



BLACKHAM RESOURCES LIMITED

ACN 119 887 606

PROSPECTUS

For a renounceable pro-rata rights issue to Eligible Shareholders of up to 897,670,820 New Shares on the basis of 5 New Shares for every 2 Shares held by Shareholders at the Record Date at an issue price of \$0.04 per New Share, together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued to raise approximately \$35.9 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten, with Hartleys Limited acting as the lead manager and arranger of the underwriting.

This Prospectus also contains an offer of 31,250,000 Options to Orion JV Fund Limited as part of the refinancing of the Orion Project Financing Facility and an offer of 11,902,270 Options and 8,750,000 Shares to Hartleys Limited as lead manager and arranger of the Entitlement Offer (**Lead Manager and Orion Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the Offer Securities (including the New Shares and New Options) being offered under this Prospectus or any other matter relating to the Offers, then you should consult your professional adviser.

Investment in the Offer Securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

IMPORTANT NOTICE

1. Prospectus

This Prospectus is dated 22 January 2018. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus.

No Offer Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

Blackham Resources Limited (**Blackham** or the **Company**) will apply to ASX within 7 days of the date of this Prospectus for quotation of the Offer Securities offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of the Company.

In making representations in this Prospectus, regard has been made to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Sections 7.9 and 7.10 of this Prospectus.

Applications for New Shares and New Options offered pursuant to this Prospectus including for any Additional Securities can only be submitted on the applicable original Entitlement and Acceptance Form which accompanies this Prospectus.

Applications for the Lead Manager and Orion Offer can only be submitted by Hartleys and Orion on the Lead Manager and Orion Offer Application Forms provided by the Company.

Applications for the Shortfall Offer can only be submitted by invitation from the Company.

2. Disclaimer

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these risk factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the Offer Securities or the price at which the Offer Securities will trade on the ASX.

Any references to past performance of the Company is no guarantee of future performance.

3. No Representations other than this Prospectus

No person or entity is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Entitlement Offer. Applications for the Entitlement Offer can only be submitted on the Entitlement and Acceptance Form that is available with this Prospectus. Applications for the Lead Manager and Orion Offer can only be submitted by Hartleys and Orion on the Lead Manager and Orion Offer Application Forms provided by the Company.

Applications for the Shortfall Offer can only be submitted by invitation from the Company.

4. Forward looking information

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

5. No cooling off rights apply to this Offer

Cooling off rights do not apply to an investment pursuant to the Offers. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance Form or Lead Manager and Orion Offer Application Forms once it has been lodged.

6. Offer Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares and New Options in any jurisdiction outside Australia. Except as otherwise stated in respect of Orion, this Prospectus is not to be distributed in, and the Offers are not to be made in, countries other than Australia and New Zealand.

The New Shares and New Options have not been and will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Shareholders outside Australia (Ineligible Foreign Shareholders) should refer to Section 2.13 of this Prospectus for details of how their Entitlement will be dealt with.

7. Rights Trading

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Rights in accordance with the instructions in Section 4.2 of this Prospectus.

Individual Applicants are responsible for determining their allocations of Rights and New Shares and New Options before trading them. Eligible Shareholders who trade in Rights or New Shares and New Options before receiving confirmation of their application do so at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits.

8. Prospectus availability

Those investors who receive this Prospectus electronically are advised that the issue of securities under the electronic prospectus is only available to persons receiving the electronic prospectus within Australia. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on www.blackhamresources.com.au does not form part of this Prospectus.

9. Minimum Subscription Amount

The Entitlement Offer under this Prospectus is conditional on the Company receiving subscriptions for the minimum subscription amount of \$28 million, including by the subscription for New Shares by sub-underwriters (**Minimum Subscription Amount**). Binding sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

If the Minimum Subscription Amount is not satisfied by the Settlement Date then the Company will not proceed with the Entitlement Offer and will repay all Application Monies received without interest however the Lead Manager and Orion Offer will still proceed.

10. Definitions and glossary, financial amounts and time

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Perth, Western Australian time.

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IMPORTANT DATES

Event	Date
Announcement of re-capitalisation plan including the intended terms of the Entitlement Offer.	Monday, 15 January 2018
Prospectus lodged with ASIC and ASX Entitlement Offer announcement lodged with ASX Lodgement of Appendix 3B	Post market close on Monday, 22 January 2018
Lead Manager and Orion Offer opens	Tuesday, 23 January 2018
"Ex" date (being the date that Shares start trading without the Entitlements to participate in the Entitlement Offer)	Thursday, 25 January 2018
Rights trading starts on a deferred settlement basis	Thursday, 25 January 2018
Record Date to determine Entitlements	5:00pm (WST) on Monday, 29 January 2018
Opening Date of Entitlement Offer	Tuesday, 30 January 2018
Despatch of the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	
Rights trading ends	Monday, 5 February 2018
Shares quoted on a deferred settlement basis	Tuesday, 6 February 2018
Closing Date for acceptances under the Entitlement Offer and Lead Manager and Orion Offer	5:00pm (WST) on Monday, 12 February 2018
ASX Announcement Update on Applications received	Tuesday, 13 February 2018
ASX notified of under subscriptions under the Entitlement Offer	Thursday, 15 February 2018
Settlement Date for sub-underwriting	Monday, 19 February 2018
Issue Date of New Shares (to Eligible Shareholders, sub-underwriters, Hartleys and Orion) and deferred settlement trading of New Shares ends	
Trading of New Shares expected to commence	Tuesday, 20 February 2018
Holding statements despatched	Tuesday, 20 February 2018
Last day by which the Securities (if any) under the Shortfall Offer may be issued	Friday, 11 May 2018 (being 3 months after the Closing Date)

The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Entitlement Offer or Lead Manager and Orion Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares and New Options which have not been issued will be refunded (without interest) as soon as practicable.

WHAT YOU NEED TO DO TO APPLY FOR NEW SHARES AND NEW OPTIONS

Read

Read this Prospectus in full paying careful attention to the benefits and risks associated with acceptance of the Offers.

Consider and Consult

After reading the Prospectus, consider whether the investment is suitable for you in light of your particular financial position and investment objectives. If necessary, please consult with your financial or investment adviser before making an investment decision.

Complete Entitlement and Acceptance Form

If you are an Eligible Shareholder and have decided to take up your Entitlement in full or in part, complete the Entitlement and Acceptance Form accompanying this Prospectus and lodge the form together with your Application Money by 5.00pm (WST) on Monday, 12 February 2018.

If you have any queries concerning the Entitlement Offer or what to do with this Prospectus, please contact:

Link Market Services Limited
Information telephone number: 1300 730 659
Perth office telephone number: 08 9211 6670

Contact your stockbroker or professional adviser for advice concerning this Entitlement Offer or the Shortfall Offer.

Letter from the Chairman

Dear Shareholder

As announced by Blackham Resources Limited (**Blackham** or the **Company**) on 15 January 2018, the Company is in the process of executing a recapitalisation strategy to ensure the Company has a strong balance sheet to execute its forward plans and underpin a transformational 2018.

The plan, which is supported by Blackham's key stakeholders, consists of :

- a \$14.3 million loan with its key mining contractor MACA Limited (**MACA**) executed on 11 January 2018 which refinanced Blackham's initial maturity repayment under its non-amortising term loan (**Term Loan**) with Orion Fund JV Limited (**Orion**) allowing for a restructuring of the Company's balance sheet (**MACA Loan**); and
- a fully underwritten entitlement offer, which will be undertaken through a 5-for-2 pro-rata renounceable rights issue at a price of 4 cents per New Share to raise approximately \$35.9 million (before costs), together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued (**Entitlement Offer**).

The Entitlement Offer is fully underwritten, with Hartleys acting as the lead manager and arranger of the underwriting for the Entitlement Offer. The sub-underwriting bookbuild completed by Hartleys was heavily oversubscribed, with a number of large domestic and international institutional and professional investors, together with key stakeholders MACA, Orion and PYBAR, committing to sub-underwrite the full \$35.9 million.

The recapitalisation plan is expected to:

- ensure Blackham is well financed with a strong balance sheet to enable it to close out its \$23 million project financing facility with Orion (**Project Financing Facility**) in 2018 (\$20.5 million after completion of the Entitlement Offer);
- allow Blackham to initially focus on a simple free-milling open pit mine plan at its Matilda-Wiluna Gold Operation (**Operation**) which has entered a period of stable gold production having recently accessed high grade ore zones and achieved a step-change in project economics; and
- allow exploration drilling to continue to be undertaken to target an ongoing free-milling mine life of at least 5 years.

Following completion of the Entitlement Offer, the Company is targeting a net-cash position by the end of the 2018 calendar year with cash and bullion balances set to remain above \$15 million at all times during 2018.

As announced on 5 January 2018, the Operation has demonstrated recent mining and production levels that support our belief that the delays in accessing high grade open pit ore are now behind us and that 2018 will be a transformational year. During 2018, Blackham expects to deliver increased grades and gold production whilst reducing strip-ratios and mining costs, thereby generating strong operational cash flows. Our grade control drilling program is ongoing and will underpin our mine scheduling and allow us to continue to build our high grade stockpiles.

All Shareholders with an address in Australia and New Zealand and registered as at 5:00pm (WST) on the Record Date will be entitled to participate in the Entitlement Offer. The closing date for the Entitlement Offer is 5:00pm (WST) on Monday, 12 February 2018.

Eligible Shareholders are also invited to apply for New Shares and New Options in excess of their Entitlement (**Additional Securities**).

At the time of lodging this Prospectus, all your Directors have indicated that they will take up their Entitlements under the Entitlement Offer to the extent they are able to fund their respective Entitlements. I have also personally committed to sub-underwrite up to \$500,000 of the Entitlement Offer, with my associates committing to further sub-underwrite an additional \$75,000 (see section 7.6 for the terms of my sub-underwriting commitment).

In addition, as announced, the Board is in discussions with Mr Greg Fitzgerald regarding his potential appointment as a Director following the successful completion of the Entitlement Offer.

Mr Linton Kirk and Mr Jonathan Lea will also join a newly formed Technical Advisory Committee and will work with the Blackham Executive team to further de-risk and optimise both the current operations and strong growth opportunities of the 6.5Moz Matilda-Wiluna Gold Operation.

On behalf of the Board, I recommend the Entitlement Offer to you. Before making your decision to invest, I ask you to carefully read the Prospectus and seek professional advice if required. The Company is at an exciting stage, with 2018 expected to be a transformational year of strong operational performance that will generate significant cash flows for Blackham and its shareholders.

Your Board looks forward to your continued support.

Kind regards

Milan Jerkovic
Executive Chairman

1. INVESTMENT OVERVIEW

1.1 Overview of the Entitlement Offer

This Section is not intended to provide full information for investors intending to apply for New Shares and New Options offered pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
What is the Entitlement Offer?	<p>The Entitlement Offer is 5 New Shares for every 2 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.04 per New Share together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued.</p> <p>The Entitlement Offer seeks to issue up to 897,670,820 New Shares and 448,835,410 New Options to raise up to approximately \$35.9 million (before costs).</p> <p>Application will be made for the New Shares and the New Options (subject to compliance with ASX's standard requirements) to be quoted on ASX.</p>	Section 2.1
What is the purpose of the Entitlement Offer?	<p>The Entitlement Offer is being made to raise funds to allow Blackham to:</p> <ul style="list-style-type: none"> • undertake exploration expenditure targeting the extension of the Operation's free milling mine life; • strengthen the Company's balance sheet, including normalisation of working capital and positioning the Company to fully repay the Orion Project Financing Facility during 2018; • meet the costs of the Entitlement Offer; and • general working capital. 	Section 3.1
Am I an Eligible Shareholder?	<p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5:00pm (WST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Definition of "Eligible Shareholder" and section 2.13
Is there a minimum subscription amount?	<p>Yes – there is a Minimum Subscription Amount under the Entitlement Offer of \$28 million, including sub-underwriting commitments. Sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer. If the Minimum Subscription Amount is not raised by the Settlement Date then the Company will not proceed with</p>	Section 2.14

Question	Response	Where to find more information
	the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.	
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is fully underwritten with Hartleys acting as the lead manager and arranger of the underwriting. Various parties, including a number of high quality institutional and professional investors, together with Orion, MACA and PYBAR, have agreed to sub-underwrite the entire Entitlement Offer.</p> <p>The underwriting is subject to the terms and conditions set out in section 7.4.</p>	Sections 2.4 and 7.4
What will be the effect of the Entitlement Offer on control of the Company?	<p>The effect of the Entitlement Offer on the control of the Company will vary with the level of Entitlements and Additional Securities taken up by Eligible Shareholders under the Entitlement Offer and the number of New Shares that are taken up by various sub-underwriters in the event that Eligible Shareholders do not take up their full Entitlements.</p> <p>There is no Shareholder or sub-underwriter whose interest would exceed 19.9% on the completion of the Entitlement Offer.</p>	Sections 2.18 and 3.3
How do I apply for New Shares under the Entitlement Offer?	<p>Applications for New Shares and New Options can be made by Eligible Shareholders completing the relevant sections of the Entitlement and Acceptance Form accompanying this Prospectus and sending it to the Share Registry together with payment by cheque or BPAY® in the amount of Entitlement applied for.</p> <p>You may accept all or part of your Entitlement.</p>	Sections 4.2 and 4.3
Can I apply for Additional Securities?	<p>Eligible Shareholders (other than Directors and related parties) may also apply for Additional Securities regardless of the size of their present holding. However, there may be few or no Additional Securities available for issue depending on the level of take up of Entitlements by Eligible Shareholders. There is no guarantee that you will receive any or all of the Additional Securities you apply for.</p>	Sections 2.10 and 4.3
How will the Additional Securities be allocated?	<p>The Company, together with Hartleys, reserves the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and Hartleys may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the</p>	Sections 2.10 and 7.4

Question	Response	Where to find more information
	announcement of the Entitlement Offer and the Record Date, as well as when the application was made.	
Can I sell my Entitlements under the Entitlement Offer?	Yes. The Rights are renounceable. This provides Eligible Shareholders who do not wish to subscribe for some or all of their Rights to have an opportunity to sell those Rights.	Sections 2.8 and 2.9
How can I obtain further information?	Contact Link Market Services Information Line on 1300 730 659 or their Perth Office on +618 9211 6670 (Perth Office) at any time between 8:30am and 5:30pm (WST) Monday to Friday until the Closing Date. For advice, actively consult your broker, accountant or other professional adviser.	
What is the Lead Manager and Orion Offer?	<p>The Company is offering 31,250,000 Options to Orion as part of the refinancing of the Orion Project Financing Facility and an offer of 11,902,270 Options and 8,750,000 Shares to Hartleys as lead manager and arranger of the Entitlement Offer.</p> <p>The Lead Manager and Orion Offer is an offer to Orion and Hartleys (as applicable) only.</p> <p>Only (each of) Orion and Hartleys may accept the Lead Manager and Orion Offer. A personalised Lead Manager and Orion Offer Application Form will be issued to Orion and Hartleys, together with a copy of the Prospectus. The Company will only provide the Lead Manager and Orion Offer Application Form to each Orion and Hartleys.</p>	Sections 2.20 and 2.21

1.2 Key Risk Factors

Investors should be aware that subscribing for Offer Securities in the Company involves a number of risks. The below and other risks set out in section 6 may affect the value of the new securities in the future, and investing in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Offer Securities under this Prospectus.

Risk	Description	Reference in Prospectus
Future capital requirements	Whilst the Entitlement Offer will position the Company well, the Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute existing shareholdings.	Sections 6.2(a) and 7.4

Risk	Description	Reference in Prospectus
	<p>Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such financing will be acceptable to the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on the Company's financial results, liquidity position and the value of the Company's Shares.</p>	
Resource and reserve estimates	<p>Resource and reserve estimates are inherently prone to variability. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.</p>	Section 6.2(b)
Exploration, development, production and sale risks	<p>Mineral exploration and development are high risk undertakings. The tenements of the Company are at various stages of exploration, development and production.</p> <p>There can be no assurance that exploration of the mining tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic mineral reserves and, even if identified, there is no guarantee that they can be economically exploited. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.</p> <p>Production relies on the continued operation and performance of Company's operating mines, plants, equipment, power stations, borefields, camp, tailings dams and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Company's mines, plant, mining equipment, power stations, borefields, camp, tailings dams and processing facilities are essential for production to be successful.</p> <p>There is no guarantee that the Company will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.</p>	Section 6.2(c)

Risk	Description	Reference in Prospectus
Mining approvals	<p>The Company has all relevant approvals to conduct its current operations. Prior to the commencement of any future new mining operations, the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions within the approvals are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic.</p>	Section 6.2(d)
Operating risks	<p>The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tailings dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.</p>	Section 6.2(e)
Gold price volatility and exchange rates risk	<p>Any revenue the Company derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.</p>	Section 6.2(f)
Title and tenure risk	<p>Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While the Company has good title to its tenements, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.</p> <p>The Company's tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover</p>	Section 6.2(g)

Risk	Description	Reference in Prospectus
	<p>mineralisation and develop that tenement.</p> <p>The Company cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event the Company is unable to renew any of its tenements beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.</p>	
Geotechnical risk	<p>Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.</p> <p>Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding area will be evaluated by the Company.</p>	Section 6.2(i)
Access risk - Native title and Aboriginal heritage	<p>It is possible that Aboriginal significant or sacred sites found within tenements held by the Company now, and obtained in the future, may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners to explore for, and extract, resources.</p> <p>The Company must comply with Aboriginal heritage legislation, requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. It is possible that tenements may not be available for exploration due to Aboriginal heritage issues (whether in respect of registered sites or not).</p> <p>Under Western Australian and Commonwealth legislation the Company may need to obtain the consent of the holders of interests in applicable tenements before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.</p>	Section 6.2(j)
Environmental risks	<p>The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and</p>	Section 6.2(k)

Risk	Description	Reference in Prospectus
	<p>significant costs may result from complying with the Company's environmental obligations.</p> <p>There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.</p>	
Joint venture parties, contractors and agents	<p>The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure by these parties.</p>	Section 6.2(l)
Access to Infrastructure	<p>The Operation has gas and diesel power stations and permitted water borefields and related infrastructure. Production will require the use of both power and water infrastructure. A disruption to gas, diesel or water supplies to the Operation could have an adverse effect on the Company.</p>	Section 6.2(l)
Default and Liquidity Risk	<p>As announced on 15 January 2018, the Company has refinanced its Term Loan with Orion and entered into the new MACA Loan to cover its maturity repayment under the Term Loan which together with the Orion Project Financing Facility represent the Company's remaining debt obligations.</p> <p>The Company's repayment obligations to Orion and MACA as well as its obligations under its offtake agreement with Osisko are secured against the Blackham Group's assets pursuant to a General Security Deed and Mining Tenement Mortgages over the Operation. If the Company is unable to repay Orion, Osisko and/or MACA as required under the Orion Project Financing Facility, the MACA Loan or the offtake agreement as applicable it would default in its obligations under these agreements. The Company would then be at risk of default proceedings should Orion or MACA seek to enforce its rights under those relevant agreements.</p> <p>The Company is currently managing liquidity issues and in this regard, the Company's ability to meet its repayment obligations under the Orion Project Financing Facility, the MACA Loan and to its other trade creditors will be significantly enhanced in the event of a</p>	Section 6.2(n)

Risk	Description	Reference in Prospectus
	<p>successful Entitlement Offer.</p> <p>Following completion of the Entitlement Offer, the Company expects to repay the remainder of the Orion Project Financing Facility during 2018 and is targeting a net-cash position by the end of the 2018 calendar year, whilst continuing exploration aimed at lengthening and improving the free-milling mine plan.</p> <p>If the Entitlement Offer does not proceed, the Company will have to pursue another funding source.</p>	
Key personnel	<p>The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors.</p> <p>The Company's inability to recruit additional appropriately skilled and qualified personnel to replace any key personnel who may leave the Company at some point in the future could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.</p>	Section 6.2(o)

2. DETAILS OF THE OFFERS

2.1 Entitlement Offer

The Company is making a renounceable pro-rata rights issue to Eligible Shareholders of up to 897,670,820 New Shares on the basis of 5 New Shares for every 2 Shares held at the Record Date at an Offer Price of 4 cents each, together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued, to raise approximately \$35.9 million before costs (**Entitlement Offer**).

Eligible Shareholders (other than Directors and related parties) will be able to apply for Additional Securities in excess of their Entitlements, further details of which are contained in section 2.10.

The Entitlement Offer and the Shortfall Offer under this Prospectus are conditional on the Company receiving subscriptions for the Minimum Subscription Amount of the Entitlement Offer being \$28 million. However, irrevocable binding sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

If the Minimum Subscription Amount is not satisfied by the Settlement Date then the Company will not proceed with the Entitlement Offer or Shortfall Offer and will repay all Application Monies received without interest.

2.2 Fractional Entitlements

Fractional Entitlements of the Entitlement Offer will be rounded down to the nearest whole number of New Shares and New Options. For this purpose, holdings in the same name are aggregated for the calculation of Entitlements.

2.3 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by Eligible Shareholders on the issue of New Shares or New Options under this Prospectus.

2.4 Underwriting

The Entitlement Offer is fully underwritten. Binding and irrevocable sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

Under the terms of the Underwriting Agreement, Hartleys has agreed to act as lead manager and arranger of the underwriting for the Entitlement Offer.

A summary of the Underwriting Agreement (including the circumstances in which it may be terminated) is set out in Section 7.4.

2.5 Nominee for Ineligible Foreign Holders

The Company has also appointed Hartleys as the Company's nominee for foreign shareholders for the purposes of ASX Listing Rule 7.7 (**Nominee**) for those foreign shareholders who have been deemed ineligible to participate under the Entitlement Offer (**Ineligible Foreign Shareholders**).

Pursuant to the arrangement with Hartleys, the Company will transfer to Hartleys (or its nominee) the Rights that would otherwise be issued to the Ineligible Foreign Holders who

accept the offer or are otherwise entitled to acquire such Rights under the Entitlement Offer and Hartleys will then sell (or procure the sale of) those Rights and provide the proceeds of those sales (net of expenses) to the Company (or its Share Registry). The Company will then distribute to each of those Ineligible Foreign Holders their proportion of the proceeds of the sale net of expenses, if any. See section 2.13 for further details on the treatment of Ineligible Foreign Shareholders under the Entitlement Offer.

2.6 Opening and Closing Date

The Entitlement Offer will open for receipt of acceptances on Tuesday, 30 January 2018. The Closing Date for acceptances is 5.00 pm WST on Monday, 12 February 2018.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Entitlement Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

2.7 Purpose of the Entitlement Offer

The Company expects to receive up to approximately \$35.9 million under the Entitlement Offer (before costs) and proposes to use the proceeds as set out in Section 3.

2.8 Entitlements under the Entitlement Offer

Eligible Shareholders who are on the Company's Share register at 5:00pm (WST) on the Record Date, being Monday, 29 January 2018, will receive rights to acquire 5 New Shares for every 2 Shares held at Record Date, at the Offer Price of 4 cents per New Share together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued.

A personalised Entitlement and Acceptance Form setting out an Eligible Shareholder's Entitlement to New Shares and New Options accompanies this Prospectus.

2.9 Renounceable Entitlement Offer – Rights are tradeable

The Entitlement Offer is renounceable. This means that, should you choose not to accept all or part of your Rights, they may be traded on the ASX. If you wish to sell your Rights on the ASX, you should provide instructions to your stockbroker regarding the Rights you wish to sell. Trading of Rights will commence on the ASX on Thursday, 25 January 2018 and will cease on Monday, 5 February 2018.

There is no guarantee that you will be able to sell all or any part of your Rights on the ASX or that any particular price will be paid for the Rights sold on the ASX.

2.10 Application for Additional Securities

Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to their Entitlement, apply for Additional Securities, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for, if so allocated. If a lesser number of Additional Securities is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company together with Hartleys reserves the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and Hartleys may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

2.11 Shortfall Offer

The Directors reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 10 (**Shortfall Offer**)).

The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

2.12 Application required for New Shares

A detailed explanation of the actions required by Eligible Shareholders to apply for New Shares and New Options is set out in Section 4.

2.13 Treatment of Overseas Shareholders under the Entitlement Offer

The Company is of the view that it is unreasonable to make the Entitlement Offer to any Shareholder whose registered address as at the Record Date is outside of Australia or New Zealand having regard to:

- (a) the number of Shareholders outside these jurisdictions;
- (b) the number and value of the New Shares and New Options that could be offered outside these jurisdictions; and
- (c) the cost of complying with applicable regulations in jurisdictions outside these jurisdictions.

This Prospectus has not been and will not be registered under the securities laws of jurisdictions outside these jurisdictions. Accordingly, no Entitlement and Acceptance Forms or Shortfall application forms will be sent, and no offers will be made, to Ineligible Foreign Shareholders. The Prospectus is sent to those Shareholders for information only.

Non-Australian Eligible Shareholders should note that the Entitlement Offer is being conducted in accordance with the laws in force in Australia and the Listing Rules.

The Entitlement Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Financial Markets

Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares and New Options.

Recipients of this Prospectus may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia (other than to Eligible Shareholders).

As mentioned above, pursuant to ASX Listing Rule 7.7, the Company has appointed a Nominee, Hartleys, to sell the Rights to which Ineligible Foreign Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Rights may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Foreign Shareholders as described below.

The net proceeds of the sale of these Rights, if any will then be forwarded by the Company as soon as practicable to the Ineligible Foreign Shareholders, in proportion to their share of such Rights (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Rights, Ineligible Foreign Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the Nominee will be subject to any liability for a failure to sell the Rights or to sell them at a particular price. If, in the reasonable opinion of the Nominee, there is no viable market for the Rights of the Ineligible Foreign Shareholders, or a surplus over the expenses of the sale cannot be obtained the Rights that would have been offered to the Ineligible Foreign Shareholders, then those Rights will be allowed to lapse. The New Shares and New Options not taken up will form part of the New Shares and New Options to be taken up by the sub-underwriters or failing that the Shortfall Offer.

2.14 Minimum Subscription Amount

The Minimum Subscription Amount for the Entitlement Offer is \$28 million including the subscription for New Shares by sub-underwriters. The Entitlement Offer is conditional on the Company receiving subscriptions for the Minimum Subscription Amount. However, sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer. If the Minimum Subscription Amount is not raised then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.

2.15 Applying for quotation of New Shares and New Options

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares to be granted quotation.

The Company will also apply to the ASX within 7 days after the date of this Prospectus for the New Options to be granted quotation. The quotation of the New Options is conditional on the Company being able to satisfy the ASX's quotation requirements, being, amongst other things, that there will be at least 100,000 New Options on issue

held by at least 50 holders. In the event that the New Options are not accepted for quotation, they will be unlisted options.

The fact that the ASX may grant official quotation of the New Shares or New Options is not to be taken in any way as an indication of the merits of the Company or the New Shares or New Options now offered for subscription.

2.16 Issue of New Shares and New Options under the Entitlement Offer

New Shares and New Options will only be issued after all Application Monies have been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be issued on or about Monday, 19 February 2018 and normal trading of the New Shares and New Options on ASX is expected to commence on or about Tuesday, 20 February 2018.

All Application Monies received before New Shares and New Options are issued will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares and New Options are issued to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

If the New Shares are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Monies in full (without interest).

2.17 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS, operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement that sets out the number of New Shares and New Options issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statement do so at their own risk.

2.18 Effect of the Entitlement Offer on the Control of the Company

Generally, Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Entitlement Offer (subject to immaterial movements as a result of the rounding of Entitlements).

The potential effect of the Entitlement Offer on the control of the Company is as follows:

- » If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company.
- » If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted.
- » The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Entitlement Offer.

- » There is no Shareholder or sub-underwriter who would on the completion of the Entitlement Offer have an interest which would exceed 19.9%.

The summary above does not take into account the Offer Securities issued under the Lead Manager and Orion Offer or the exercise of any other Options on issue. This will dilute the interests of Eligible Shareholders, particularly if any Options are exercised.

Orion and MACA have agreed to sub-underwrite up to \$1 million and \$2 million of the Entitlement Offer (respectively) through the conversion of amounts owed by the Company to equity.

In addition, as announced by the Company on 15 January 2018, both Orion and MACA have been granted a security interest over all of the Company's assets and undertaking.

MACA and Orion's maximum potential relevant interest under the sub-underwriting arrangements (see section 7.5) and on the exercise of the New Options issued to them including, in the case of Orion, the exercise of the Orion Options (assuming that no other Options or New Options are exercised) is 5.8% and 5.3%, respectively.

2.19 Rights attaching to New Shares and New Options

The New Shares issued under this Prospectus will be on a fully paid basis and will rank equally in all respects with existing Shares.

Subject to the satisfaction of ASX requirements, the New Options will be quoted. Shares issued upon exercise of the New Options will rank equally with existing fully paid ordinary shares.

A summary of the important rights attaching to the New Shares is contained in Section 5.1 of this Prospectus.

The terms of the New Options are set out in Section 5.2 of this Prospectus.

2.20 Lead Manager and Orion Offer

Pursuant to this Prospectus the Company also offers:

- (a) 31,250,000 Options to Orion on the same terms as the New Options as part of the refinancing of the Project Financing Facility; and
- (b) 8,750,000 Shares on the same terms as the New Shares and 11,902,270 Options on the same terms as the New Options to Hartleys as part of its lead manager fee,

(Lead Manager and Orion Offer).

Orion acknowledges that any communications received in relation to the Lead Manager and Orion Offer occurred from outside Bermuda.

The Company will apply to the ASX within 7 days after the date of this Prospectus for the Shares under the Lead Manager and Orion Offer to be granted quotation.

The Company will also apply to the ASX within 7 days after the date of this Prospectus for the Options under the Lead Manager and Orion Offer to be granted quotation. The quotation of the Options is conditional on the Company being able to satisfy the ASX's quotation requirements. In the event that the Options under the Lead Manager and Orion Offer are not accepted for quotation, they will be unlisted options.

The fact that the ASX may grant official quotation of the Shares or Options under the Lead Manager and Orion Offer is not to be taken in any way as an indication of the merits of the Company or the Shares or Options now offered for subscription.

2.21 **How to apply for the Lead Manager and Orion Offer**

The Lead Manager and Orion Offer is an offer to Orion and Hartleys (as applicable) only.

Only (each of) Orion and Hartleys may apply for Shares or Options (as the case may be) under the Lead Manager and Orion Offer.

A personalised application form will be issued to each of Orion and Hartleys together with a copy of this Prospectus (**Lead Manager and Orion Offer Application Form**). The number of Shares and Options (as applicable) to be offered to each of Orion and Hartleys will be outlined in the Lead Manager and Orion Offer Application Form provided by the Company. The Company will only provide the Lead Manager and Orion Offer Application Form to Hartleys and Orion.

In order to apply for the issue of Shares and Options as applicable under the Lead Manager and Orion Offer, Hartleys and Orion must complete and return the personalised Lead Manager and Orion Offer Application Form to:

Company Secretary
Blackham Resources Limited
Level 2, 38 Richardson Street
West Perth, WA 6005

by no later than 5:00pm on the Closing Date. If the Lead Manager and Orion Offer Application Form is not returned by this time and date, then the Lead Manager and Orion Offer, with respect to that applicant, will lapse.

2.22 **Risk Factors**

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The Offer Securities should be considered speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for Offer Securities pursuant to this Prospectus.

The key risk factors are set out in Section 1.2 and detailed risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

3. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

3.1 Purpose of the Entitlement Offer

The funds raised from the Entitlement Offer will be applied towards the following:

- undertaking exploration expenditure targeting the extension of the Operation's free milling mine life;
- strengthening the Company's balance sheet, including normalisation of working capital and positioning the Company to fully repay Orion during 2018;
- meeting the costs of the Entitlement Offer; and
- general working capital.

If fully subscribed, the sources and application of funds raised under the Entitlement Offer is summarised as follows:

Sources		Uses	
Entitlements Issue	\$35.9m	Exploration and conversion of resources	\$11.5m
Existing cash and bullion (Dec-17)	\$9.9m	Initial working capital repayment (debt to equity sub-underwriting)	\$10.5m
		Initial Orion Project Facility reduction (debt to equity sub-underwriting)	\$2.5m
		Costs of the Offer	\$3.0m
		General working capital	\$18.3m
Source of Funds	\$45.8m	Use of funds	\$45.8m

Should only the Minimum Subscription Amount be raised, \$7.4 million will be reduced from the general working capital amount and \$0.5 million from transaction costs. The exact application of the funds raised from the Entitlement Offer may vary at the Directors' discretion.

3.2 Effect of the Entitlement Offer

The principal effects of the Entitlement Offer will be to:

- increase the Company's cash reserves by up to \$35.9 million assuming it is fully subscribed (before taking into account the costs of the Entitlement Offer and prior to the deployment of those funds);
- provide the Company with additional capital for the purposes referred to in Section 3.1; and
- increase the total number of issued Shares and Options (refer to Section 3.3).

Pro forma financial information summarising the effects of the Entitlement Offer is provided in Section 3.4.

3.3 Effect of the Entitlement Offer and Lead Manager and Orion Offer on Capital Structure

Set out below, for illustrative purposes only, is the existing capital structure (as at the date of this Prospectus) together with the impact of the issue of New Shares under the Entitlement Offer (assuming it is fully subscribed).

	Number of Ordinary Shares	Percentage of Total Shares
Existing Issued Capital	359,068,328	100%
New Shares offered pursuant to the Entitlement Offer	897,670,820	70.9%
New Shares issued under the Lead Manager and Orion Offer	8,750,000	0.7%
Total issued Shares post completion of the Entitlement Offer and the Lead Manager and Orion Offer¹	1,265,489,148 ⁽¹⁾	100%
Shares on the exercise of the New Options	448,835,410	25.5%
Shares from the exercise of the Options issued under the Lead Manager and Orion Offer	43,152,270	2.5%
Total issued Shares post completion of the Entitlement Offer and the Lead Manager and Orion Offer and the exercise of all New Options and Options under the Lead Manager and Orion Offer	1,757,476,828 ⁽²⁾	100%

¹ This total does not include Shares which may be issued on the exercise of other Options or the exercise of the Orion Options, the Options issued to Hartleys under the Underwriting Agreement or the 10,000,000 Options to be issued to Tectonic Advisory Partners. It does include the 8,750,000 Shares to be issued to Hartleys under this Prospectus. This total also assumes that the Entitlement Offer is fully subscribed.

² This total does not include Shares which may be issued on the exercise of other Options, the 32,472,730 Options to be issued to Hartleys under the Underwriting Agreement or the 10,000,000 Options to be issued to Tectonic Advisory Partners. This total also assumes that the Entitlement Offer is fully subscribed.

The Company has issued, or offered to issue under this Prospectus, the following Options as at the date of this Prospectus.

Unquoted Options			
Options	Expiry Date	Exercise Price	Number
	3 February 2018	\$0.30	1,000,000
	8 February 2018	\$0.465	500,000

	20 March 2018	\$0.35	3,000,000
	30 April 2018	\$0.51	300,000
	8 February 2019	\$0.38	175,000
	8 February 2019	\$0.463	175,000
	1 June 2019	\$1.00	1,000,000
	3 July 2019	\$0.91	175,000
	31 December 2019	\$0.57	600,000
	29 February 2020	\$0.308	2,000,000
	31 May 2020	\$0.382	175,000
	31 May 2020	\$0.382	175,000
Total number of unquoted Options as at the date of the Prospectus			9,275,000
Quoted Options to be issued under Lead Manager and Orion Offer			
Orion Options	31 January 2019	\$0.08	31,250,000
Options to Hartleys	31 January 2019	\$0.08	11,902,270

The Company has also agreed to issue to Hartleys (as a fee under the Underwriting Agreement) on the earlier of the receipt of shareholder approval and available placement capacity an additional 32,472,730 options on the same terms as the New Options. The Company has also agreed to issue 10,000,000 options on the same terms as the New Options to Tectonic Advisory Partners for past and future advisory services.

If any of the Company's existing unquoted Options are exercised prior to the Record Date, the Shares issued on such exercise will be eligible to participate in the Entitlement Offer.

Accordingly, the total issued capital of the Company following the Entitlement Offer (assuming it is fully subscribed) may be more than the number shown in this Section 3.3 above.

3.4 Effect of the Entitlement Offer on the Company's Financial Position

Set out below for illustrative purposes is an unaudited consolidated statement of financial position including the effect of the Entitlement Offer, assuming:

- the issue of 897,670,820 New Shares offered pursuant to the Entitlement Offer at \$0.04 to raise approximately \$35.9 million (before costs);
- the estimated costs of the Entitlement Offer of \$3.0 million, including Hartleys' lead manager fee which will be approximately 6% of the proceeds of the amount actually underwritten;

- (c) these sub-underwriters of the Entitlement Offer will convert amounts owed to them by the Company for shares in the Company, and receive repayments of amounts outstanding:

Entity	Issued in New Shares by way of sub-underwriting ⁽¹⁾	Repaid immediately using proceeds of the Entitlement Offer
PYBAR (a Trade Payable)	\$1.0 m	\$1.5m
Orion (a current Interest Bearing Liability)	\$1.0 m	\$1.5m
MACA (a current Interest Bearing Liability)	\$2.0m	\$6.0m

1. The actual number of New Shares issued by way of sub-underwriting may vary depending on the take up of Entitlements by Eligible Shareholders.

- (d) approximately \$3.0m of other trade payables are repaid immediately using proceeds of the Entitlement Offer and the proceeds received from gold bullion awaiting settlement (gold bullion sales);
- (e) no existing Options are exercised prior to the Record Date;
- (f) other interim adjustments have been taken into account for the period between 31 December 2017 and the date of this Prospectus; and
- (g) the funding arrangement adjustments pertain to the refinancing arrangement announced on 15 January 2018, entitled "Recapitalisation to Underpin Transformational 2018", whereby Blackham refinanced its Orion term loan via a new \$14.3 million financing arrangement with its key mining contractor, MACA. These funding arrangement adjustments included the reclassification of approximately \$15.7 million owing to MACA from Trade Payables to current Interest Bearing Liabilities.

The accounting policies upon which the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for the year ended 30 June 2017.

Pro-forma Statement of Financial Position

	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	Jun-17 A\$'000	Dec-17 A\$'000	Funding Arrangement A\$'000	Entitlement Offer A\$'000	Pro Forma Balance Sheet A\$'000
Current assets					
Cash and cash equivalents	18,470	6,690	(1,064)	17,784	23,410
Gold bullion awaiting settlement	1,191	3,194	-	(1,500)	1,694
Bank guarantees (restricted cash)	617	450	-	-	450
Trade and other receivables	1,030	1,637	-	-	1,637
Inventories	12,804	9,586	-	-	9,586
Financial assets	1,278	20	-	-	20
Total current assets	35,390	21,577	(1,064)	16,284	36,797
Non-current assets					
Other receivables	350	-	-	-	-
Inventories	1,504	1,504	-	-	1,504
Plant and equipment	49,922	50,432	-	-	50,432
Mine properties - areas in production	87,863	90,106	-	-	90,106
Mine properties - areas in development	1,206	2,837	-	-	2,837
Exploration and evaluation expenditure	10,662	13,625	-	-	13,625
Total non-current assets	151,507	158,504	-	-	158,504
Total assets	186,897	180,081	(1,064)	16,284	195,301
Current liabilities					
Trade and other payables	36,015	41,261	(15,669)	(5,500)	20,092
Interest-bearing liabilities	16,240	38,547	748	(10,500)	28,795
Total current liabilities	52,255	79,808	(14,921)	(16,000)	48,887
Non-current liabilities					
Interest-bearing liabilities	23,383	19	14,300	-	14,319
Provisions	24,934	25,266	-	-	25,266
Total non-current liabilities	48,317	25,285	14,300	-	39,585
Total liabilities	100,572	105,093	(621)	(16,000)	88,472
Net assets	86,325	74,988	(443)	32,284	106,829
Equity					
Issued capital	109,960	112,556	-	32,348	144,904
Reserves	6,310	6,109	179	311	6,599
Accumulates losses	(29,945)	(43,677)	(622)	(375)	(44,674)
Total equity	86,325	74,988	(443)	32,284	106,829

3.5 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales, are:

Highest: \$0.225 on 23 Oct 2017
Lowest: \$0.10 on 12 Dec 2017

The volume weighted average sale price on ASX of the Shares during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC (**VWAP**) is \$0.135. The Offer Price represents a discount of 72% to the 20-day VWAP of 14.3 cents.

The latest available market sale price of the Shares on ASX prior to the day of lodgement of this Prospectus with ASIC was \$0.105 on 14 December 2017.

The Company's shares have been in voluntary suspension since 18 December 2017. An application was made to the ASX to recommence trading effective on the date of lodgement of this Prospectus.

4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What Eligible Shareholders may do

The number of New Shares and New Options to which Eligible Shareholders are entitled (**your Entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 2.17 above).

As an Eligible Shareholder you may:

- » take up all or part of your Entitlement (refer to Section 4.2 below);
- » take up all of your Entitlement and apply for Additional Securities (refer to Section 4.3 below);
- » allow all or part of your Entitlement to lapse (refer to Section 4.4 below); or
- » sell all or part of your Rights (refer to Section 2.9 above).

Eligible Shareholders who take no action in respect of their Entitlement may receive no benefit and their Entitlement will lapse. Eligible Shareholders may still trade their Rights (refer to Section 2.8 above).

The Company is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of securities. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

In accordance with ASX Listing Rule 7.12, a buyer under a contract note from a member organisation of ASX on or before the Record Date will be entitled to participate in the Entitlement Offer if a certified copy of the contract note is provided to the Company.

Ineligible Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.3.

4.2 Taking up all or part of your Entitlement

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching payment to reach Link Market Services Limited (**Share Registry**) by no later than 5:00pm (WST) on the Closing Date or by paying by BPay®.

The Offer Price for each New Share accepted under your Entitlement is payable on application. You have the following payment options:

- » By attaching to your completed Entitlement and Acceptance Form a cheque, bank or money order in Australian currency for the amount of your Application Monies to "**Blackham Resources Limited**" and crossed "**Not Negotiable**".
- » You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for in full the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have

specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

- » If paying via BPay®:
 - (i) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPay® by the date and time mentioned above;
 - (ii) you must follow the instructions for BPay® set out in the Entitlement and Acceptance Form;
 - (iii) you do not need to return the Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
 - (iv) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

The New Options are free attaching.

4.3 Applying for Additional Securities

As detailed in Section 2.10 above, Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Securities in excess of their Entitlements.

If you wish to subscribe for Additional Securities in addition to your Entitlement, then you should nominate the maximum number of Additional Securities you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement and the Additional Securities (at the Offer Price of \$0.04 for each Additional Share).

If your payment is being made by BPay®:

- » you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations on that form; and
- » if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Securities which is covered in full by your Application Monies.

Eligible Shareholders who apply for Additional Securities may be allocated a lesser number of Additional Securities than applied for, or may be allocated no Additional Securities at all, in which case excess Application Monies will be refunded without interest (See section 2.10 for further details).

4.4 Shortfall Offer

Other investors may also apply for New Shares and New Options under the Shortfall by completing a Shortfall application form upon invitation by the Company. All New Shares issued under the Shortfall Offer will be issued at the same Offer Price of \$0.04 per New Share. (See section 2.11 for further details).

4.5 **Allow all or part of your Entitlement to lapse**

If you do not wish to allow all of your Entitlement to lapse, complete the Entitlement and Acceptance Form for the number of New Shares and New Options you wish to take up and follow the steps in Section 4.2. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up that part of your Entitlement. As this is a renounceable offer, your Rights are tradeable. Refer to Section 2.9 for further information in relation to this.

4.6 **Enquiries**

If you have any questions about your Entitlement, please contact the Company's Share Registry, Link Market Services Limited, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus. For advice on the Entitlement Offer, contact your stockbroker or other professional adviser.

4.7 **Privacy**

Applicants will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Share Registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- (a) the Share Registry for ongoing administration of the shareholder register;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (c) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and New Options and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988* (Cth).

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal information. Request for access to personal information should be made by writing to or telephoning the Share Registry, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus.

5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SECURITIES

5.1 Rights attaching to the New Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including New Shares) are described in the Constitution and are regulated by the Corporations Act, Listing Rules and the general law (the **applicable law**).

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

(a) Voting Rights

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson has a casting vote.

(b) Dividends

Subject to the Corporations Act and the Listing Rules, the Directors may determine that a dividend (whether interim, final or otherwise) is payable and fix the amount, method and time for payment of the dividend.

(c) Winding up

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company and may for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders of the Company.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the Listing Rules, ASX Settlement Operating Rules, the ASX Clear Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the Listing Rules, ASX Settlement Operating Rules, the ASX Clear Operating Rules or under the Constitution.

(e) Calls on Shares

Subject to the Corporations Act, the Constitution and the terms of issue of a Share, the Company may, at any time, make calls on the Shareholders of a Share for all, or any part of, the amount unpaid on the Share. If a Shareholder of the Company fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

(f) Further Increases in Capital

Subject to the Corporations Act, the Listing Rules, the Constitution and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant Options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(g) Variation of Rights Attaching to Shares

Subject to the Corporations Act, the Listing Rules, the Constitution and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(h) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

5.2 New Options

The terms of the New Options are set out below. In the event that the New Options are not accepted for quotation by the ASX, they will be unquoted options.

- (a) Each New Option entitles the holder to subscribe for 1 Share at the exercise price of \$0.08.
- (b) Subject to paragraph (c) below, the New Options are exercisable at any time up to 5.00pm (Perth time) on 31 January 2019 by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company. Any New Options not exercised by that time will lapse.
- (c) A New Option holder may exercise only some of that person's New Options, which does not affect that holder's right to exercise the remainder of their New Options by the deadline in paragraph (b) above.
- (d) Subject to ASX's quotation requirements including that there is at least 50 Eligible Shareholders that are issued a New Option under these terms and conditions following their subscription for New Shares pursuant to the Entitlement Offer, the Company will apply to the ASX for official quotation of the New Options. The Company gives no assurances that such quotation will be granted.

- (e) Subject at all times to the Corporations Act, the Listing Rules and the Company's Constitution, the New Options are freely transferable.
- (f) All Shares issued upon exercise of the New Options will, from the date they are issued, rank equally in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the New Options.
- (g) New Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the New Options without first exercising the New Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 3 business days after the issue is announced. This will give New Option holders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (h) If the Company offers Shares by way of a pro-rata issue (except a bonus issue) to the holders of Shares (whether renounceable or not), then the exercise price of a New Option may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (i) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each New Option is exercisable will be increased by the number of Shares which the New Option Holder would have received under the bonus issue if the New Option had been exercised before the record date for the bonus issue.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the New Option expiry, the rights of New Option holders, including the number of New Options or the exercise price of the New Options or both will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) New Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to New Option holders in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to New Option holders.
- (l) Notwithstanding these terms and conditions, the New Options may only be issued or exercised within the limitations imposed by the Corporations Act and the ASX Listing Rules.

6. RISKS

6.1 Introduction

There are a number of factors, both specific to the Company and of a general nature to the business and economic climate which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, its investment returns and the value of its Shares. These risks include, but are not limited to, the risks set out in this Section.

The risks have been separated into Company specific risks (described under Section 6.2) and risks associated with investing in the market generally (described under Section 6.3). The Company's specific risks have been based on an assessment by the Directors of the probability of the risk occurring and the impact of the risk if it is to occur. This assessment was based on the knowledge of the Directors as at the date of this Prospectus and therefore there is no guarantee or assurance that the importance of the different risks referred to below will not change.

Prospective investors should note that this Section is not an exhaustive list of the risks associated with an investment in the Company and it should be considered in conjunction with other information disclosed in this Prospectus. The risk factors may materially affect the financial performance of the Company and the value and/or the market price of the New Shares.

6.2 Company Specific Risks

(a) Future capital requirements

Whilst the Entitlement Offer will position the Company well, the Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing may dilute existing shareholdings.

Debt financing, if available, may involve restrictions on financing and operating activities.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such financing will be acceptable to the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on the Company's financial results, liquidity position and the value of the Company's Shares.

(b) Resource and reserve estimates

Resource and reserve estimates are inherently prone to variability. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.

(c) **Exploration, development and production and sale risks**

Mineral exploration and development are high risk undertakings. The tenements of the Company are at various stages of exploration, development and production.

There can be no assurance that exploration of the mining tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic mineral reserves and, even if identified, there is no guarantee that they can be economically exploited. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

Production relies on the continued operation and performance of Blackham's operating mines, plant, equipment, power stations, borefields, camp, tailings dams and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to the Company's plants, mines, plants, mining equipment, power stations, borefields, camp, tailings dam and processing facilities are essential for production to be successful.

There is no guarantee that the Company will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.

(d) **Mining approvals**

The Company has all relevant approvals to conduct its current operations. Prior to commencement of any future new mining operations the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions within the approvals are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic.

(e) **Operating risks**

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tails dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.

(f) **Gold price volatility and exchange rate risk**

Any revenue the Company derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

Fluctuations in exchange rates between currencies in which the Company operate, invest, report, incur costs, purchase capital equipment or derive revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations.

(g) Carrying values of non-current assets

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable. Certain non-current assets of the group are subject to impairment tests, and the outcome could result in a write-down of those asset carrying values. The Company has not yet performed its impairment testing for the period ended 31 December 2017, and hence this could impact the non-current assets and accumulated losses shown in the pro-forma statement of financial position included in this Prospectus.

(h) Title and tenure risk

Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While the Company has good title to its tenements, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

The Company's mining tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

The Company cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event the Company is unable to renew any of its tenements beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.

(i) Geotechnical risk

Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding area will be evaluated by the Company.

(j) Access risk - Native title and Aboriginal heritage

It is possible that Aboriginal significant or sacred sites found within tenements held by the Company now, and obtained in the future, may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners to explore for, and extract, resources.

The Company must comply with Aboriginal heritage legislation, requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. It is possible that tenements may not be available for exploration due to Aboriginal heritage issues (whether in respect of registered sites or not).

Under Western Australian and Commonwealth legislation the Company may need to obtain the consent of the holders of interests in applicable tenements before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.

(k) Environmental risks

The operations and proposed activities of the Company are subject to Australian laws and regulation concerning the environment. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result from complying with the Company's environmental obligations.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(l) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure these parties.

(m) Access to Infrastructure

The Operation has gas and diesel power stations and permitted water borefields and related infrastructure. Production will require the use of both power and water infrastructure. A disruption to gas, diesel or water supplies to the Operation could have an adverse effect on the Company.

(n) Default and Liquidity Risk

As announced on 15 January 2018, the Company has refinanced its Term Loan with Orion and entered into the new MACA Loan to cover its maturity repayment under the Term Loan which together with the Orion Project Financing Facility represent the Company's remaining debt obligations.

The Company's repayment obligations to Orion and MACA as well as its

obligations under its offtake agreement with Osisko are secured against the Blackham Group's assets pursuant to a General Security Deed and Mining Tenement Mortgages over the Operation. If the Company is unable to repay Orion, Osisko and/or MACA as required under the Orion Project Financing Facility, the offtake agreement or the MACA Loan as applicable it would default in its obligations under these agreements. The Company would then be at risk of default proceedings should Orion or MACA seek to enforce its rights under those relevant agreements.

The Company is currently managing liquidity issues and in this regard, the Company's ability to meet its repayment obligations under the Orion Project Financing Facility the MACA Loan and to its other trade creditors will significantly improve in the event of a successful Entitlement Offer.

Following completion of the Entitlement Offer, the Company expects to repay the remainder of the Orion Project Financing Facility during 2018 and is targeting a net-cash position by the end of the 2018 calendar year, whilst continuing exploration aimed at lengthening and improving the free-milling mine plan.

If the Entitlement Offer does not proceed the Company will have to pursue another funding source.

(o) **Key personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors.

The Company's inability to recruit additional appropriately skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

(p) **Litigation**

The Company may be subject to litigation and other claims. The Company is reserving its rights and considering its options in relation to the Pacific Road Capital funding arrangement announced on 24 November 2017, which did not progress. Any litigation in relation to this could result in negative publicity, potential liability and additional expenditure.

6.3 General Risks

(a) **Share price fluctuations**

The New Shares are to be quoted on ASX, where the price may rise or fall relative to the Offer Price. The New Shares issued or sold under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.

(b) **Economic factors**

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of the Company's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and

regulatory policies), consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(c) **Changes in laws and government policy**

Changes to government regulations, law (including taxation and royalties) and policies, both domestically and internationally, under which the Company operates may adversely impact the Company's activities, planned projects and the financial performance of the Company. Recently, the Western Australian State Government proposed an increase to gold royalty rates. Whilst the increase was not implemented, there is a risk that royalty rates may increase in the future which would erode the Company's profit margins.

(d) **Taxation**

There may be tax implications arising from Applications for New Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of New Shares.

(e) **Global credit and investment markets**

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(f) **Counterparty risk**

There is a risk that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

(g) **Insurance Risks**

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company insures its operations in accordance with industry practice. However in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

(h) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been considered in this Prospectus. Although the Company is not aware of any such additional

expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of its Shares.

7. ADDITIONAL INFORMATION

7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of securities (or options to acquire such securities) where those securities are of a class which have been quoted for 12 months before the date of that prospectus.

7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

7.3 Taxation

The acquisition of Offer Securities and disposal of Offer Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Offer Securities from a taxation viewpoint and generally.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any Offer Securities subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares and New Options under this Prospectus.

7.4 Underwriting Agreement

In accordance with the Underwriting Agreement, Hartleys has agreed to act as lead manager and arranger of the underwriting for the Entitlement Offer. Under the Underwriting Agreement, Hartleys must procure subscriptions (by appointing sub-underwriters) for the difference between the maximum amount that may be raised under the Entitlement Offer and the amount raised under the Entitlement Offer.

Should a sub-underwriter appointed by Hartleys default on its binding and irrevocable sub-underwriting commitment, Hartleys may assign responsibility for enforcing any claims against such sub-underwriters to the Company. In these circumstances, the Company (rather than Hartleys) will have to enforce the sub-underwriting commitments directly against the relevant sub-underwriters.

Under the Underwriting Agreement, the Company has agreed to:

- (a) pay Hartleys a lead manager fee of up to 6% of the amounts underwritten; and
- (b) issue on the earlier of the receipt of shareholder approval and available placement capacity:

- (i) 44,375,000 options on the same terms as the New Options; and
 - (ii) 8,750,000 Shares on the same terms as the New Shares,
- (together the **Lead Manager Securities**).

Hartleys obligations under the Underwriting Agreement are subject to certain events of termination. Hartleys may terminate its obligations under the Underwriting Agreement if:

- » **(Change in gold price)** The spot “ask” A\$ gold price as quoted by The Perth Mint at anytime after the date of the Underwriting Agreement is 10.0% or more below its price as at the close of business on the Business Day before the date of this document;
- » **(Index fall)** The All Ordinaries Index as published by ASX is for two consecutive Business Days after the date of the Underwriting Agreement 10.0% or more below its level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- » **(Minimum Subscription Amount):** the Minimum Subscription Amount is not satisfied on or before the Settlement Date;
- » **(Debt facility)** a debt facility is breached by any party to the agreement or it is revoked, rescinded, avoided, amended (including by way of any standstill arrangements), varied, superseded or replaced in any way, the lender under a debt facility seeks to enforce any security granted in connection with, or accelerate or otherwise require repayment of any amounts under, the debt facility or an event of default or potential event of default (however defined) occurs under a debt facility, in each case without the prior written consent of Hartleys (in Hartleys’ absolute discretion);
- » **(Prospectus)** the Company does not lodge the Prospectus on the Lodgement Date or the Entitlement Offer is withdrawn by the Company without the prior written consent of the Hartleys;
- » **(Breach of material contracts)** any of the contracts described in the Prospectus (other than this document) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus;
- » **(board and senior management composition)** other than as a result of the Entitlement Offer there is a change in the composition of the board or a change in the senior management of the Company before Completion without the prior written consent of Hartleys (which consent is not to be unreasonably withheld) except as announced to ASX or fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement;
- » ***(change in shareholdings)** there is a change in the major or controlling shareholdings of a Group member or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Group member;
- » ***(market conditions)** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, commercial banking activities or political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or any other international financial markets;

- » **(Offer Materials)** a statement contained in the materials for the Entitlement Offer is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the materials omit any information they are required to contain (having regard to sections 711, 713 and 716 of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the materials relating to future matters;
- » **(listing)** ASX announces or informs the Company (including verbally) that the Company will be removed from the official list or that Shares will be delisted or suspended from quotation by ASX for any reason, for the avoidance of doubt this does not include any voluntary suspension or trading halt that has been obtained by the company with Hartleys' prior written consent;
- » **(notification)** any of the following notifications are made:
 - an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other government agency, in relation to the materials for the Entitlement Offer or the Entitlement Offer;
 - ASIC or any other government agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Entitlement Offer or any of the materials for the Entitlement Offer or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,

and in either case:

 - where the government agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within five Business Days of the date of the application or by the allotment date; or
 - where the government agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by the allotment date;
- » **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked, or terminated or expires, or is modified or amended in a manner unacceptable to Hartleys;
- » **(quotation)** ASX announces or informs the Company (including verbally) that unconditional approval (or approval subject to customary listing conditions) by the ASX for official quotation will be refused, or not granted by the allotment date or, if granted, such approval is withdrawn on or before the allotment date. The parties acknowledge that the quotation of the New Options and accordingly the Lead Manager Options is conditional on there being at least 100,000 New Options issued that without limiting in any way the rights of Hartleys under provision of the Underwriting Agreement, and this termination event is not enlivened by a refusal of the ASX to grant the quotation solely because such conditions are not met;
- » **(unable to issue Entitlement Securities)** the Company is prevented from allotting and issuing the New Shares and New Options, or the Lead Manager Securities in accordance with the Underwriting Agreement and the timetable;

- » ***(hostilities)** there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China, Indonesia, India, Pakistan, Russia, Israel, any member of the European Union, the Democratic People's Republic of Korea, the Republic of Korea or Japan, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- » ***(Timetable)**
 - any event specified in the timetable (except the lodgement date and allotment date) is delayed by the Company for more than one Business Day without the prior written consent of Hartleys (such consent not to be unreasonably withheld); or
 - the lodgement date and allotment date is delayed by the Company, in any way, without the prior written consent of Hartleys (such consent not to be unreasonably withheld);
- » **(ASIC or ASX action)** the Entitlement Offer is prevented from proceeding (without amendment on terms acceptable to Hartleys) by reason of:
 - or in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;
 - an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction; or
 - an investigation or inquiry or proceedings initiated by either ASIC or ASX into the conduct of the Company;
- » **(withdrawal of consent)** any:
 - person (other than Hartleys) who has previously consented to the inclusion of its, his or her name in the Prospectus or any supplementary prospectus or to be named in the Prospectus or any supplementary prospectus, withdraws that consent; or
 - accounting or legal adviser to the Company refuses to give its consent or having previously consented to be named in the Prospectus, withdraws that consent;
- » **(supplementary prospectus):**
 - Hartleys forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as Hartleys may reasonably require; or
 - the Company lodges a supplementary or replacement prospectus without the prior written agreement of Hartleys;

- » **(Certificate)** any certificate which is required to be delivered by the Company under the Underwriting Agreement is not delivered when required (other than under a permitted change to the timetable) or is untrue, incorrect or misleading in a material respect;
- » **(Suspension of debt payments):** except as fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement, the Company suspends payment of its debts generally;
- » **(insolvency)** any one of the following occurs:
 - except as fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement, the Company (or any of its Subsidiaries):
 - » being or stating that it is unable to pay its debts as and when they fall due; or
 - » failing to comply with a statutory demand;
 - any step being taken which will or is likely to result in any of the following:
 - » the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Subsidiaries);
 - » the Company (or any of its Subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
 - » circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its Subsidiaries) under section 459C(2) of the Corporations Act; or
 - » anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its Subsidiaries);
- » ***(Judgment against the Company):** a judgment in an amount exceeding \$150,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- » **(ASIC Modifications and ASX Waivers)** approval for any ASIC modifications or ASX waivers is subsequently withdrawn, or is varied in a way that in the reasonable opinion of Hartleys, would have a material adverse effect on the success of the Entitlement Offer;
- » **(conduct)** the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer;
- » ***(Director):**
 - a director or senior manager of any Group member (in that capacity) is charged with an indictable offence, or any government agency or regulatory body commences any public action against a director or senior

manager of any Group member (in that capacity) or announces that it intends to take any such action; or

- a director of any Group member is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;
- » **(adverse change)** in the reasonable opinion of Hartleys, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to Hartleys (whether or not it becomes public) which individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Group taken as a whole, or is likely to have a materially adverse effect on the marketing, settlement or outcome of the Entitlement Offer;
- » ***(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of document commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus, or due diligence program or otherwise disclosed during the due diligence investigations;
- » ***(breach of obligations)** the Company is in breach of any terms and conditions of the Underwriting Agreement (other than with respect to compliance with the timetable);
- » ***(breach of representations)** any of the representations or warranties made or given by the Company in the Underwriting Agreement is or becomes incorrect, untrue or misleading;
- » ***(information supplied to Hartleys)** the information supplied by or on behalf of the Company to Hartleys including as part of the Underwriting Agreement due diligence program is, or the results of the Underwriting Agreement due diligence investigations are, in the reasonable opinion of Hartleys false, misleading or deceptive (including by omission);
- » ***(change in law)** there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- » ***(Investigation):** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- » ***(Capital Structure):** the Company alters its capital structure in any manner not contemplated by the Prospectus or as announced by the Company on or before the date of the Underwriting Agreement;
- » **(Certain resolutions passed):** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of Hartleys;

- » ***(force majeure):** a force majeure event affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- » ***(Prescribed Occurrence):** any of the events regarding withdrawals of market bids as described in section 652C(1)(a) to (h) of the Corporations Act occurs;
- » ***(contravention of law)** a contravention by any Group member of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any government agency;
- » **(compliance)** any aspect of the Entitlement Offer, including the Prospectus or the underwriting and any sub-underwriting of the Entitlement Offer, does not comply with the Corporations Act, the Listing Rules, the ASIC modifications or the ASX waivers or any other applicable law or regulation, or requires an approval or other authorisation that has not been obtained at the date of the Underwriting Agreement.

The events marked with * are qualified and require Hartleys to hold the reasonable opinion that the event:

- » has had or could have a material adverse effect on the financial position or performance of the Company or the success or outcome of the Entitlement Offer, the market price of the Shares or the ability of Hartleys to promote the Entitlement Offer;
- » leads to Hartleys's obligations becoming materially more onerous;
- » has had or could have a material adverse effect on the tax position of the Company or an Eligible Shareholder; or
- » leads to a material liability for Hartleys or the contravention of, or a liability under any applicable law.

7.5 Sub-underwriting agreements

A number of institutional and professional investors, together with Orion, PYBAR and MACA have agreed, on a binding and irrevocable basis, to fully sub-underwrite the Entitlement Offer. Orion, PYBAR and MACA have agreed to sub-underwrite \$1 million, \$1 million and \$2 million, respectively through a corresponding reduction in the amount of debt owed by the Company to each party (as opposed to paying the Application Monies for the New Shares which they would be liable to subscribe for in cash).

The sub-underwriting commitments are conditional on Hartleys not terminating the Underwriting Agreement (see Section 7.4 for details of the circumstances in which Hartleys can terminate the Underwriting Agreement). The termination events described in section 7.4 for the Underwriting Agreement also apply to the sub-underwriting agreements.

7.6 Sub-underwriting by the Chairman

The Chairman has personally committed to sub-underwrite up to \$500,000 of the Entitlement Offer, with his associates committing to sub-underwrite an additional \$75,000 on the same arm's length terms as the other sub-underwriters, except that the Chairman and his associates will not be paid any sub-underwriting fee.

7.7 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Hartleys:

- does not make or offer the Entitlement Offer, the Shortfall Offer or the Lead Manager and Orion Offer;
- has not authorised, and has not caused, the issue of this Prospectus;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus; and

has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus in the form and context in which it is named.

K&L Gates has given, and not before the date of this Prospectus (including any electronic version) withdrawn, its consent to being named as the Company's legal advisers in this Prospectus in the form and context in which its name has been included. K&L Gates makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlement Offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by K&L Gates. To the maximum extent permitted by law, K&L Gates expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Orion, MACA and PYBAR have each given, and not prior to the date of this Prospectus (including any electronic version) withdrawn, its written consent to being named in this Prospectus in the form and context in which its name has been included. Orion, MACA and PYBAR make no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Orion, MACA and PYBAR, other than the reference to its name in the form and context in which it is named. To the maximum extent permitted by law, Orion, MACA and PYBAR expressly disclaim all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named. Orion, MACA and PYBAR have not caused the issue of or in any way authorised this Prospectus and takes no responsibility for the issue of this Prospectus.

Link Market Services Limited has given and, as at the date of this Prospectus, has not withdrawn its written consent to be named as the Company's Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus, apart from compiling the Entitlement and Acceptance Form, providing an Information Hot Line and being named as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of, this Prospectus. Link is entitled to a fee of \$14,328 plus postage and handling for the services provided under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in

connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- » the formation or promotion of the Company;
- » property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Shares and New Options to this Prospectus; or
- » the offer of New Shares and New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares and New Options issued pursuant to this Prospectus.

Hartleys has agreed to act as lead manager and arranger of the underwriting under the Entitlement Offer and will receive fees as described in Section 7.4. Hartleys has not been paid fees by the Company in the previous 2 years.

K&L Gates has agreed to act as Company's legal advisers and will receive fees as described in Section 7.12. K&L Gates been paid fees of \$78,625.25 by the Company in the previous 2 years.

7.8 Directors' authorisation

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

7.9 Continuous Disclosure and Documents Available for Inspection

The Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which requires it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the Annual Report for the financial year ended on 30 June 2017, being the annual financial report most recently lodged with ASIC by the Company; and
- (b) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC. Such notices are listed below under the heading "ASX Releases" in Section 7.10.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

7.10 ASX Releases

ASX releases of the Company since the date of lodgement of the Company's latest annual report are listed below:

Date lodged	Announcement
26/10/2017	Quarterly Activities & Cashflow Report Sep 2017
01/11/2017	Market Update
03/11/2017	Appendix 3B
06/11/2017	Trading Halt
8/11/2017	Voluntary Suspension
13/11/2017	Voluntary Suspension
20/11/2017	Voluntary Suspension
24/11/2017	New Funding Package
24/11/2017	AGM Presentation
24/11/2017	AGM Results
27/11/2017	High Grade Intercepts at Bulletin Mine
27/11/2017	High Grade Intercepts at Bulletin Mine (Revised)
29/11/2017	Prospectus – Renounceable Pro-Rata Entitlement Offer
29/11/2017	Appendix 3B
29/11/2017	Entitlement Offer – Shareholders
29/11/2017	Entitlement Offer – Optionholders
06/12/2017	Entitlement Offer Despatched
12/12/2017	Extension of Entitlement Offer Closing Date
14/12/2017	Trading Halt
18/12/2017	Voluntary Suspension
20/12/2017	Cancellation of Entitlement Offer
27/12/2017	Voluntary Suspension Extension
2/1/2018	Blackham to undertake significant recapitalisation

Date lodged	Announcement
2/1/2018	Expiry of Options and Rights
5/1/2018	Matilda-Wiluna Production Update
15/1/2018	Recapitalisation to Underpin Transformational 2018
15/1/2018	January 2018 Presentation
22/1/2018	Change in Directors Interests Notices
22/1/2018	Entitlement Offer Announcement
22/1/2018	Appendix 3B
22/1/2018	Letter to Shareholders
22/1/2018	Letter to Option holders

7.11 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Shares and New Options; or
- (c) the offer of New Shares and New Options, other than as ordinary Shareholders,

and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (d) to induce him or her to become, or to qualify him, as a Director; or
- (e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares and New Options.

The Directors' and their nominees' current shareholdings and interests in Shares and Options are as follows:

	Bryan Dixon ⁽¹⁾	Milan Jerkovic ⁽²⁾	Greg Miles
Current Number of Shares	4,690,000	1,280,826	1,012,500
Current percentage holding	1.31%	0.36%	0.28%
Current number of Options	nil	500,000	nil
Entitlement to New Shares under the Entitlement Offer ⁽¹⁾	11,750,000	3,202,065	2,531,250
Entitlement to New Options under the Entitlement Offer ⁽¹⁾	5,862,500	1,601,032	1,265,625
Maximum number of Shares following the Entitlement Offer ⁽²⁾	16,415,000	18,857,891	3,543,750
Maximum number of Options following the Entitlement Offer ⁽¹⁾	5,862,500	9,288,533	1,265,625
Maximum percentage of Shares following the completion of the Entitlement Offer and Lead Manager and Orion Offer ⁽²⁾	1.30%	1.49%	0.28%
Maximum percentage of Shares following the Entitlement Offer and Lead Manager and Orion Offer after the exercise of New Options issued to the Directors ⁽³⁾	1.74%	2.16%	0.38%

1. Assuming Directors do not exercise their Options (if any). In relation to Bryan Dixon the figure above differs from that in the Change of Directors Interest notice lodged by the Company on 22 January 2018 as Bryan Dixon does not formally have a relevant interest in respect of 1,710,000 Shares.
2. Assuming Directors and their nominees take up their full Entitlements under the Entitlement Offer and Milan Jerkovic and his associates sub-underwrite up to \$575,000.
3. Assuming Directors and their nominees take up their full Entitlements under the Entitlement Offer, Milan Jerkovic and his associates sub-underwrite up to \$575,000 and all Directors exercise all New Options issued to them under the Entitlement Offer.

At the time of lodging this Prospectus, the Directors and their nominees have indicated that they will take up their Entitlement under the Entitlement Offer to the extent they are able to fund their Entitlement. The Chairman has also committed to personally sub-underwrite up to \$500,000 of the Entitlement Offer and his associates have committed to sub-underwrite up to an additional \$75,000.

As at the date of this Prospectus, Mr Greg Fitzgerald who was identified as a potential Director candidate in the announcement released on 15 January 2018, has not yet consented or been formally appointed as a Director. The Board is still in discussions with him as to his proposed appointment.

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	2017 Salary and fees (incl superannuation and non- monetary benefits) \$	2017 Share Based Payments \$	2016 Salary and fees (incl superannuation and non- monetary benefits) \$	2016 Share Based Payments \$
Bryan Dixon	367,782	117,595	364,534	511,480

Milan Jerkovic ⁽¹⁾	102,656	79,199	48,558	223,073
Gregory Miles	55,000	nil	43,750	nil

(1) In accordance with ASX Listing Rule 3.16.4, the material terms of Mr Jerkovic's salary package whilst in the role of Executive Chairman, will be in-line with the adoption of the Blackham Executive Remuneration Policy which was based on an independent expert's report commission in April 2017 and be as follows:

- Fixed Remuneration - \$25,000 per month
- Medium Term Incentive (MTI or pay for performance) and Long Term Incentive (LTI or pay for results) – 10 million Zero Exercise Price Options (**ZEPO's**). The MTI and LTI performance hurdles and metrics will be formulated by the Board over the next month. Any issue of ZEPO's will require shareholder approval.

7.12 Estimated Costs of the Entitlement Offer

If the Entitlement Offer is fully subscribed, the expenses of the Entitlement Offer (exclusive of GST) are estimated to be approximately as follows:

Expenses	\$
Hartleys lead manager and arranger fees (maximum)	2,154,410
Legal	125,000
Printing, postage and share registry	30,000
Other	25,000
Subtotal	2,334,410
Hartleys options and shares, and Tectonic Advisory Partners options, issued in lieu of cash	661,463
Total estimated costs of Entitlement Offer	2,995,873

8. DIRECTORS' STATEMENT

This Prospectus is issued by Blackham Resources Limited ACN 119 887 606. Its issue was authorised by a resolution of Directors and is signed by Milan Jerkovic on behalf of all the Directors.

MILAN JERKOVIC
Chairman

22 January 2018

9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

\$ or AUD Australian dollar.

Additional Securities means New Shares and New Options applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

Appendix 3B means the ASX form for the new issue announcement and application for quotation of additional securities and agreement.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application Money means money payable by Applicants in respect of their applications for New Shares under the Entitlement Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as applicable).

ASX Settlement Operating Rules means ASX Settlement Pty Limited's operating rules.

Blackham Group means Blackham and all its subsidiaries.

Board means the board of Directors of the Company from time to time.

Business Day has the meaning ascribed to it in the Listing Rules.

Constitution means the constitution of the Company.

CHESS means Clearing House Electronic Subregister System.

Closing Date means 5:00pm (WST) on 12 February 2018 (subject to the right of the Directors to change this date without notice).

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

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

Directors means the directors of the Company in office at the date of this Prospectus.

Eligible Shareholder means a Shareholder of the Company, as at the Record Date, who is not an Ineligible Foreign Shareholder.

Entitlement means an Eligible Shareholder's entitlement to participate in the Entitlement Offer as it appears on the Entitlement and Acceptance Form.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus that sets out the Entitlements of Shareholders to subscribe for New Shares and New Options pursuant to the Entitlement Offer.

Entitlement Offer means the offer to Shareholders at the Record Date of 5 New Shares for every 2 Shares held at the Offer Price, together with 1 free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every 2 New Shares issued.

Expiry Date has the meaning given to that term in the Important Notices section.

Hartleys means Hartleys Limited ABN 33 104 195 057.

Ineligible Foreign Shareholder means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

Lead Manager and Orion Offer has the meaning given to that term in Section 2.20.

Lead Manager and Orion Offer Application Form has the meaning given to that term in Section 2.20.

Lead Manager Securities has the meaning given to that term in section 7.4.

Listing Rules means the listing rules of the ASX as amended from time to time.

MACA means MACA Mining Pty Limited ACN 102 886 064.

MACA Loan has the meaning given to that term in the Letter from the Chairman.

Minimum Subscription Amount has the meaning given to that term in the Important Notices section.

New Options means the options (exercisable at \$0.08 on or before 31 January 2019) to be issued under the Entitlement Offer.

New Shares means the Shares to be issued under the Entitlement Offer.

Offers means each of the:

- (a) Entitlement Offer;
- (b) Shortfall Offer; and
- (c) Lead Manager and Orion Offer.

Offer Condition has the meaning given to that term in the "Important Notice" Section.

Offer Price means \$0.04 per New Share.

Offer Securities means each of the:

- (a) New Shares;
- (b) New Options;
- (c) Shares; and
- (d) Options

offer under this Prospectus.

Opening Date means the opening date of the Entitlement Offer being 30 January 2018 (subject to the right of the Directors to change this date without notice).

Operation means the Matilda-Wiluna Gold Operation located in Western Australia and which includes the tenements held by each of Kimba Resources Pty Ltd ACN 106 123 951 and

Matilda Operations Pty Ltd ACN 166 954 525, the area the subject of the tenements and the property of the Blackham Group located in this area.

Option means an option to subscribe for a Share.

Optionholder means a holder of Options.

Orion means Orion Fund JV Limited.

Orion Options means the 31,250,000 options issued to Orion on the same terms as the New Options.

Osisko means Osisko Bermuda Limited.

Prospectus means this prospectus.

PYBAR means PYBAR Mining Services Pty Ltd ACN 060 589 433.

Record Date means 5:00pm WST on Monday, 29 January 2018 (subject to the right of the Directors to change this date without notice).

Rights means the right to subscribe for New Shares held at the Record Date pursuant to the Entitlement Offer.

Settlement Date has the meaning given to that term in the Important Dates section.

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

Share Registry means Link Market Services Limited.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares and New Options under the Entitlement Offer not applied for by Eligible Shareholders pursuant to the Prospectus by the Closing Date and not subscribed for by the Sub-underwriters.

Term Loan has the meaning given to that term in the Letter from the Chairman.

Underwriting Agreement means the underwriting agreement between the Company and Hartleys dated 22 January 2018.

References in this Prospectus to Sections are to sections of this Prospectus.

10. CORPORATE DIRECTORY

DIRECTORS

Milan Jerkovic (*Executive Chairman*)
Bryan Dixon (*Managing Director*)
Gregory Miles (*Non-Executive Director*)

COMPANY SECRETARY

Mike Robbins

REGISTERED OFFICE & CONTACT DETAILS

Level 2, 38 Richardson Street
West Perth
Western Australia 6005
Telephone: (+61 8) 9322 6418
Facsimile: (+61 8) 9322 6398
Email: info@blackhamresources.com.au

WEBSITE

<http://www.blackhamresources.com.au>

LEAD MANAGER

Hartleys Limited
Level 6, 141 St Georges Terrace
Perth WA 6000
Telephone: (+61 8) 9268 2815

SHARE REGISTRY

Link Market Services Limited
Level 12, 250 St Georges Terrace
Perth WA 6000
Telephone: (+61 8) 9211 6670

LEGAL ADVISERS

K&L Gates
Level 32, 44 St Georges Terrace
Perth WA 6000
Telephone: (+61 8) 9216 0900



BLACKHAM
Resources Limited
ABN 18 119 887 606

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 730 659
From outside Australia: +61 1300 730 659
ASX Code: BLK
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Subregister:

**Number of Eligible Shares held as
at the Record Date, 5:00pm (WST)
on 29 January 2018:**

Entitlement to New Shares

(on a 5 New Shares for 2 basis):

**Amount payable on full acceptance
at A\$0.04 per New Share:**

**Offer Closes
5:00pm (WST): Monday, 12 February 2018**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 5 New Shares for every 2 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.04 per New Share, together with 1 free attaching New Option exercisable at \$0.08 on or before 31 January 2019 for every 2 New Shares issued. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 22 January 2018. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Blackham Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (WST) on Monday, 12 February 2018. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (WST) on Monday, 12 February 2018.



Biller Code: 818195
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form. If you do not take up or sell your rights, you may not receive any value for them. It is important that you decide whether to accept or sell your rights in accordance with the Prospectus.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



BLACKHAM
Resources Limited
ABN 18 119 887 606

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of additional New Shares (Application for more New Shares than your Entitlement. Please enter the number of additional New Shares you wish to apply for)

C Total number of New Shares accepted (add Boxes A and B)

<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	+	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	=	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Blackham Resources Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

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BLACKHAM RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Blackham Resources Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.04.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Blackham Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Blackham Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Blackham Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker or if you wish to sell part of your Rights through your stockbroker and accept the balance you should contact your stockbroker and provide details as requested which appear overleaf.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

Instructions to your Stockbroker

I/We have accepted

New Shares as per reverse side

And attach a cheque/bank draft for

A\$

being acceptance monies at A\$0.04 per New Share

I/We wish to sell

Rights to Ordinary Shares

4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from your stockbroker.

5. OVERSEAS SHAREHOLDERS

The Prospectus and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand or to any person to whom it would not be lawful to issue the Prospectus. By applying for New Shares under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Blackham Resources Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Blackham Resources Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (WST) on Monday, 12 February 2018. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Blackham Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Blackham Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.