

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Blackham Resources Limited

ABN

18 119 887 606

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | <u>Entitlement Offer</u>
1. Fully paid ordinary shares
2. Listed options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <u>Entitlement Offer</u>
1. Up to 1,720,917,084 fully paid ordinary shares (New Shares)
2. Up to 573,639,028 quoted options exercisable at \$0.03 on or before 12 October 2020 (New Options)

1&2 are pursuant to a renounceable entitlement offer (Entitlement Offer) described in the prospectus lodged with the ASX post close of trading on 20 March 2019 (Prospectus) |

3	Principal terms of the ⁺ securities (e.g. if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion)	<p>The terms of the New Shares are the same as the terms for existing fully paid ordinary shares (Shares)</p> <p>The New Options will be exercisable at \$0.03 on or before 12 October 2020</p>
4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes – New Shares will rank equally with existing Shares.</p> <p>No – subject to the satisfaction of ASX requirements, the New Options will be quoted. Shares issued upon exercise of New Options will rank equally with existing Shares.</p>
5	Issue price or consideration	<ol style="list-style-type: none"> 1. New Shares - \$0.015 2. New Options - Nil (free attaching)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds raised from the Entitlement Offer will be used for the purpose described in the entity's Prospectus lodged with the ASX post close of trade on 20 March 2019
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2018

6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil	
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil	
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of ⁺ securities issued under an exception in rule 7.2	All securities issued under the Entitlement Offer are expected to fall within Exception 1, Exception 2 or Exception 3 of Listing Rule 7.2.	
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	336,055,860	
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Proposed to be 15 April 2019 for the New Shares and New Options	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		3,097,650,751	Fully paid ordinary shares
		573,639,028	Quoted options exercisable at \$0.03 and expiring on 12 October 2020

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		1,000,000	\$1.00 Options expiring on 1 June 2019
		200,000	\$0.57 Options expiring on 31 December 2019
		2,000,000	\$0.308 Options expiring on 29 February 2020
		42,686,684	ZEPO's (with vesting conditions measured over a 3 year period ending 31 December 2020) expiring on 31 December 2021
		1	Convertible Note 1
		72,000,000	Unlisted options exercisable at \$0.08 at any time in the period from 14 February 2019 to 13 February 2024
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the ⁺ securities will be offered	Five (5) New Shares for every four (4) Shares held on the Record Date with One (1) free attaching New Option for every three (3) New Shares issued.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares and quoted options
15	⁺ Record date to determine entitlements	26 March 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

⁺ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand and Panama
19	Closing date for receipt of acceptances or renunciations	5pm (AEDT) on 8 April 2019
20	Names of any underwriters	Hartleys Limited (Hartleys)
21	Amount of any underwriting fee or commission	Under the Underwriting Agreement, the Company has agreed to: (a) pay Hartleys a lead manager fee of up to 6% of the amounts underwritten; (b) issue to Hartleys (or its nominee) 5,000,000 New Shares and 100,000,000 New Options. Hartleys will direct 50,000,000 of the 100,000,000 New Options are issued to Morgans Corporate Limited.
22	Names of any brokers to the issue	Morgans Corporate Limited and Hartleys (Joint Lead Managers)
23	Fee or commission payable to the broker to the issue	See item 21 above
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	28 March 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	20 March 2019

⁺ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	25 March 2019
29	Date rights trading will end (if applicable)	1 April 2019
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Per section 2.10 of the Prospectus, provide instructions to their stockbroker regarding the number of rights they wish to sell.
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Per sections 4.2 & 2.10 of the Prospectus, complete the Entitlement and Acceptance Form for the number of New Shares and New Options they wish to accept according to the instructions on the form and send to the company's share registry. Subsequently provide instructions to their stockbroker regarding the number of rights the wish to sell.
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	15 April 2019

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

- 38 Number of securities for which ⁺quotation is sought
- 39 Class of ⁺securities for which quotation is sought
- 40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
-
- 42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)
- | Number | ⁺ Class |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date 20 March 2019
(Company Secretary)

Print name: Anthony Rechichi

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,265,488,914
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	104,428,422
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	1,369,917,336

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	205,487,600
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	205,487,600
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	205,487,600

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,369,917,336
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	136,991,734
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	6,423,474
“E”	6,423,474
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	136,991,734
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	6,423,474
Total [“A” x 0.10] – “E”	130,568,260 <i>Note: this is the remaining placement capacity under rule 7.1A</i>