

For personal use only



BLACKHAM
Resources Limited

BLACKHAM RESOURCES LIMITED

ACN 119 887 606

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.45 am (WST)
DATE: 25 November 2016
PLACE: The Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6418.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed Resolutions)	2
Explanatory Memorandum (explaining the proposed Resolutions)	6
Glossary	17
Proxy Form	

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders convened by this Notice of Meeting will be held at 10.45am (WST) on 25 November 2016 at:

The Celtic Club
48 Ord Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 23 November 2016 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

so that it is received not later than 10.45am (WST) on 23 November 2016.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Blackham Resources Limited will be held at **The Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.45am WST on Friday 25 November 2016.**

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

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

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2016 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report thereon.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

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

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

Voting Prohibition Statement:

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

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

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

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

RESOLUTION 2 – ELECTION OF DIRECTOR – MR MILAN JERKOVIC

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

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

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ALAN THOM

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

“That Mr Alan Thom, an Executive Director, who retires by rotation in accordance with the Constitution, and being willing and eligible for re-election, is re-elected as a Director.”

RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 25 MILLION PLACEMENT SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 25,000,000 Shares at \$1.00 each to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To deal with any business that may be lawfully brought forward.

PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be posted or lodged at the registered office of the Company, at Level 2, 38 Richardson Street, West Perth WA 6005, or PO Box 1412 West Perth WA 6872, or by facsimile to (61 8) 9322 6398, or by email to mrobbins@blackhamresources.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company before the commencement of the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Undirected and Directed Proxies

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

The Company will not disregard any votes cast on a resolution by a person if the person is the Chairman voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy.

If you intend to appoint the Chairman as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "for", "against" or "abstain" from voting), or you can not mark any of the boxes and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of all Resolutions).

If you intend to appoint another member of the KMP (such as one of the Directors) or one of their Closely Related Parties as your proxy, please ensure that you direct them how to vote on Resolution 1. If you leave your proxy form undirected on Resolution 1, the relevant KMP (other than the Chairman) and their Closely Related Parties will not be able to vote your shares on those resolutions. If the Chairman is your proxy and you do not direct the Chairman how to vote in respect of Resolution 1 on the proxy form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of Resolution 1. This express authorisation acknowledges that the Chairman may vote your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and even though the Chairman may have an interest in the outcome of those resolutions and is prohibited from voting on those resolutions (other than as authorised proxy holder) because of that interest.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman, who is required to vote proxies as directed.

If you appoint any other person as your proxy

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



DATED: 18 OCTOBER 2016

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

For personal use only

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Blackham Resources Limited in connection with the business specified to be conducted in the Notice of Annual General Meeting at the annual general meeting of Shareholders to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 at **10.45am WST on 25 November 2016**.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the Annual General Meeting.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the 2016 Financial Report together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of the 2016 Financial Report to Shareholders unless specifically requested to do so. The 2016 Financial Report is available on its website at www.blackhamresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

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

2.2 Voting Consequences

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

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

The Audited Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Audited Remuneration Report is part of the Directors' Report contained in the 2016 Financial Report.

At the Company's 2015 annual general meeting, less than 25% of votes were cast against the Remuneration Report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR MILAN JERKOVIC

3.1 Background

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

Mr Milan Jerkovic was appointed to the Board as Non-Executive Chairman at the last AGM on 27 November 2015. Mr Jerkovic retires by virtue of clause 11.12 of the Constitution and, being willing and eligible for election, seeks election. The profile of Mr Milan Jerkovic is set out in the 2016 Financial Report.

Directors' Recommendation

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

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ALAN THOM

4.1 Background

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

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

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

Mr Alan Thom, an Executive Director, retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, seeks re-election. The profile of Mr Alan Thom is set out in the 2016 Financial Report.

Directors' Recommendation

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

5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 25M PLACEMENT SHARES

Background

As announced to the ASX on 19 August 2016, the Company completed a placement of Shares via the issue and allotment of 25,000,000 Shares at an issue price of \$1.00 per Share, to raise \$25,000,000 (before costs). The Shares were issued under a placement with Canaccord Genuity acting as the lead manager and book runner with Petra Capital as Co-Manager.

The placement Shares were issued on 24 August 2016. The ratification of the issue and allotment of the placement Shares is sought under Resolution 4 in accordance with the requirements of ASX Listing Rule 7.4.

5.1 ASX Listing Rule 7.4

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

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rules 7.1 and 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rules 7.1 or 7.1A.

Accordingly, the Company is seeking shareholder ratification for the issue and allotment of 25,000,000 ordinary shares issued under the Company's 15% share issue capacity under Listing Rule 7.1. If Shareholders approve Resolution 4, the issue of 25,000,000 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

5.2 ASX Listing Rule Disclosure Requirements

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number of securities issued*

25,000,000 Shares

(b) *Price at which the securities were issued*

\$1.00 per Share

(c) *Terms of the securities*

The Shares are fully paid and rank pari passu in all respects with the Company's other Shares on issue and are listed on the ASX.

(d) *The name of the persons to whom Blackham issued the securities or the basis on which those persons were determined*

The Shares were issued to various professional or sophisticated investors under a placement in which Canaccord Genuity acted as the lead manager. None of the investors were related parties of the Company or their associates.

(e) *Use (or intended use) of funds raised*

To be used to expand the oxide and free milling resources and reserves, grow the sulphide open pit and underground mine plan and reserves, fast track plant expansion study and sulphide circuit refurbishment and to strengthen the balance sheet and increase working capital.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of its issued Shares, if required, in the next 12 months, without Shareholder approval.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 Purpose of resolution

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

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

6.2 General information

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

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

The Company is an eligible entity and has a market capitalisation of \$210.19 million.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility during the period up to 12 months after the Meeting. As Resolution 5 is a special resolution 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

If Shareholders approve Resolution 5 the exact number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 6.3 (c) below).

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

6.3 Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

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

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

(c) Formula for calculating Additional 10% Placement Facility

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

(a x d) – e

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

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

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

d is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 282,137,103 Shares and therefore has a capacity to issue:

- (i) 15% or 42,320,565 Equity Securities under Listing Rule 7.1; and
- (ii) 10% or 28,213,710 Equity Securities under Listing Rule 7.1A (subject to Shareholder approval being sought under this Resolution 5).

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to 6.3(c) above).

(e) Information required by Listing Rule 7.3A

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

Minimum Price

The minimum price at which Equity Securities may be issued under the 10% Share Issue Capacity is 75% of the VWAP of securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

Date of Issue

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

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

Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below.

Shareholders should note that there is a risk that:

- the market price for the Equity Securities to be issued may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue. If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice, assuming the full 10% dilution.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0373 50% decrease in Issue Price	\$0.745 Issue Price	\$1.118 50% increase in Issue Price
Current Variable A 282,137,103 Shares	Shares issued	28,213,710 Shares	28,213,710 Shares	28,213,710 Shares
	Funds raised	\$10,509,607	\$21,019,214	\$31,528,821
50% increase* in current Variable A 423,205,655 Shares	Shares issued	42,320,565 Shares	42,320,565 Shares	42,320,565 Shares
	Funds raised	\$15,764,411	\$31,528,821	\$47,293,232
100% increase* in current Variable A 564,274,206 Shares	Shares issued	56,427,421 Shares	56,427,421 Shares	56,427,421 Shares
	Funds raised	\$21,019,214	\$42,038,428	\$63,057,643

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

The table has been prepared on the following assumptions:

- The current Shares on issue are the Shares on issue at 14 October 2016.
- The issue price set out above is the closing price of the Shares on the ASX on 14 October 2016.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility hence the voting dilution is shown in each example as 10%.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- No unlisted options of the Company are exercised into Shares before the date of issue of the Equity Securities.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

Purpose of issue under 10% Placement Facility

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

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

Allocation under the 10% Placement Facility

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

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

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

Previous Approval under ASX Listing Rule 7.1A

The Company last obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 27 November 2015.

Voting exclusion statement

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

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

Date of Issue	14 Oct 2015	14 Oct 2015	14 Oct 2015	14 Oct 2015	2 Nov 2015	2 Nov 2015
Number issued	500,000	700,000	1,770,000	500,000	1,500,000	429,109
Class/Type	Performance Rights	Performance Options	Options	Options	Shares	Shares
Summary of Terms	Performance Rights convert into Shares on the meeting of various vesting hurdles (to 31/12/17)	Exercise price of \$0.256 on or before 31/12/17 (various vesting hurdles)	Exercise price of \$0.256 on or before 13/10/17 (vesting on first gold pour)	Exercise price of \$0.20 on or before 13/10/17 (vesting on first gold pour)	Issued on conversion of Performance Rights on reaching first vesting hurdle	NA
Name of Persons Issued Securities	Boffey	Boffey	Various Employees	Shadaw Trust	Warrior Strategic P/L and WMG Enterprise P/L	Peter Raymond Milner
Deemed/Issue Price	NA	NA	NA	NA	NA	\$0.153
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	NA	NA	NA	NA
Cash Spent	NA	NA	NA	NA	NA	NA
Use of Cash	NA	NA	NA	NA	NA	NA
Cash Unspent	NA	NA	NA	NA	NA	NA
NON-CASH ISSUES						
Non-cash consideration	Employee rights	Employee options	Employee options	Employee options	Nil	Drilling Services
Current value of non-cash consideration	\$372,500(*)	Each Option valued at \$0.507 using Black Scholes at valuation date(*)	Each Option valued at \$0.507 using Black Scholes at valuation date(*)	Each Option valued at \$0.555 using Black Scholes at valuation date(*)	\$1,117,500	\$319,686

Date of Issue	2 Nov 2015	7 Dec 2015	7 Dec 2015	7 Dec 2015	4 Feb 2016	9 Feb 2016
Number Issued	236,261	1,031,578	200,000	500,000	200,000	486,298
Class/Type	Shares	Shares	Shares	Options	Shares	Shares
Summary of Terms	NA	Conversion of \$0.228 options	Conversion of \$0.122 options	Exercise price of \$0.256 on or before 6/12/17 (vesting on first gold pour)	Conversion of \$0.122 options	NA
Name of Persons Issued Securities	SBD Drilling	Thom, Miles & Marwick	Robbins	Murphy	Fogarty	Peter Raymond Milner
Deemed/Issue Price	\$0.153	\$0.228	\$0.122	NA	\$0.122	\$0.214
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	\$235,200	\$24,400	NA	\$24,400	NA
Cash Spent	NA	\$235,200	\$24,400	NA	\$24,400	NA
Use of Cash	NA	Additional working capital	Additional working capital	NA	Additional working capital	NA
Cash Unspent	NA	\$Nil	\$Nil	NA	\$Nil	NA
NON-CASH ISSUES						
Non-cash consideration	Drilling Services	NA	NA	Director options	NA	Drilling Services
Current value of non-cash consideration	\$176,014	NA	NA	Each Option valued at \$0.507 using Black Scholes at valuation date (*)	NA	\$362,292

Date of Issue	9 Feb 2016	9 Feb 2016	9 Feb 2016	9 Feb 2016	19 Feb 2016	19 Feb 2016
Number Issued	175,000	175,000	500,000	500,000	200,000	150,000
Class/Type	Options	Options	Performance Rights	Options	Shares	Shares
Summary of Terms	Exercise price of \$0.38 on or before 8/2/19	Exercise price of \$0.463 on or before 8/2/19	Performance Rights convert into Ordinary Shares on the meeting of various vesting hurdles (to 31/12/17)	Exercise price of \$0.465 on or before 8/2/18	Conversion of \$0.122 options	NA
Name of Persons Issued Securities	Nesveda	Nesveda	Jerkovic	Jerkovic	Osiejak	Nesveda
Deemed/Issue Price	NA	NA	NA	NA	\$0.122	\$0.35
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	NA	NA	\$24,400	NA
Cash Spent	NA	NA	NA	NA	\$24,400	NA
Use of Cash	NA	NA	NA	NA	Additional working capital	NA
Cash Unspent	NA	NA	NA	NA	\$Nil	NA
NON-CASH ISSUES						
Non-cash consideration	Consulting services	Consulting services	Consultant rights	Consulting services	NA	Consulting Services
Current value of non-cash consideration	Each Option valued at \$0.481 using Black Scholes at valuation date	Each Option valued at \$0.444 using Black Scholes at valuation date	\$372,500 (*)	Each Option valued at \$0.386 using Black Scholes at valuation date	NA	\$111,750

Date of Issue	21 Mar 2016	21 Mar 2016	21 Mar 2016	18 May 2016	18 May 2016	26 May 2016
Number Issued	45,000,000	1,500,000	3,000,000	3,000,000	200,000	750,000
Class/Type	Shares	Shares	Options	Shares	Shares	Shares
Summary of Terms	NA	Conversion of \$0.213 options	Exercise price of \$0.35 on or before 20/3/18	Conversion of \$0.213 options	Conversion of \$0.298 options	Conversion of \$0.27 options
Name of Persons Issued Securities	Sophisticated Investors	Michael	CG Nominees	Thom, Miles & Marwick	Fogarty	Jett Capital
Deemed/Issue Price	\$0.45	\$0.213	NA	\$0.213	\$0.298	\$0.27
Discount to market	9.9% (based on 15 day VWAP)	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	\$20,250,000	\$319,500	NA	\$639,000	\$59,600	\$202,500
Cash Spent	\$20,250,000	\$319,500	NA	\$639,000	\$59,600	\$202,500
Use of Cash	Plant refurbishment and ongoing development and additional working capital	Ongoing development and additional working capital	NA	Ongoing development and additional working capital	Additional working capital	Ongoing development and additional working capital
Cash Unspent	\$Nil	\$Nil	NA	\$Nil	\$Nil	\$Nil
NON-CASH ISSUES						
Non-cash consideration	NA	NA	Consulting services	NA	NA	NA
Current value of non-cash consideration	NA	NA	Each Option valued at \$0.457 using Black Scholes at valuation date	NA	NA	NA

Date of Issue	4 Jul 2016	4 Jul 2016	4 Jul 2016	29 Jul 2016	12 Aug 16	12 Aug 16
Number Issued	2,000,000	75,000	175,000	150,000	150,000	175,000
Class/Type	Shares	Shares	Options	Shares	Shares	Shares
Summary of Terms	Issued on conversion of Performance Rights on reaching second vesting hurdle	NA	Exercise price of \$0.91 on or before 3/7/19	Conversion of \$0.214 options	Conversion of \$0.298 options	Conversion of \$0.25 options
Name of Persons Issued Securities	Warrior Strategic P/L and WMG Enterprise P/L	Nesveda	Nesveda	Robbins and Cutler	Cutler	Intuitive P/L
Deemed/Issue Price	NA	\$0.815	NA	\$0.214	\$0.298	\$0.214
Discount to market	NA	NA	NA	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	NA	\$32,100	\$44,700	\$43,750
Cash Spent	NA	NA	NA	\$32,100	\$44,700	\$43,750
Use of Cash	NA	NA	NA	Additional working capital	Additional working capital	Additional working capital
Cash Unspent	NA	NA	NA	\$Nil	\$Nil	\$Nil
NON-CASH ISSUES						
Non-cash consideration	Nil	Consulting Services	Consulting services	NA	NA	NA
Current value of non-cash consideration	\$1,490,000	\$55,875	Each Option valued at \$0.334 using Black Scholes at valuation date	NA	NA	NA

Date of Issue	12 Aug 2016	12 Aug 16	24 Aug 2016	24 Aug 2016	30 Aug 2016	16 Sep 16
Number Issued	400,000	600,000	25,000,000	200,000	1,000,000	120,000
Class/Type	Performance Rights	Performance Options	Shares	Shares	Shares	Shares
Summary of Terms	Performance Rights convert into Shares on the meeting of various vesting hurdles (to 31/12/19)	Exercise price of \$0.57 and will expire 2 to 3 years from date of issue on the meeting of various vesting hurdles)	NA	Conversion of \$0.122 options	Conversion of \$0.23 options	Conversion of \$0.25 options
Name of Persons Issued Securities	Kendall	Kendall	Sophisticated Investors	Cutler	Belloc P/L	Ironbridge Capital
Deemed/Issue Price	NA	NA	\$1.00	\$0.122	\$0.23	\$0.25
Discount to market	NA	NA	2% (based on 5 day VWAP)	NA	NA	NA
CASH ISSUES						
Cash Received	NA	NA	\$25,000,000	\$24,400	\$230,000	\$30,000
Cash Spent	NA	NA	\$Nil	\$24,400	\$Nil	\$Nil
Use of Cash	NA	NA	Expand oxide and free milling oz, grow sulphide o/pit and U/G oz, plant expansion study and sulphide circuit refurb and working capital	Additional working capital	Additional working capital	Additional working capital
Cash Unspent	NA	NA	\$25,000,000	\$Nil	\$230,000	\$30,000
NON-CASH ISSUES						
Non-cash consideration	Employee rights	Employee options	NA	NA	NA	NA
Current value of non-cash consideration	\$298,000 (*)	Each Option valued at ave of \$0.450 using Black Scholes at valuation date (*)	NA	NA	NA	NA

* - Contain vesting conditions that have not been met as at valuation date (14 October 2016).

Pursuant to and in accordance with Listing Rule 7.3A.6 (a), the total number of Equity Securities issued since the date of the last AGM held on 27 November 2015 are as follows:

Class/Type	On Issue 27 November 2015	Number Issued Since 27 November 2015	% Issued Since 27 November 2015
Ordinary Shares	200,549,227	81,587,876	40.7%
Unlisted Options and Performance Options	36,931,667	5,125,000	13.9%
Performance Rights	9,500,000	900,000	9.5%
Totals	246,980,894	87,612,876	35.5%

Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required and which will be in addition to, and without using, the Company's 15% annual placement capacity. At the date of the Notice, the Company has no plans to use the 10% Placement Facility should it be approved. Accordingly the Directors recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

In the Notice of Meeting (including the Annexures thereto) and the Proxy Form, the following terms have the following meanings unless they are otherwise defined or the context otherwise requires:

\$ means Australian dollars.

2016 Financial Report means the Company's financial report for the financial year ended 30 June 2016, which can be downloaded from the Company's website at www.blackhamresources.com.au.

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

Annexure means an annexure to this Explanatory Memorandum.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair or **Chairman** means the chairman of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

Company or **Blackham** means Blackham Resources Limited ACN 119 887 606.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) and the regulations promulgated under it, each as amended from time to time.

Director means a director of the Company.

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

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

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Option means an option to acquire a Share.

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

Remuneration Report means the remuneration report set out in the Directors' Report section of the 2016 Financial Report.

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

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

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
 - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
 - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

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

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.