to executive status.

The total remuneration currently paid to Non-executive Directors is at a rate equivalent to \$185,000 per annum, inclusive of superannuation.

The total amount of Directors' fees payable includes superannuation contributions made by the Company for the benefit of Non-executive Directors and any fees which a Non-executive Director agrees to sacrifice on a pre-tax basis. It does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution or securities issued to a Director under Listing Rule 10.11 or 10.14 with approval of Shareholders.

The total aggregate amount of directors' fees per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year, rather the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new Non-executive Directors joining the Board;

- (b) remunerates its Non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain Non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

In the past three years, the Company has not made any issues of Equity Securities with prior Shareholder approval under Listing Rules 10.11 or 10.14 to Non-executive Directors, or their nominees.

5.2 Recommendation

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this ordinary Resolution. The Chair intends to exercise all available proxies in favour of Resolution 5.

6. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

7. Glossary

\$ means Australian dollars.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors.

Capital Consolidation means the consolidation of the Existing Shares and Existing Options of the Company on a 1 for 100 basis, as proposed under Resolution 2.

Chairman means the person appointed to chair 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 on 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 this definition.

Company means Blackham Resources Limited (ACN 119 887 606)

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

Director means a director of the Company.

Existing Options means the issued Options in the capital of the Company prior to the Capital Consolidation.

Existing Shares means the issued Shares in the capital of the Company prior to the Capital Consolidation.

Explanatory Statement means the explanatory statement attached to 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.

Listing Rules means the ASX Listing Rules.

Meeting means the general meeting the subject of this Notice.

New Constitution means the constitution proposed to be adopted by the Company under Resolution 3.

New Options means Options in the Company after the Capital Consolidation.

New Shares means fully paid ordinary shares in the Company after the Capital Consolidation.

Non-executive Director means a non-executive Director of the Company.

Notice means this notice of meeting including the Explanatory Statement.

Option means an option to acquire a Share, exercisable in accordance with its terms.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Statement.

Security means a Share or Option.

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

Shareholder means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.