



Saracen Mineral Holdings Limited

ACN: 009 215 347

ASX Announcement

8 July 2019

ASX Limited
Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By hand and via email

Bidder's Statement – Off-market bid for Bligh Resources Limited (ACN 130 964 162) (ASX: BGH) ("Bligh") by Saracen Metals Pty Ltd (ACN 107 154 727) ("Saracen Metals")

Enclosed, in accordance with section 633(1) item 5 of the Corporations Act 2001 (Cth), is a copy of the Bidder's Statement issued by Saracen Metals, a wholly owned subsidiary of Saracen Mineral Holdings Limited (ACN 009 215 347) (ASX: SAR), in relation to an off-market takeover bid to the shareholders of Bligh to acquire all of the fully paid ordinary shares in Bligh.

The Bidder's Statement has been lodged with the Australian Securities and Investments Commission and sent to Bligh earlier today.

Saracen Metals and Bligh have agreed the following important dates in respect of the Offer:

Event	Date
Offer Date	10 July 2019
Dispatch of the Bidder's Statement and Target's Statement to Bligh Shareholders	10 July 2019
Offer scheduled to close (unless extended in accordance with the Corporations Act)	7:00pm (Sydney Time) on 12 August 2019

Yours faithfully

Jeremy Ryan
Company Secretary
Saracen Mineral Holdings Limited



Saracen

RECOMMENDED OFFER

By
Saracen Mineral Holdings Ltd

Accept Now

Saracen Mineral Holdings Ltd (through its wholly owned subsidiary Saracen Metals Pty Ltd ACN 107 154 727) is offering to acquire all of Your Bligh Shares for 0.0369 Saracen Shares for every 1 of Your Bligh Shares.

This is an important document and if you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible.

Lead Advisor and Legal Advisor



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THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT YOU SHOULD CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

Important Dates

Announcement Date for the Offer: **14 June 2019**

Date of Bidder's Statement: **08 July 2019**

Offer Date: **[insert date]**

Offer scheduled to close (unless extended in accordance with the Corporations Act): **7:00pm (Sydney Time) on [insert date]**

How to Accept

To accept the Offer you must follow the instructions set out in section 4 of this Bidder's Statement. Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period.

Important Notices

This Bidder's Statement is given under Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and relates to the Offer. It is given by **Saracen Metals Pty Ltd ACN 107 154 727 (Saracen Metals or Bidder)** to **Bligh Resources Limited ACN 130 964 162 (Bligh or Target)**.

The Offer will close at 7:00pm (Sydney Time) on **[insert date]** unless extended in accordance with the Corporations Act.

1. **Important Notices**

YOU SHOULD READ THIS BIDDER'S STATEMENT IN ITS ENTIRETY

This Bidder's Statement is dated 8 July 2019. A copy of this Bidder's Statement was lodged with ASIC on that date. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Bidder's Statement.

The Offer contained in this Bidder's Statement is to acquire all Bligh Shares. The full terms of the Offer are as set out in sections 12 to 15 of this Bidder's Statement. The Bidder's Statement has been prepared by and is given by the Bidder.

This Bidder's Statement does not, however, take into account your individual investment objectives, financial situation or particular needs. You should seek independent financial and taxation advice in relation to this Bidder's Statement and the Offer before deciding whether or not to accept the Offer.

1.1 Definitions

Terms used in this Bidder's Statement have the meaning given to them in the Glossary at section 17 of this Bidder's Statement. The Glossary also includes certain rules of interpretation which apply to this Bidder's Statement.

1.2 Foreign Shareholders

The distribution of this Bidder's Statement in some countries may be restricted by law or regulation. If you receive this Bidder's Statement outside Australia you should inform yourself of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Bidder or to otherwise permit a public offering of Saracen Shares outside Australia.

Saracen Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities law.

1.3 Forward-looking statements

This Bidder's Statement contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements.

You should note that forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from implied values or anticipated results, performance or achievements expressed or implied in those forward-looking statements.

None of Saracen Metals, Saracen, nor any of their officers, nor any persons named in this Bidder's Statement with their consent, nor any person involved in the preparation of this Bidder's

Statement, makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and you are cautioned not to place undue reliance on those statements.

1.4 **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement, including those in respect of the Offer Price, are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations in this Bidder's Statement.

1.5 **Information on Bligh**

The information concerning Bligh, Bligh Shares and Bligh Securities in this Bidder's Statement has been obtained from publicly available information. The information in this Bidder's Statement concerning Bligh and the assets and liabilities, financial position and performance, profits and losses and prospects of Bligh, have not been independently verified by Saracen or the Saracen Group. Accordingly, Saracen and the Saracen Group do not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Bligh, has also been prepared using publicly available information. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Neither the Saracen Group nor any of its Directors, officers or advisers assumes any responsibility for the accuracy or completeness of this information.

1.6 **No internet site is part of this Bidder's Statement**

Saracen Group maintains an internet site at www.saracen.com.au. Any references in this Bidder's Statement to an internet site are a textual reference for information only and no information in any internet site forms part of this Bidder's Statement.

1.7 **Privacy statement**

The Bidder has collected certain information about you from the Bligh Register for the purposes of making the Offer. Without this information, the Bidder would be hindered in its ability to make the Offer to you. The type of information collected about you includes your name, address, contact details and information on your shareholding in Bligh.

Under the Corporations Act, the name and address of security holders are required to be held in a public register. In connection with the Offer, your information may be shared on a confidential basis with members of Saracen Group and certain external service providers (such as advisers and providers of print services), and may be required to be disclosed to certain regulators, including ASIC. If you would like details of information about you held by Saracen Group or Bligh, please contact Saracen on 08 6229 9157 or call Bligh on 08 9336 3388.

1.8 Questions

If you have any questions in relation to the Offer or this Bidder's Statement, please call Fiona Baird from Saracen on 08 6229 9157 between 9am and 5pm (Perth Time).

2. Chairman's Letter

Dear Bligh Shareholders,

RECOMMENDED OFF-MARKET TAKEOVER BID FOR BLIGH

On behalf of the Saracen Board, I am pleased to present to you Saracen Metals' Offer to acquire all of Your Bligh Shares for 0.0369 Saracen Shares for every 1 Bligh Share you own. The Offer Price is final, and cannot be increased during the Offer Period in the absence of a Superior Proposal.

The Offer values Bligh at approximately \$38.2 million or 12.8c per Bligh Share¹. This represents an attractive premium of 97% to the last closing price before the Announcement Date of 6.5c per Bligh Share.

Becoming a Saracen Shareholder

Saracen is an ASX listed Australian gold mining company with a market capitalisation of AUD\$3.1 billion and forecast annual production for FY 2019 in excess of 345,000oz p.a. Saracen owns two producing gold assets in Western Australia being Carosue Dam and Thunderbox. Thunderbox is approximately 30km north of Bligh's Bundarra Gold Project, providing access to key infrastructure for the potential future development of the Bundarra Gold Project.

We are excited by the future of Saracen and have outlined to shareholders a strategy to target annual gold production of 400,000oz p.a. through growing our existing operations at Carosue Dam and Thunderbox. As a Saracen Shareholder you will become exposed to our core assets, significant exploration potential, experienced people and debt free balance sheet providing a strong platform to achieve our growth targets.

Support from Bligh Directors and Bligh's Majority Shareholder

Saracen is pleased that the Bligh Board have unanimously recommended that Bligh Shareholders accept the Offer in the absence of a Superior Proposal.

Further, Bligh's Directors (who hold a Relevant Interest in Bligh Shares) and Majority Shareholder, Zeta, which together represent 88.47% of Bligh Shares, have indicated they intend to accept the Offer in absence of a Superior Proposal.

Conditions to the Offer

The Offer is subject to a number of conditions including a 90% minimum acceptance condition and other customary conditions, including no prescribed occurrences in Bligh, and no material adverse changes in Bligh. Further detail of the Offer and the Conditions are set out in this Bidder's Statement.

How to Accept

We encourage you to **ACCEPT** this Offer as soon as possible. The Offer is open for your acceptance until **[insert date]**, unless extended.

¹ Based on Saracen's closing share price on 13 June 2019, being the date prior to the Announcement Date.

To accept the Offer, please follow the instructions in this Bidder's Statement and the accompanying Acceptance Form. If you require additional assistance or have any questions about the Offer please call Saracen on 08 6229 9157.

We appreciate your consideration of the Offer and I look forward to welcoming you as a Saracen Shareholder.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Kiernan', with a long horizontal flourish extending to the right.

Anthony Kiernan
Chairman
Saracen Mineral Holdings Limited

3. Offer Summary and Key Information

Question	Answer
What is the Offer?	The Bidder is offering to acquire all of Your Bligh Shares on the terms set out in this Bidder's Statement.
Who is the Bidder?	The Bidder is Saracen Metals Pty Ltd ACN 107 154 727, a wholly owned subsidiary of Saracen Mineral Holdings Ltd ACN 009 215 347. Further information on the Bidder and Saracen is set out in section 6.
What will I receive if I accept the Offer?	If you accept the Offer, subject to the satisfaction of the Conditions, you will receive 0.0369 Saracen Shares for each of Your Bligh Shares. This values Your Bligh Shares at \$0.128 per share. ² Further details of the Offer Consideration are set out in section 12.4 and 14.
What choices do I have as a Bligh Shareholder?	As a Bligh Shareholder, you have the following choices in respect of Your Bligh Shares: <ul style="list-style-type: none"> • accept the Offer in respect of all of Your Bligh Shares; • sell some or all of Your Bligh Shares on ASX (which may be at a higher or lower price than the Offer Consideration); • sell some of Your Bligh Shares on ASX and accept the Offer in respect of all your remaining Bligh Shares; or • do nothing. There are implications for each of these choices, including that Your Bligh Shares may be compulsorily acquired even if you do not accept the Offer.
What do the Bligh Directors recommend?	The Bligh Directors unanimously recommend you accept the Offer, in the absence of a Superior Proposal.
What conditions are attached to the Offer?	The Offer is subject to the following conditions: <ul style="list-style-type: none"> • a minimum acceptance of 90%; • no Prescribed Event occurring; • an application for admission to quotation by ASX of the new Saracen Shares to be issued; • no regulatory action is made which restrains, prohibits or impedes the Offer; • issue or receipt of all required Regulatory Approvals; • restrictions on acquisitions, disposals and expenditure of Bligh; • no Material Adverse Change occurs in respect of Bligh; • financier undertakings given by the Majority Shareholder; • receipt of all Third Party Consents; and • no material breach of representation or warranty given by Bligh under the Bid Implementation Deed. This is only a summary of the Conditions. Full details of the Conditions of the Offer are set out in section 13.
When does the Offer close?	The Offer is currently scheduled to close at 7:00pm (Sydney Time) on [insert date] , unless extended in accordance with the Corporations Act.
Can the Bidder extend the Offer Period?	Yes, the Offer Period can be extended in accordance with the Corporations Act and as otherwise outlined at section 12.5. If the Offer Period is

² Based on the Saracen closing price of \$3.47 per share on 13 June 2019, the last trading day prior to the Announcement Date.

Question	Answer
	extended, the Bidder will give a notice to Bligh, the ASX and Bligh Shareholders, as required by the Corporations Act, setting out the terms of the extension.
What happens if Bligh declares a dividend on or after the Announcement Date?	<p>The Offer is subject to a Condition that between the Announcement Date and the end of the Offer Period, Bligh does not do anything in contravention of the conduct of business restrictions in the Bid Implementation Deed, including announcing, making, paying, declaring or distributing any distributions of profits or paying any dividend or other distribution on Bligh Shares. If Bligh does any of these things, then unless Saracen waives the breach of this Condition, the Offer will lapse.</p> <p>Further, if you accept the Offer and Saracen waives the breach of this condition, the Bidder will be entitled to all Rights in respect of Your Bligh Shares.</p>
What are the Bidder's intentions in relation to Bligh?	The Bidder has set out its intentions in section 9.
Are there any risks in accepting the Offer?	<p>If you accept the Offer, you will become a Saracen Shareholder (unless you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder).</p> <p>There are risks associated with holding Saracen Shares, summarised in section 10. In deciding whether or not to accept the Offer, you should carefully consider those risks.</p>
What are the tax implications if I accept the Offer?	<p>Each Bligh Shareholder's tax position is different. Therefore, Bligh Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Offer, including the application and effect of income tax and other tax laws to their particular circumstances.</p> <p>A summary of the general Australian income tax, stamp duty and GST consequences for certain Bligh Shareholders who accept in the Offer is set out in Section 11. However, Bligh Shareholders should not rely on the summary in Section 11 in substitution for specific advice on their own affairs from a registered tax agent.</p>
Can I accept the Offer for part of my holding?	No, the Offer is only in respect of ALL of Your Bligh Shares.
Can I sell my Bligh Shares on market?	Yes, you can sell some or all of Your Bligh Shares on market, but only if you have not accepted the Offer.
Will I pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay stamp duty on the disposal of Your Bligh Shares if you accept the Offer.</p> <p>If Your Bligh Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to the Bidder in accordance with section 12.6, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If Your Bligh Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Bligh Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>
What happens if I accept the Offer?	<p>Generally, the Bidder will provide your Offer Consideration to you on or before the earlier of:</p> <ul style="list-style-type: none"> • one month after you accept the Offer or one month after all of the Conditions have been satisfied or waived (whichever is the later); and • 21 days after the end of the Offer Period.

Question	Answer
	<p>Subject to the Corporations Act and the Conditions being satisfied or waived, the Bidder will use reasonable endeavours to provide your Offer Consideration to you within seven days of the Offer becoming unconditional or your acceptance of the Offer (whichever occurs first in time).</p> <p>Full details of when Offer Consideration will be provided are set out in section 14.</p> <p>Ineligible Foreign Shareholders and Small Parcel Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time (see section 14.4).</p>
<p>What if I am an Ineligible Foreign Shareholder or a Small Parcel Shareholder?</p>	<p>Ineligible Foreign Shareholders and Small Parcel Shareholders that accept the Offer will not receive new Saracen Shares. Rather, the new Saracen Shares that Ineligible Foreign Shareholders and Small Parcel Shareholders would have been entitled to receive will be issued to, and sold by, a nominee and the net proceeds attributable to each Ineligible Foreign Shareholder or Small Parcel Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Ineligible Foreign Shareholders should read section 14.4 which provides further information on Ineligible Foreign Shareholders, Small Parcel Shareholders and the nominee sale process. Saracen's determination of whether a Bligh Shareholder is an Ineligible Foreign Shareholder or Small Parcel Shareholder shall be final.</p>
<p>What are the consequences of accepting the Offer now?</p>	<p>Once you accept the Offer you will not be able to sell Your Bligh Shares on market, accept any other offer or otherwise deal with Your Bligh Shares, even if a Superior Proposal is subsequently made by a Third Party, unless the Offer closes in circumstances where all of the Conditions to the Offer have not been satisfied or waived.</p>
<p>Can I withdraw my acceptance?</p>	<p>You may only withdraw your acceptance during the Offer Period if the Offer Period is extended by more than one month and the Offer has not been declared unconditional.</p>
<p>What happens if I do not accept the Offer?</p>	<p>If you do not accept the Offer by the Closing Date, and the Bidder becomes entitled to compulsorily acquire all remaining Bligh Shares as a consequence of the Bidder and its Associates having a relevant interest in at least 90% of the Bligh Shares, the Bidder intends to exercise its compulsory acquisition rights to acquire Your Bligh Shares.</p> <p>In these circumstances, you will receive the Offer Consideration but you will receive the Offer Consideration sooner if you accept the Offer rather than having Your Bligh Shares compulsorily acquired.</p> <p>If you do not accept the Offer by the Closing Date, and the Bidder is not entitled to compulsorily acquire all remaining Bligh Shares on issue, you will remain a Bligh Shareholder. Saracen's intentions in respect of Bligh in this situation are set out in section 9.</p>
<p>How do I reject the Offer?</p>	<p>To reject the Offer, you do not need to do anything. Simply take no action in response to this Bidder's Statement.</p>
<p>Where do I get an Acceptance Form?</p>	<p>A personalised Acceptance Form and reply paid envelope have been enclosed with this Bidder's Statement.</p>
<p>What if I require further information?</p>	<p>You can call Saracen directly on 08 6229 9157.</p>
<p>Important notice</p>	<p>YOU SHOULD READ THIS BIDDER'S STATEMENT IN ITS ENTIRETY.</p> <p>The information in section 3 is only a summary of the Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.</p>

Question	Answer
	You should read the entire Bidder's Statement and the Target's Statement, before deciding whether to accept the Offer.

4. How to Accept

Complete and sign the Acceptance Form enclosed with this Bidder's Statement and deliver it to:

By hand	By mail (a reply paid envelope is enclosed)
<p>Computershare Investor Services Pty Limited (between 9:00am – 5pm during weekdays) 452 Johnston Street Abbotsford Victoria 3067 Australia</p>	<p>Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia</p>

so that it is received before 7.00pm (Sydney Time) on **[insert date]**, unless the Offer is extended in accordance with the Corporations Act. Please note that the Acceptance Form may only be hand delivered to the abovementioned address.

A reply paid envelope has been enclosed for Bligh Shareholders with Australian addresses to return their completed Acceptance Form. Foreign Shareholders should return their Acceptance Form by using the enclosed self-addressed envelope.

Alternatively, if Your Bligh Shares are in a CHESS Holding you may instruct your Controlling Participant (usually your broker) to accept on your behalf (or if you are a Controlling Participant you may yourself initiate acceptance), in accordance with the ASX Settlement Operating Rules, before 7.00pm (Sydney Time) on **[insert date]** unless the Offer is extended in accordance with the Corporations Act.

If you are a Controlling Participant, you must initiate acceptance yourself under rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period.

For further details as to how to accept the Offer, please read section 12.6 of this Bidder's Statement.

5. *Reasons Why You Should Accept the Offer*

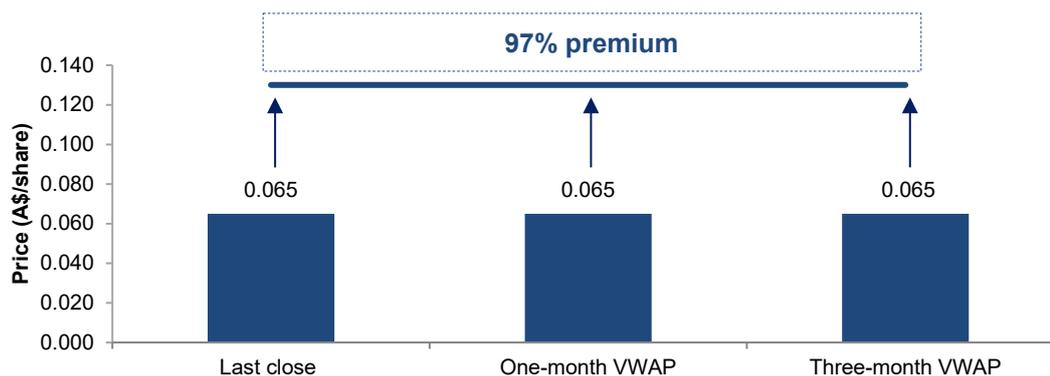
1	The Offer represents a premium of 97%
2	Your Board unanimously recommends you ACCEPT the Offer in the absence of a Superior Proposal
3	Your Board and Majority Shareholder, which represent 88.47% of the fully diluted Bligh Shares, intend to accept the Offer in the absence of a Superior Proposal
4	You will become a shareholder in a successful Australian gold producer
5	You will have access to improved trading liquidity
6	Bligh will require funding in the absence of the Offer
7	The Offer Price is final and cannot be increased during the Offer Period, in absence of a Superior Proposal
8	Bligh Shareholders may receive CGT rollover relief for the Offer Consideration
9	Trading price of Bligh Shares may fall if the Offer is unsuccessful

5.1 The Offer represents a premium of 97%

Under the Offer, you will receive 0.0369 new Saracen Shares for each of Your Bligh Shares.

Based on the last closing price of Saracen Shares on 13 June 2019, being the day prior to the Announcement Date, of \$3.47 per share, the Offer values Your Bligh Shares at \$0.128 per Bligh Share. As show in Figure 1, the Offer represents a premium of 97% to the levels at which Bligh Shares have traded over the three months prior to the Announcement Date, as the trading price of Bligh Shares has been consistent across that time.³

Figure 1: Offer premium⁴



Since the Announcement Date, Saracen's share price has traded from \$3.66 to \$3.85, and the Offer now values Your Bligh Shares at 13.9 cents per share, based on the Last Practical Trading Date of \$3.78⁵. You should note that any market fluctuations in the price of Saracen Shares would impact the implied value of the Offer Consideration.

5.2 Your Board unanimously recommends you accept the Offer

The Board of Directors of Bligh unanimously recommend you accept the Offer in the absence of a Superior Proposal.

5.3 Your Board and Majority Shareholder, which represent 88.47% of the fully diluted Bligh Shares, intend to accept the Offer

The Bligh Directors (who hold a Relevant Interest in Bligh Shares) have indicated it's their intention to accept the Offer for the Bligh Shares they own, in the absence of a Superior Proposal. Collectively, the Bligh Directors own 3.43% of all of Bligh's Shares as at the date of the Bidder's Statement.

Bligh's Majority Shareholder, Zeta, owns 85.03% on a fully diluted basis of all Bligh Shares and has indicated its intention to accept the Offer for all Shares it owns, in absence of a Superior Proposal and the Bid Implementation Deed not being terminated, on the date which is 21 days after the Offer Date.

³ Based on Saracen's closing share price of \$3.47 on 13 June 2019.

⁴ Source: Share price data retrieved from Bloomberg as at 13 June 2019.

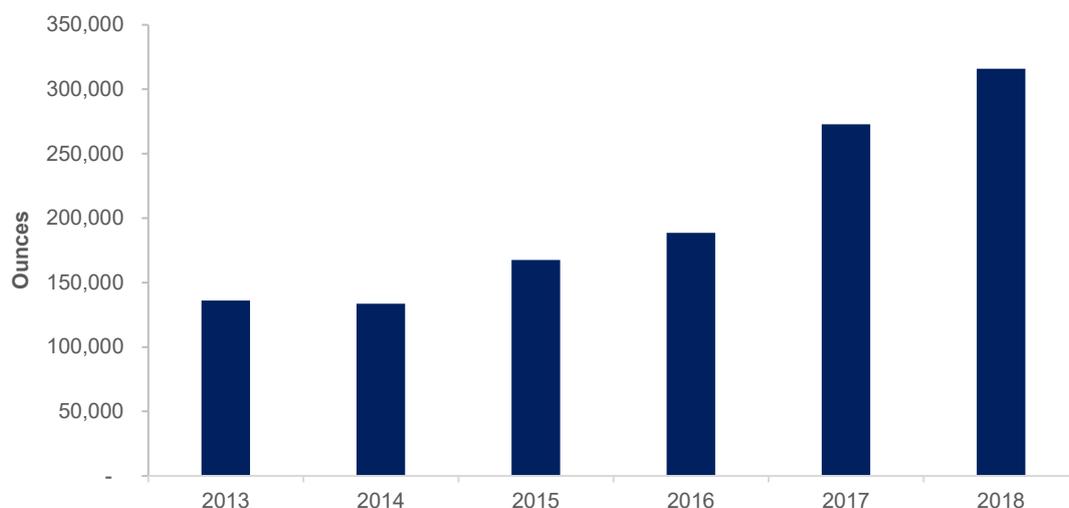
⁵ Source: Share price data retrieved from Bloomberg as at Last Practical Trading Date.

The shareholding of the Bligh Directors and Zeta together represent 88.47% of Bligh Shares, Saracen Metals requires acceptances of a further 4,578,489 Bligh Shares, representing 1.53% of all Bligh Shares for the Offer's 90% minimum acceptance condition to be satisfied, and allowing Saracen Metals to proceed with compulsory acquisition of Bligh.

5.4 You will become a shareholder in a successful Australian gold producer

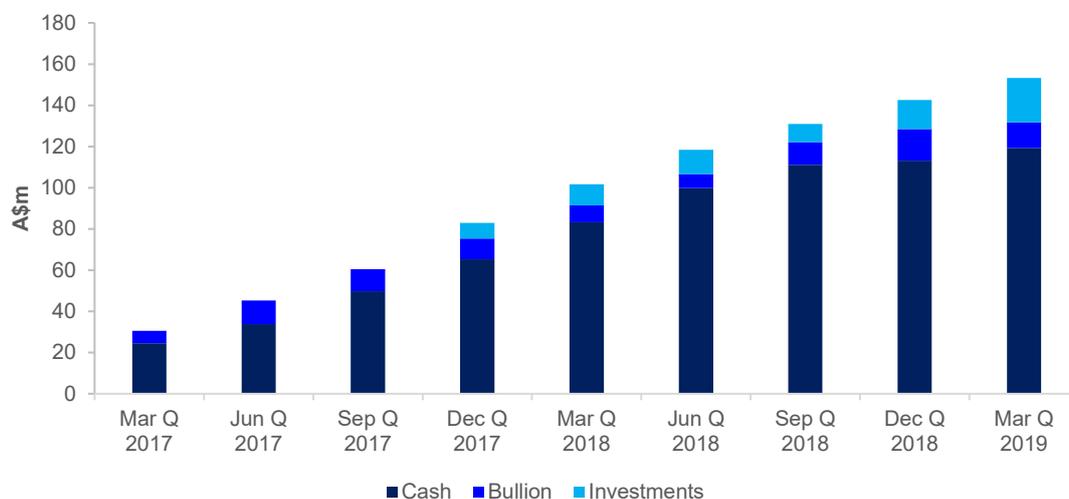
Saracen is an Australian gold exploration and production company with a track record of increasing annual production, Resources and Reserves and strengthening its balance sheet for the continued investment and development of its asset portfolio.

Figure 2: Saracen's historical annual production profile



Saracen successfully acquired the Thunderbox mine in 2014 and brought it back into production in 2016 substantially increasing Saracen's production profile and cash generating capacity. Saracen has recorded 9 consecutive quarters of increasing its cash balance providing significant financial capacity to continue the development of Saracen's asset portfolio which will include Bligh's Bundarra gold project if the Offer is successful.

Figure 3: Saracen's quarterly cash and cash equivalent balance



5.5 **You will have access to improved liquidity**

You will receive 0.0369 Saracen Shares for each of Your Bligh Shares. Owning Saracen Shares will substantially increase your trading liquidity by giving you access to a frequently traded stock.

In the three months prior to the Announcement Date, a total of 104,154 shares or \$6,770 worth of Bligh Shares have been traded on the ASX, compared to 6,159,452 shares or \$21,445,159 worth of Saracen Shares that were traded on the last trading day prior to the Announcement Date. The ability to more frequently trade Your Bligh Shares will allow you greater flexibility to realise the value of your investment.

5.6 **Bligh will require funding in absence of the Offer**

Bligh has a cash balance of A\$60,000⁶. Prior to this Offer, Bligh was proposing an Entitlement Offer to raise \$2,859,121 to fund exploration at Bundarra, satisfy outstanding debts owed to the Majority Shareholder and for working capital purposes.

Given the Offer, the proposed Entitlement Offer has been withdrawn by the Bligh Directors and Bligh Shareholders will not need to provide additional equity funding to Bligh reducing your current risk of exposure to share dilution if you were unable to or did not wish to participate in the Entitlement Offer.

5.7 **The Offer Price is final and cannot be increased during the Offer Period, in absence of a Superior Proposal**

Saracen Metals has declared that its Offer Price is final and cannot be increased during the Offer Period, in the absence of a Superior Proposal.

In addition, Saracen Metals and Bligh are not aware of any party intending to make a Superior Proposal for Your Bligh Shares, and as at the date of this Bidder's Statement, the Offer is the only offer available.

5.8 **Bligh Shareholders may receive CGT rollover relief for the Offer Consideration**

Each Bligh Shareholder's tax position is different. Therefore, Bligh Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Offer, including the application and effect of income and other tax laws to their particular circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Bligh Shareholders who accept the Offer is set out in Section 11. However, Bligh Shareholders should not rely on the summary in Section 11 in substitution for specific advice on their own affairs. As further detailed in Section 11, Australian tax resident Shareholders of Bligh who hold their shares on capital account may be able to claim scrip for scrip Capital Gains Tax roll-over relief provided that Saracen acquires 80% or more of all Bligh Shares. Australian tax resident shareholders qualify for roll-over relief and elect for roll-over relief to apply, should not trigger a liability on the exchange of their Bligh shares for Saracen Shares.

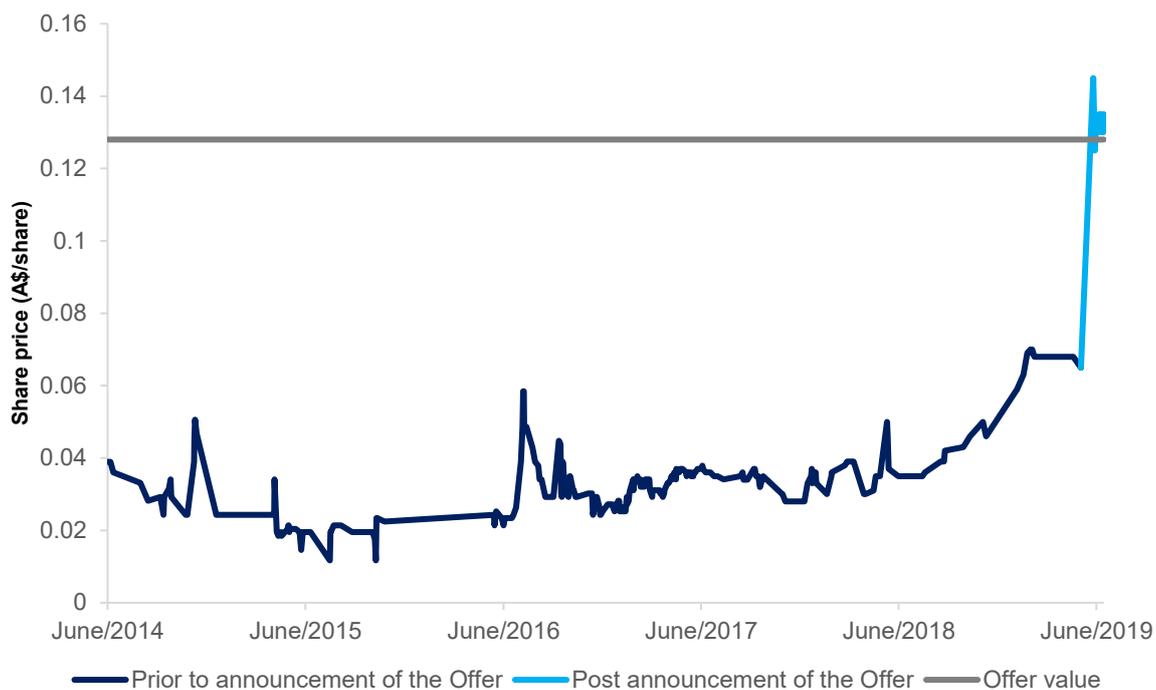
⁶ Bligh March 2019 Quarterly Activities Report.

5.9 Trading price of Bligh Shares may fall if the Offer is unsuccessful

Prior to the Announcement Date, Bligh Shares have not traded at or above the implied value of the Offer Consideration over the last five years.

If the Offer is not successful and no alternative offer for Bligh emerges, the Bligh Share price is likely to fall below the implied value of Bligh Shares under the Offer.

Figure 4: Bligh five-year trading performance⁷



⁷ Source: Share price data retrieved from Bloomberg as at Last Practical Trading Date.

6. Information About Saracen

6.1 Overview of Bidder

The Bidder under the Offer is Saracen Metals Pty Ltd ACN 107 154 727, a wholly owned subsidiary of Saracen and member of the Saracen Group.

Saracen is a Western Australia based gold mining Company listed on the ASX (ASX 200). Saracen's primary focus is to continue the development of the Thunderbox and Carosue Dam operations which are forecast to produce in excess of 345,000oz for the year end 30 June 2019.⁸ Saracen was incorporated in 1987 and listed on the ASX in 1989 (ASX:SAR). As at the Last Practical Trading Day, Saracen had a market capitalisation of A\$3.1 billion. Additionally, Saracen is well capitalised to take advantage of future growth opportunities in the region due to having no drawn debt and a cash and cash equivalents balance of \$153 million.⁹

6.2 Saracen Metals Directors and Saracen Directors

As at the date of this Bidder's Statement, there are six members of the Saracen Board and the Saracen Metals Board. The Saracen Directors and the Saracen Metals Directors are as follows:

- (a) Mr Anthony Kiernan (Non-Executive Chairman, appointed 13 September 2018)

Mr Kiernan is a former solicitor with extensive experience gained over 35 years in the management and operation of listed public companies. Mr Kiernan has extensive experience as a Director of public listed companies and is currently the Non-Executive Chair of Pilbara Minerals Ltd and Venturex Resources Ltd. Mr Kiernan is also the Chairman of the Fiona Wood Foundation.

- (b) Mr Raleigh Finlayson (Managing Director, appointed 2 April 2013)

Mr Finlayson is a Mining Engineer with over 20 years' of technical and operational experience in the mining industry. Mr Finlayson previously held positions of Underground Manager for Panoramic Resources and various mining engineering roles with OceanaGold and Gold Fields. Mr Finlayson has served as the President of the WA School of Mines Alumni since 2017. Mr Finlayson studied at the Western Australian School of Mines, is the holder of a First Class Mine Managers Certificate and a Graduate Certificate in Applied Finance and Investment.

⁸ As reported in Saracen's May 2019 Corporate Presentation. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available to be viewed at <https://www.saracen.com.au/about-us/resources-reserves/>. Saracen is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The form and context in which the competent person's findings are presented have not been materially modified from the original market announcement (**Reporting Statement**).

⁹ As reported in Saracen's March 2019 Quarterly Report.

- (c) Mr Martin Reed (Non-Executive Director, appointed 24 August 2012)

Mr Reed is a qualified mining engineer (BE Mining, Grad Dip Management, AICD Diploma) with over 45 years' of experience in operations management and project development across a range of commodities, countries, and sizes of operations. Previous roles have included Chief Operating Officer and Project Manager for a number of metals companies including Sandfire Resources, St Barbara Ltd and Paladin Energy Ltd.

- (d) Dr Roric Smith (Non-Executive Director, appointed 4 July 2017)

Dr Smith is a highly experienced geologist with extensive Australian and international experience and is currently a Non-Executive Director for mid-tier ASX-listed copper producer Sandfire Resources. Prior to joining Saracen, Dr Smith served as Vice President of Discovery, Chief Geologist for Evolution Mining and Senior Vice President of Global Greenfield Exploration at AngloGold Ashanti. Dr Smith holds a B.Sc (Hons) Geology and Ph.D from the University of Natal in South Africa.

- (e) Ms Samantha Tough (Non-Executive Director, appointed 1 October 2013)

Ms Tough has over 20 years' experience on public and private company boards. Ms Tough is a Director of Clean Energy Finance Corporation, Synergy and OxMt Pty Ltd and the Chair of COAG National Energy Selection Panel. Previous positions include Chair of Southern Cross Goldfields Ltd, Chair of Retail Energy Market Company, Chair of Aerison Pty Ltd, Chair of Advanced Well Technologies Pty Ltd, Chair of Proactiv Pty Ltd, Director of Strike Resources Ltd, Murchison Metals Ltd and Cape LLC. Executive roles include General Manager of North West Shelf at Woodside Energy Ltd, Director of Strategy for Hardman Resources Ltd, Senior Vice President (Natural Resources) at the Commonwealth Bank and Project Director for the Pilbara Power Project.

Ms Tough completed a Bachelor of Laws and Bachelor of Jurisprudence at the University of Western Australia and is a Fellow of the AICD.

- (f) John Richards (Non-Executive Director, appointed 1 May 2019)

Mr Richards is an economist with more than 35 years' experience in the resources industry. During this time he has been involved in a wide range of mining M&A transactions in multiple jurisdictions. Previous positions include Group Executive - Strategy and Business Development at Normandy Mining, Head of Mining and Metals Advisory (Australia) at Standard Bank, Managing Director at Buka Minerals and Operating Partner at GNRI. Mr Richards holds a B Econ (Hons) from the University of Queensland.

6.3 Overview of assets and recent activities of Saracen Metals and Saracen

Saracen Metals currently holds the Thunderbox mine, supporting infrastructure and associated tenements. Saracen Metals is a wholly-owned subsidiary of Saracen.

Saracen's Thunderbox and Carosue Dam mines collectively consist of Mineral Resources of 8,600,000oz and Ore Reserves of 2,500,000oz (Figure 2).¹⁰ Saracen has a strong history of profitability, with group production guidance for FY 2019 of 345,000 to 365,000oz at an all-in sustaining cost ("AISC") of A\$1,050-A\$1,100/oz.¹¹

(a) **Thunderbox (100% owned by Saracen)**

The Thunderbox Operation is currently comprised of the Thunderbox and Kailis open-pit mines and the Otto Bore, Bannockburn and Waterloo deposits. The operation is located 45km south of the town of Leinster in WA, immediately adjacent to the sealed Goldfields Highway. Collectively, the mine sites contain 3,600,000oz of Mineral Resources and 1,300,000oz of Ore Reserves as at 30 June 2018. Thunderbox is highly profitable, currently operating at an AISC of A\$972/oz and forecast to produce 140,000oz to 150,000oz for FY 2019¹². The operation has significant upside potential with opportunities to increase production including: the Thunderbox underground mine as well as the Bannockburn, Thunderbox D Zone and Otto Bore open pits.¹³

(b) **Carosue Dam (100% owned by Saracen)**

The Carosue Dam Operation is located within the South Laverton gold field, situated 120km North East of Kalgoorlie in Western Australia. The operation is comprised of a processing plant, accommodation and other infrastructure centrally located near the Karari and Whirling Dervish, underground gold mines. Collectively the sites contain 5,000,000oz of Mineral Resources and 1,200,000oz of Ore Reserves. Carosue Dam is highly profitable, currently operating at an AISC of A\$1,097/oz.¹⁴ Gold production is forecast to increase from 171,000oz in FY 2018, to over 190,000oz in FY 2019. The operation has significant upside potential with additional potential open pit deposits as well as the recent Atbara discovery in close proximity to the processing infrastructure.

Figure 5: JORC 2012 Resource and Reserve Statement¹⁵

Resource statement (JORC 2012) dated 30 June 2018

Location	Measured			Indicated			Inferred			Total		
	MT	g/t	koz	MT	g/t	koz	MT	g/t	koz	MT	g/t	koz
Thunderbox	5.0	1.4	230	47.0	1.8	2,700	14.0	1.4	650	66.0	1.7	3,600
Carosue Dam	7.7	1.8	450	47.0	2.1	3,100	25.0	1.7	1,400	80.0	1.9	5,000
Total Mineral Resources	13.0	1.6	680	94.0	1.9	5,800	39.0	1.7	2,100	150.0	1.8	8,600

¹⁰ As reported in Saracen's May 2019 Corporate Presentation. Refer to the Reporting Statement in footnote 8 above.

¹¹ As reported in Saracen's May 2019 Corporate Presentation. Refer to the Reporting Statement in footnote 8 above.

¹² As reported in Saracen's May 2019 Corporate Presentation. Refer to the Reporting Statement in footnote 8 above.

¹³ As reported in Saracen's May 2019 Corporate Presentation. Refer to the Reporting Statement in footnote 8 above.

¹⁴ As reported in Saracen's March 2019 Quarterly Report.

¹⁵ Tables extracted from Appendix A and B of Saracen's May 2019 Corporate Presentation.

**Reserve statement (JORC 2012) dated
30 June 2018**

Deposit	Proved Reserves			Probable Reserves			Total Ore Reserves		
	MT	g/t	koz	MT	g/t	koz	MT	g/t	koz
Thunderbox	2.4	1.3	97	2.0	1.7	1,200	24.0	1.7	1,300
Carosue Dam	1.2	1.1	41	5.0	2.5	1,200	16.0	2.3	1,200
Total Ore Reserves	3.6	1.2	140	37.0	2.0	2,400	40.0	1.9	2,500

6.4 Saracen share capital

As at the date of the Bidder's Statement, the total number of Saracen Shares on issue is 820,413,896 quoted fully paid ordinary shares. No options have been allocated. As at the date of this Bidders Statement there were 17,307,640 performance rights on issue which had not yet vested.

6.5 Saracen substantial shareholders

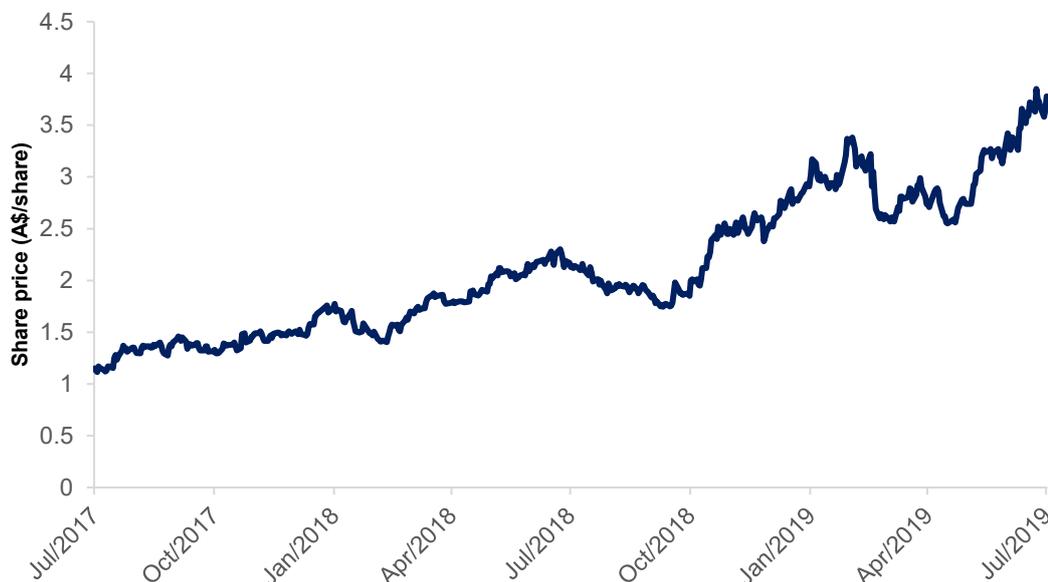
As at the Announcement Date, the following persons identified themselves as having a substantial holding (greater than 5% of the share capital on issue) in Saracen:

Shareholder	Shares	Equity
Van Eck Associates Corp	107,664,397	13.1%
BlackRock Inc	75,818,805	9.2%

6.6 Recent trading price

Saracen's share price performance over the last 24 months up until the Last Practical Trading Date:

Figure 6: Saracen share price performance¹⁶



6.7 Rights and liabilities attaching to Saracen Shares¹⁷

The rights and liabilities attaching to Saracen Shares are set out in Saracen's Constitution and are affected by the Corporations Act, the ASX Listing Rules and general law. A summary of some of the more significant rights attaching to Saracen Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Saracen Shareholders.

(a) Reports and notices

Saracen Shareholders are entitled to receive all notices, reports, financial statements and accounts and other documents required to be furnished to shareholders under applicable law.

(b) General meetings

Saracen Shareholders are entitled to be present in person, by proxy, attorney or representative to speak and to vote at general meetings of Saracen.

¹⁶ Source: Share price data retrieved from Bloomberg as at Last Practical Trading Date.

¹⁷ Constitution of Saracen (Amended 30 November 2006).

(c) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at the present time there are none), at a general meeting of Saracen, every Saracen Shareholder present in person, or by proxy, attorney or representative may vote. On a show of hands each Saracen Shareholder has one vote and where a poll is demanded each Saracen Shareholder has one vote for each Saracen Share they hold.

(d) **Dividends**

The Directors of Saracen may declare a dividend to be paid to Saracen Shareholders who are entitled to the dividend. The dividend will generally be payable on all Saracen Shares in accordance with section 254W of the Corporations Act.

(e) **Winding-up**

On the winding-up of Saracen, the liquidator may, upon the passing of a special resolution, divide the property of Saracen among the Saracen Shareholders and determine how the division is to be carried out as between the different classes of Saracen Shareholders. Subject to the rights of any Saracen Shareholder who holds shares with special rights in a winding-up, all money and property shall be distributed amongst Saracen Shareholders in proportion to the Saracen Shares held by them.

(f) **Transfer rights**

Generally, Saracen Shares are freely transferable whether on market or by written instrument, subject to the transfer not resulting in a contravention or failure to observe any applicable law, regulation or rule of any stock exchange on which the Saracen Shares are traded. Applicable securities laws and rules of any stock exchange on which Saracen Shares may be listed may also impose hold periods on such shares.

(g) **Variation of rights attached to the shares**

Subject to the Corporations Act and ASX Listing Rules, the rights attaching to Saracen Shares may be varied with the written consent of three quarters of the Saracen Shareholders or by special resolution passed by Saracen Shareholders.

(h) **Directors**

Saracen's constitution prescribes a minimum of 3 and a maximum of 15 directors and also contains provisions relating to the rotation and election of directors. Saracen Shareholders may appoint and remove a director from office by ordinary resolution.

6.8 Employee incentive plans

Saracen provides both long term incentives (**LTI**) and short term incentives (**STI**) as part of its executive remuneration framework to key management personnel. All STIs are payable in cash. This is in addition to remuneration received as part of a base salary and statutory superannuation.

LTI awards are structured to retain and incentivise key management personnel and selected employees to achieve business objectives and are aligned with Saracen Shareholder interests for the long term performance of the Group on an absolute basis and relative to peers. These are currently granted in the form of 3 to 5 year performance rights in line with the Saracen Shareholder approved long term incentive plan.

6.9 Rights and liabilities attaching to performance rights

Saracen approved the performance rights plan at the November 2017 AGM. It provides the Board with discretion to grant performance rights to eligible participants that will vest subject to the achievement of performance measures or KPIs as determined by the Board from time to time.

Information regarding Saracen's LTI and performance rights can be found in the Remuneration Report of the Director's Report in the Saracen 2018 Annual Report.

6.10 Financial profile of Saracen

Basis of preparation

The historical information below relates to Saracen on a stand-alone basis and accordingly does not reflect any impact of the Offer. The financial information is a summary only and the full financial accounts for Saracen are publicly available via the ASX.

Statement of financial position

The summarised historical statement of financial position of Saracen as at 31 December 2018 and 30 June 2018 set out below has been extracted from the 31 December 2018 consolidated statements, being the most recent financial statements prior to the release of this Bidder's Statement.

Consolidated balance sheet	\$AUD'000	\$AUD'000
As at 31 December 2018	31-Dec-18	30-Jun-18
Current assets		
Cash and cash equivalents	113,221	99,774
Trade and other receivables	6,668	9,340
Inventories	50,218	52,323
Other assets	2,087	1,239
Assets classified as held for sale	-	450
Total current assets	172,194	163,126
Non-current assets		
Other financial assets	14,046	11,737
Plant and equipment	118,295	99,475
Exploration and evaluation costs	67,194	53,556
Mine properties	224,297	195,330
Total non-current assets	423,832	360,098
Total assets	596,026	523,224
Current liabilities		
Trade and other payables	53,520	44,208
Income Tax Payable	5,913	-
Provisions	5,857	8,281
Borrowings	-	163
Total current liabilities	65,290	52,652
Non-current liabilities		
Deferred tax liabilities	50,786	39,210
Provisions	51,865	50,198
Total non-current liabilities	102,651	89,408
Total liabilities	167,941	142,060
Net assets	428,085	381,164
Equity		
Contributed equity	261,014	259,991
Reserves	20,176	17,233
Accumulated profits	146,895	103,940
Total equity	428,085	381,164

6.11 **Material litigation affecting members of the Saracen Group**

As at the date of this Bidder's Statement, no Saracen Group Member is involved in any material legal proceedings and the Saracen Directors are not aware of any threatened or pending material legal proceedings.

6.12 **Dividend and franking history**

No dividends have been declared or paid by Saracen since 1 July 2017.

6.13 **Disclosing entity**

As new Saracen Shares will be offered as consideration for the acquisition of Bligh Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of Saracen Shares under sections 711 to 713 of the Corporations Act. Saracen Metals does not need to issue a separate prospectus for the Offer of the new Saracen Shares as the Offer occurs under a takeover bid.

Saracen is a listed 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations. Saracen is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of its securities.

It is not necessary for Saracen to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of Saracen unless that information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and is information that investors or their professional advisors would reasonably require for the purpose of making an informed assessment of:

- (a) all of the assets and liabilities, financial position and performance, profits and losses or prospects of Saracen; or
- (b) the rights and liabilities attaching to the new Saracen Shares to be issued under the Offer.

Saracen confirms that no such information has been excluded, and that no further disclosure is required in this regard.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. Saracen, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC by Saracen may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the 2018 Annual Report (being the annual report most recently lodged by Saracen with ASIC);

- (ii) Saracen's Half-Year Financial Reports for the half-year ended 31 December 2018 lodged with the ASX on 19 February 2019; and
- (iii) all announcements given to ASX by Saracen after the lodgement of the 2018 Annual Report.

If you would like to receive a copy of any of these documents or publications, please contact Saracen's bid information line weekdays between 9.00am and 5.00pm (Perth Time) on 08 6229 9157 or refer to the Saracen and ASX websites for electronic copies.

A list of announcements made by Saracen on ASX between 5 September 2018 and the date of this Bidder's Statement appears in section 6.14.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and is information that a Bligh Shareholder or a professional adviser to a Bligh Shareholder would reasonably require for the purposes of making an informed assessment of:

- (d) the assets and liabilities, financial position and performance, profits and losses and prospects of Saracen; or
- (e) the rights and liabilities attaching to the Saracen Shares.

Further publicly available information about Saracen is available at Saracen's website at www.saracen.com.au and from ASX's website at www.asx.com.au. It is intended that further announcements concerning developments at Saracen will continue to be made on such websites after the date of this Bidder's Statement.

6.14 Recent Saracen announcements

The table below set out the announcements made to ASX that may have affected share price movements over the period between 5 September 2018 (being the date of lodgement of Saracen's 2018 Annual Report for the financial year ended 30 June 2018 with ASIC) and the date of this Bidder's Statement. This information may be relevant to your assessment of the Offer. Copies of these announcements are available at www.asx.com.au.

Date	Announcement
14 June 2019	Takeover Offer for Bligh Resources Limited
14 June 2019	BGH: Withdrawal of Entitlement Offer and T/O bid for Bligh
05 June 2019	HAW: HAW – Completion – Sale of Tenement Interest
12 June 2019	Appendix 3B
23 May 2019	Change in substantial holding
20 May 2019	Ceasing to be a substantial holder
16 May 2019	Change in substantial holding
13 May 2019	Change in substantial holding
01 May 2019	Non-Executive Director Appointment
01 May 2019	Initial Director's Interest Notice
30 April 2019	Corporate Presentation - May 2019
30 April 2019	Outstanding drill results further underpin 400kozpa strategy
18 April 2019	HAW: Sale of Mining Leases and Exploration Tenements
17 April 2019	Quarterly Presentation - March 2019
17 April 2019	Quarterly Activities Report

Date	Announcement
11 April 2019	March 2019 Quarterly Report Teleconference Details
04 April 2019	Resignation of Director
03 April 2019	Change in substantial holding
22 March 2019	Appendix 3B
11 March 2019	Change in substantial holding
06 March 2019	Change in substantial holding
05 March 2019	Updated Securities Trading Policy
22 February 2019	Change in substantial holding
20 February 2019	Corporate Presentation
19 February 2019	Half year results summary
19 February 2019	Half year report and accounts
18 February 2019	Latest drilling shows flight to 400 is well on track
07 February 2019	Change in substantial holding
06 February 2019	Appendix 3Y – M Reed
29 January 2019	Becoming a substantial holder
25 January 2019	Appendix 3Y – S Tough
21 January 2019	Quarterly Presentation - December 2018
21 January 2019	Quarterly Activities Report
15 January 2019	December 2018 Quarterly Report Teleconference Details
15 January 2019	Ceasing to be a substantial holder from SVW
14 January 2019	Ceasing to be a substantial holder
10 January 2019	Becoming a substantial holder
21 December 2018	Ceasing to be a substantial holder
17 December 2018	Appendix 3Y – R Finlayson
17 December 2018	Appendix 3B
30 November 2018	Clarifications re Drilling Update ASX release
27 November 2018	Drilling update including two discoveries
22 November 2018	Results of AGM
22 November 2018	AGM presentation
22 November 2018	Chairman's Address to Shareholders
20 November 2018	IRC: Completion of Lehmann's Well Gold Project Divestment
7 November 2018	IRC: Intermin divests interest in Lehman's JV for \$2.5m cash
19 October 2018	Notice of Annual General Meeting/Proxy Form
16 October 2018	Quarterly Presentation – September 2018
16 October 2018	Quarterly Activities Report
15 October 2018	Appendix 3B
08 October 2018	September 2018 Quarterly Report Teleconference Details
02 October 2018	RED: Payment of deferred consideration for King of the Hills
19 September 2018	Appendix 3Y – M Reed
17 September 2018	Appendix 3Y – T Kiernan
17 September 2018	Appendix 3Y – M Reed
13 September 2018	Saracen Appoints New Chair
13 September 2018	Initial Director's Interest Notice
05 September 2018	Sustainability Report
05 September 2018	Appendix 4G
05 September 2018	Annual Report to shareholders

7. Information About Bligh

7.1 Important Information

The following information about Bligh is based on public information and has not been independently verified. Accordingly, the Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Shareholders should refer to the target's statement to be issued by Bligh for further information about Bligh.

7.2 Overview of Bligh

Bligh is an Australian incorporated company which listed on the ASX on 1 December 2011 (ASX:BGH). Bligh is focused on the exploration and development of gold projects throughout Australia with a number of gold tenements located in Western Australia.

7.3 Overview of Bligh's assets and activities

Bligh's portfolio comprises the Bundarra Gold Project which lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 65km north of Leonora in the North Eastern Goldfields of Western Australia. The project consists of five mining leases and six prospecting licences that have JORC-compliant Resources of 9.7Mt at a grade of 2.1g/t for a total of 660,000oz.¹⁸

7.4 Bligh's Directors

As at the date of this Bidder's Statement, there are three Bligh Directors. The Bligh Directors are as follows:

(a) Peter Sullivan (Non-Executive Chairman)

Mr Sullivan is an experienced engineer and has been involved in the development of resource companies and projects for more than 16 years. He served as Managing Director, and was CEO of Resolute Mining for 14 years. His project engineering experience was followed by four years in corporate finance with an investment bank and two years in a corporate development role with an Australian resource group.

(b) John Dugald Morrison (Non-Executive Director)

Mr Morrison is an experienced investment analyst, having worked in stockbroking, investment banking and investment management firms in New Zealand, the United Kingdom and the United States since 1987. He is focused on the resources sector worldwide. He serves as a director of Pan Pacific Petroleum NL, RESIMAC Financial Services Ltd and Brightwater Group Ltd.

(c) James Sullivan (Non-Executive Director):

Mr Sullivan has owned and managed a successful business operation based in the Goldfields of Western Australia for the past 25 years. He was instrumental in the formation and management

¹⁸ As reported in Bligh's March 2019 Quarterly release, reproduced in Appendix A to that release.

of the Golden Cliffs Prospecting Syndicate and has an intimate knowledge of the Goldfields. He brings to the board considerable experience and knowledge associated with the supply and logistics of services to the mining and exploration industry, tenement management and issues relating to land access and native title.

7.5 Bligh's capital structure

Capital structure

According to documents lodged by Bligh with ASX and ASIC, Bligh has the following securities on issue as at the date of the Bidder's Statement:

Class	Shares
Ordinary shares (Bligh Shares)	290,412,101
Options	8,000,000

Options over Bligh Shares

Exercise price	Expiry date	Number	Proposed treatment in connection with the Offer
0.030	19/10/2019	1,500,000	Exercise
0.050	19/10/2019	2,500,000	Exercise
0.070	19/10/2019	4,000,000	Exercise
Total		8,000,000	

The Bligh Directors, in accordance with the Bid Implementation Deed, have liaised with the Bligh Optionholders to facilitate the exercise of the Bligh Options prior to the end of the Offer Period. The Offer will extend to Bligh Shares that become registered during the period from the Register Date and the end of the Offer Period, including as a result of exercise of the Bligh Options. Refer to section 12.3(d) for further details.

Details of substantial shareholding in Bligh

As at the date of this Bidder's Statement, and so far as is known to the Bidder based on publicly available information lodged with ASX, the following persons have a substantial holding of 5% or more of total Bligh Shares:

Bligh Shareholders	Number of Bligh Shares	Percentage
Zeta Resources Limited	253,742,974	85.03

Based on Bligh's fully diluted shares of 298,412,101.

7.6 Financial information of Bligh

- (a) Basis of presentation of historical financial information

The historical financial information below relates to Bligh on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts for Bligh for the financial periods described below are publicly available via the ASX. Bligh's financial report for the year end 30 June 2018, as released to the ASX on 21 September 2018 is available for download on Bligh's website at <https://www.bligh-resources.com/investors.html>.

(b) Statement of financial position

The summarised historical statement of financial position of Bligh as at 31 December 2018 and 30 June 2018 set out below has been extracted from the consolidated statement of financial position of Bligh as at 31 December 2018, being the last balance date prior to the date of this Bidder's Statement.

Consolidated balance sheet	\$AUD	\$AUD
As at 31 December 2018	31-Dec-18	30-Jun-18
Current assets		
Cash and cash equivalents	85,690	221,591
Trade and other receivables	69,101	6,117
Other current assets	-	3,984
Total current assets	154,791	231,692
Non-current assets		
Exploration and evaluation expenditure	5,832,162	5,206,050
Total non-current assets	5,832,162	5,206,050
Total assets	5,986,953	5,437,742
Current liabilities		
Trade and other payables	87,897	70,011
Employee benefits	21,335	14,357
Borrowings	711,326	-
Total current liabilities	820,558	84,368
Non-current liabilities		
Total non-current liabilities	-	-
Total liabilities	820,558	84,368
Net assets	5,166,395	5,353,374
Equity		
Contributed equity	12,214,263	12,214,263
Reserves	(7,643,749)	(7,456,770)
Accumulated profits	595,881	595,881
Total equity	5,166,395	5,353,374

7.7 Recent share price performance

Bligh's share price performance over the last 24 months up to the Last Practical Trading Date:

Figure 7: Bligh Share price performance¹⁹



7.8 Recent Bligh announcements

Bligh is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Further information relating to the business, operations and financial performance and position of Bligh that has been disclosed by Bligh in accordance with these obligations is available from the ASX website at www.asx.com.au.

Further information regarding Bligh and its business can be found on Bligh's website at <http://www.bligh-resources.com/>.

7.9 Other material information about Bligh

Bligh will have the opportunity to disclose in its Target Statement any information about the Target Group it considers Bligh Shareholders would reasonably require to make an informed assessment as to whether to accept the Offer.

7.10 Publicly available information about Bligh

Bligh is a listed 'disclosing' entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Bligh is subject to the ASX Listing Rules which require continuous disclosure of any information Bligh has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

¹⁹ Source: Share price data retrieved from Bloomberg as at Last Practical Trading Date.

ASX maintains files containing publicly disclosed information about all listed companies. Bligh's file is available for inspection at ASX during normal business hours.

In addition, Bligh is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Bligh may be obtained from, or inspected at, an ASIC office.

Further information about Bligh (including copies of its financial statements) is available in electronic form from Bligh's website, <https://www.bligh-resources.com/>, and the ASX, www.asx.com.au.

8. Overview of the Merged Group

8.1 Introduction

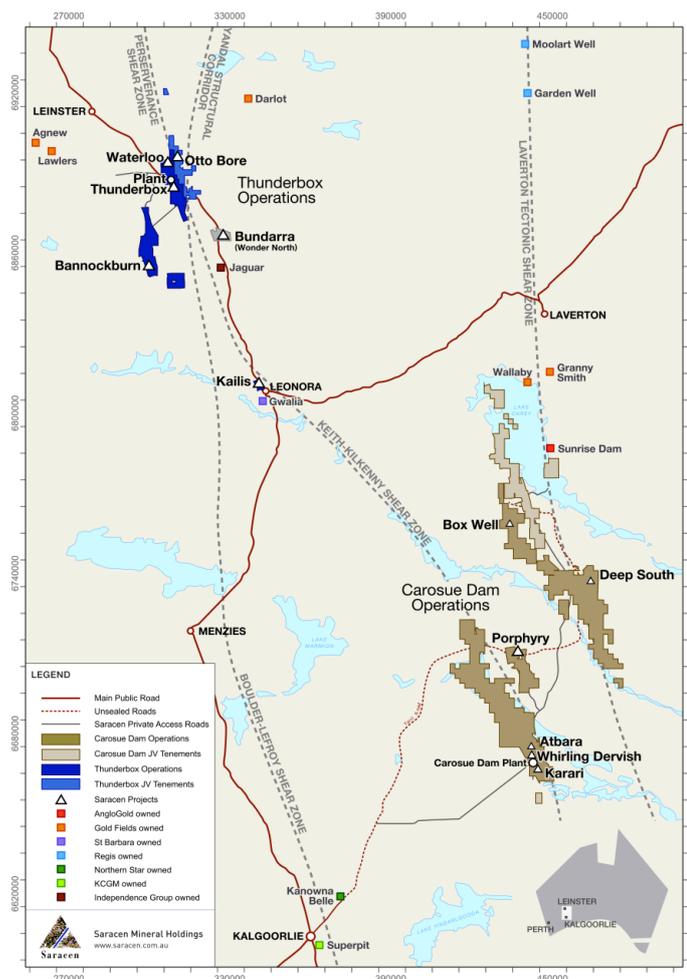
This section 8 provides a description of the effects of the Offer on Saracen and a profile of the Merged Group, assuming that Bligh becomes a wholly owned Subsidiary of Saracen. If Saracen Metals does not acquire at least 90% of the Bligh Shares during the Offer Period and therefore does not become entitled to compulsorily acquire the remaining Bligh Shares, the described outcomes for the Merged Group described in this section may not be achieved.

8.2 Description of the Merged Group

The Merged Group would be a gold exploration and production company with:

- Cash and cash equivalents of approximately \$153 million;²⁰
- gold producing projects at Carosue Dam and Thunderbox; and
- numerous exploration projects including the Bundarra Gold Project.

Figure 8: Thunderbox and Carosue Dam regions



²⁰ Addition of Saracen's cash and cash equivalents balance, as reported in Saracen's May 2019 Corporate Presentation, and Bligh's cash balance, as reported in Bligh's March 2019 Quarterly Activities Report.

8.3 Capital structure and substantial shareholding information of the Merged Group

Under the Offer, new Saracen Shares will be issued to Bligh Shareholders. The actual number of Saracen Shares on issue at completion of the Offer will depend on the satisfaction of the 90% minimum acceptance condition and Saracen compulsorily acquiring the Bligh Shares. If this condition is satisfied, Saracen will have issued 11,011,407 Saracen Shares to Bligh Shareholders and the new capital structure of Saracen will be as follows:

- (a) Capital structure of the Merged Group

Class	Number as at date of Merged Group
Ordinary shares	831,425,303

- (b) Substantial shareholders of the Merged Group

If the Offer is accepted by all the Bligh Shareholders, and assuming no change to the substantial shareholders of Saracen and Bligh as at the date of the Announcement Date, the Merged Group will have the following substantial shareholders immediately after the issue of Saracen Shares in accordance with the terms of the Offer:

Substantial shareholder	Number of Saracen Shares	Percentage
Van Eck Associates Corp	107,664,397	12.95
BlackRock Inc	75,818,805	9.12

8.4 Merged Group pro-forma financial information

- (a) Introduction

This section 8.4 sets out a summary of the pro-forma historical statement of the financial position as at 31 December 2018 for Saracen as if the Offer had been accepted by all Bligh Shareholders.

The information in this section is presented on a pro forma basis only, and as a result it is likely that this information will differ from the actual financial information for the Merged Group as at completion of the Transaction. The pro-forma financial information is provided for illustrative purposes only and in accordance with the basis of preparation below.

The pro forma financial information is presented in an abbreviated form insofar as it does not contain all of the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports usually provided in an annual report prepared in accordance with the Corporations Act.

- (b) Basis of presentation

The pro-forma historical statement of financial position of the Merged Group as at 31 December 2018 is based on:

- i. Bligh's statement of financial position as at 31 December 2018, which was extracted from Bligh's interim financial report for the half year ended 31 December 2018, and was reviewed by HLB Mann Judd and on which an unqualified review report was provided

- with an emphasis of matter regarding the company's ability to continue as a going concern;
- ii. Saracen's consolidated statement of financial position as at 31 December 2018, which was extracted from Saracen's interim financial report for the half year ended 31 December 2018, and was reviewed by BDO Audit and on which an unqualified audit opinion was provided;
 - iii. The relevant pro forma adjustments to the statement of financial position as at 31 December 2018 in order to present the Merged Group on a pro forma basis reflecting the acquisition accounting based on the terms of the Offer set out in section 12; and
 - iv. the recognition and measurement principles of applicable Australian Accounting Standards.
- (c) Un-audited pro-forma statement of financial position assuming the acquisition of 100% of Bligh Shares.

Consolidated balance sheet

As at 31 December 2018

\$'000s	Saracen	Note	Pro forma adjustments	Pro forma Saracen	Bligh	Note	Pro forma adjustments	Pro Forma Merged Group
	A		B	C = A + B	D		E	= C + D + E
	\$'000s		\$'000s	\$'000s	\$'000s		\$'000s	\$'000s
Current assets								
Cash and cash equivalents	113,221	(ii)	(14,835)	98,386	86	(iii), (iv)	(3,122)	95,350
Trade and other receivables	6,668		-	6,668	69		-	6,737
Inventories	50,218		-	50,218	-		-	50,218
Other assets	2,087		-	2,087	-		-	2,087
Total current assets	172,194		(14,835)	157,359	155		(3,122)	154,392
Non-current assets								
Other financial assets	14,046		-	14,046	-		-	14,046
Plant and equipment	118,295		-	118,295	-		-	118,295
Exploration and evaluation	67,194	(ii)	14,835	82,029	5,832	(iv)	36,665	124,526
Mine properties	224,297		-	224,297	-		-	224,297
Total non-current assets	423,832		14,835	438,667	5,832		36,665	481,164
Total assets	596,026		-	596,026	5,987		33,543	635,556
Current liabilities								
Trade and other payables	53,520		-	53,520	88		-	53,608
Income Tax Payable	5,913		-	5,913	-		-	5,913
Provisions	5,857		-	5,857	21		-	5,878
Borrowings	-		-	-	711	(iii)	(711)	-
Total current liabilities	65,290		-	65,290	821		(711)	65,399
Non-current liabilities								
Deferred tax liabilities	50,786		-	50,786	-		-	50,786
Provisions	51,865		-	51,865	-		-	51,865
Total non-current liabilities	102,651		-	102,651	-		-	102,651
Total liabilities	167,941		-	167,941	821		(711)	168,050
Net assets	428,085		-	428,085	5,166		34,254	467,506
Equity								
Contributed equity	261,014	(i)	378	261,392		(iv)	39,421	300,813
Reserves	20,176		-	20,176			-	20,176
Accumulated profits (losses)	146,895	(i)	(378)	146,517			-	146,517
Total equity	428,085		-	428,085			39,421	467,506

Pro forma adjustments

The following pro forma adjustments to the historical financial information have been made in the compilation of the pro-forma statement of financial position of the Merged Group as at 31 December 2018, including the adjustments to reflect the impact of acquisition accounting and certain transactions and/or events post 31 December 2018.

Adjustment (i): Issue of Saracen Shares to employees

Saracen issued 142,125 shares to employees on 12 June 2019 via the Saracen Share Trust at a price of \$2.66 per share. The total value of new shares issued was \$378k, which has been recorded as share based payments expense in Saracen's income statement.

Adjustment (ii): Acquisition of mining leases and exploration tenements by Saracen

Saracen acquired Hawthorn Resources Limited's (Hawthorn) interests in the Box Well (in addition to Avoca Resources Limited's 20% interest in the tenements) and Deep South mining leases along with 18 exploration tenements and leases for total cash consideration of A\$14.8 million (including transaction costs) on 4 June 2019. The pro forma adjustment reflects the reduction in Saracen's cash balance to acquire the assets from Hawthorn/Avoca. It is noted that Saracen's cash balance as at 31 March 2019 was \$119.4 million.

Adjustment (iii): Bligh options and repayment of Zeta loan facility

Pro forma adjustment to reflect the net reduction in cash from the proceeds received from 12.5 million Bligh options assumed to be exercised pre-completion, offset by the settlement of Bligh's existing loan from Zeta (\$711k as at 31 December 2018). For the purposes of the pro forma balance sheet, all 12.5 million Bligh options are assumed to be exercised pre-completion, resulting in cash proceeds of \$705k. It is noted that Bligh has made further drawdowns against the Zeta loan facility of \$100k in the three months to 31 March 2019 in order to fund the Company's exploration activities, resulting in a total loan outstanding balance of \$826k (including accrued interest) as at 31 March 2019.

Adjustment (iv): Acquisition of Bligh

Pro forma adjustment to recognise the acquisition of Bligh Resources by Saracen. Under AASB 3, the Transaction is expected to be designated as an asset acquisition due to the early stage of Bligh's operations being largely exploration tenements. Under the terms of the Transaction, Saracen will issue 11,011,407 shares to the equityholders of Bligh. The pro forma adjustment reflects an assumed Saracen share price of \$3.58 as at 1 July 2019, which equates to total scrip consideration of \$39.4 million. It is noted that the final scrip consideration will be determined by reference to Saracen's share price at completion of the Transaction, and therefore is expected to vary for any movements in share price.

Under accounting standards, transaction costs can be capitalised under an asset acquisition and therefore the total estimated Transaction costs (including stamp duty) of \$3.1 million has been included in the total purchase consideration.

The \$5.2 million difference between net assets and equity reflects Bligh's net assets acquired (as represented by Column D in the above table).

Note that no deferred tax adjustments have been included in the pro forma adjustments as these are expected to be immaterial.

9. Bidder's Intentions

9.1 Introduction

This section 9 sets out the Bidder's intentions, on the basis of the facts and information concerning Bligh and the general business environment which are known to the Bidder and the existing circumstances affecting the business of Bligh, at the time of preparing this Bidder's Statement in relation to the following:

- (a) the continued operation of Bligh;
- (b) any major changes to be made to the operation of Bligh, including any redeployment of the property of Bligh;
- (c) the future employment of Bligh employees; and
- (d) the compulsory acquisition of Bligh Shares and the removal of Bligh from the official list on the ASX.

The Bidder and its advisers have reviewed information that has been publicly released on Bligh, as well as conducting limited due diligence. However, the Bidder does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

Following the close of the Offer, the Bidder will, to the extent that information is available to it, conduct a review of the operations, assets, structure and employees of Bligh in light of that information. Final decisions will only be reached in light of all material facts and circumstances. As such, statements set out in this section 9 are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this section 9 should be read in this context.

9.2 Rationale for the Offer

The Bidder believes the combination of Saracen and Bligh presents a compelling opportunity to utilise Saracen's existing infrastructure at Thunderbox to unlock the value of the Bundarra Gold Project, which is less than 30km south of Thunderbox which has the necessary infrastructure established to process ore from the Bundarra Gold Project.

9.3 Intentions upon acquisition of 90% or more of Bligh

- (a) ASX listing

If the Bidder becomes entitled to compulsorily acquire the outstanding Bligh Shares under Part 6A.1 Division 1 of the Corporations Act, it intends to exercise such rights and then procure the removal of Bligh from the official list of ASX and take all actions necessary to achieve those results.

If the Bidder does not become entitled to compulsorily acquire Bligh Shares under Part 6A.1 Division 1 of the Corporations Act, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act. In that event, it

intends to exercise those rights if they become available and then procure the removal of Bligh from the official list of ASX.

(b) Board representation

Subject to the Corporations Act, the Bidder proposes to seek the removal of the existing Bligh Directors and the appointment of the Bidder's nominees to the Bligh Board. The Bidder has not made any decision as to who would be nominated for appointment.

(c) Operations and employees

Saracen intends to operate and continue exploring the Bundarra Gold Project including obtaining approvals and development planning.

Final decisions relating to Bligh will, however, only be reached after a review of material facts and circumstances at the relevant time, having regard to (among other matters) opportunities available in the market, strategic relevance, performance, profitability, prospects and any relevant matters.

It is the current intention of the Bidder to not retain the existing management team or employee[s] of Bligh. If redundancies do occur as part of this, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

9.4 Intentions upon gaining control of, but less than 90% of Bligh

The Bidder reserves the right to declare the Offer free from the 90% minimum acceptance condition to the Offer. However, it has made no decision as to whether it will do so.

This section 9.4, describes the Bidder's intentions if the Bidder were to declare the Offer free from the 90% minimum acceptance condition.

If the Bidder acquires Control of Bligh but does not acquire a relevant interest in 90% or more of Bligh Shares (and is therefore not entitled to proceed to compulsorily acquire the outstanding Bligh Shares):

(a) ASX listing

The Bidder will review the ongoing suitability of Bligh for listing on ASX. Bligh Shareholders should be aware that the Bidder presently considers that, if it was to acquire control of Bligh but a relevant interest in less than 90% of Bligh Shares, Bligh may not be suited to being listed following the end of the Offer. In these circumstances, the Bidder may seek to have Bligh removed from the official list of ASX and do all other things necessary to achieve that result as soon as practicable. Ultimately however, the continued listing of Bligh will be at the discretion of ASX. ASX has stated that it is generally acceptable for an entity to be removed from the official list of ASX if, as a result of a takeover, the entity only has a small number of remaining security holders so its continued listing can no longer be justified. ASX does not prescribe a minimum security holding or spread before it will allow delisting to occur.

Bligh Shareholders should be aware that, if the removal of Bligh is permitted by ASX, this would result in any remaining Bligh Shareholders either having to dispose of their Bligh Shares or remaining in a potentially illiquid, unlisted vehicle. Additionally, Bligh Shareholders should also

be aware that in circumstances where they do not accept the Offer and the Bligh Shares continue to be quoted on ASX, the liquidity of their Bligh Shares may decrease from the current relatively illiquid position.

(b) Further acquisition of Bligh Shares

The Bidder has not yet decided whether it will acquire Bligh Shares under the “creep” provisions, as that will be dependent upon (among other things) the extent of voting power of the Bidder and its Associates in Bligh and market conditions at the time.

(c) Board representation

Subject to the Corporations Act and the review described in section 9.1 above, the Bidder proposes to seek the appointment of a majority of the Bidder's nominees to the Bligh Board, although the Bidder has not made any decision as to who would be nominated for appointment. The Bidder may also seek to add to, replace or reorganise the roles of a proportion of the members of the Bligh Board to reflect the proportionate ownership interest of the Bidder and other Bligh shareholders.

(d) Review of capital requirements

The Bidder will review Bligh's capital structure and credit facilities to determine whether they are adequate for continued operations or whether further capital is required.

(e) Operations and employees

Saracen intends to operate and continuing exploring the Bundarra Gold Project.

Final decisions relating to Bligh will, however, only be reached after a review of material facts and circumstances at the relevant time, having regard to (among other matters) opportunities available in the market, strategic relevance, performance, profitability, prospects and any relevant matters

It is the current intention of the Bidder to not retain the existing management team or employee/s of Bligh. If redundancies do occur as part of this, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

9.5 Intentions for Bligh if not controlled by the Bidder

This section 9.5 describes the Bidder's intentions if the Bidder were to declare the Offer free from the 90% minimum acceptance condition and if Bligh does not become controlled by Saracen.

In those circumstances:

- (a) the Bidder does not expect to be in a position to give effect to the intentions set out in sections 9.3 or 9.4 of this Bidder's Statement other than the Bidder's intention to request appointment of the Bidder nominees as Bligh Directors that at least corresponds to the Bidder's voting power in Bligh; and
- (b) the Bidder's current intention is to continue to hold any Bligh Shares acquired with a view to maximising returns for Saracen Shareholders (this may result in the Bidder or its Associates acquiring additional Bligh Shares, to the extent permitted by law).

10. Risks of Holding Saracen Shares in the Merged Group

10.1 Introduction

If the Offer becomes unconditional, Bligh Shareholders who accept the Offer will become Saracen Shareholders. In that event, Bligh Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Bligh's assets and general economic, share market and industry risks. There are also risks relating to Saracen and the Merged Group, to which Bligh Shareholders will be exposed through their holding of Saracen Shares.

The value of Saracen Shares is influenced by a range of factors, many of which will be beyond the control of the Merged Group. These risk factors are divided into:

- (a) risks relating to the resources sector generally;
- (b) specific risks relating to the Offer and the creation of the Merged Group; and
- (c) other general risks.

You should carefully consider the following risk factors, and consult your financial and legal advisers before making a decision as to whether to accept the Offer.

The risks and uncertainties described below are not the only risks and uncertainties facing Saracen. Additional risks and uncertainties that the Bidder is not currently aware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Saracen's operating and financial performance.

These risk factors do not take into account the investment objectives, financial and tax situation or the particular needs of individual Bligh Shareholders.

10.2 Risks relating to the resource sector

- (a) Development risk

For development projects, estimates of proven and probable Ore Reserves and cash operating costs are, to a large extent, based on interpretation of geological data obtained from drill holes and other exploration techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

The information provided in the Bidder's Statement in relation to Saracen's and Bligh's projects is the current estimate of Mineral Resources and Ore Reserves, capital and operating costs, as determined from geological data obtained from drill holes and other exploration techniques and technical studies conducted to date. These matters may change over time.

(b) Exploration risk

Investors should understand that mineral exploration, mining and development are high risk undertakings and there can be no assurances that the tenements currently held by Saracen or acquired by Saracen in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

In addition, the exploitation of successful discoveries involves obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretion by such authorities.

(c) Operating risk

The ability of the Merged Group to achieve production targets within anticipated time lines, or at all, or meet operating or capital expenditure estimates cannot be assured.

The Merged Group's assets and mine operations are subject to uncertainty with respect to (amongst other things): ore tonnes, grade, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power supply, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as mechanical failure of plant and equipment or natural disasters. If faced by the Merged Group, these circumstances could result in them not realising the operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Merged Group's financial and operational performance.

(d) Estimate risk

The Mineral Resources and Ore Reserves for Saracen and Bligh's assets are estimates only and no assurance can be given that any particular recovery levels of metals will in fact be realised. These estimates are prepared in accordance with JORC Code, but they are expressions of judgement based on knowledge, experience, industry practice, and may require revision based on actual production experience which could in turn effect the Merged Group's mining plans and ultimately financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. In addition, commodity price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render Ore Reserves and Mineral Resources uneconomic and so may materially affect estimates.

(e) Commodity price risk

The Merged Group will generally be a price-taker in the markets in which it operates. The prices the Merged Group obtains for its projects will be determined by, or linked to, prices in world commodity markets, which have historically been subject to substantial volatility. Commodity prices are affected by underlying global economic and geopolitical factors, industry demand and supply balances, trade wars, product substitution and national tariffs.

Saracen cannot provide any assurances as to the prices of the Merged Group will achieve for its products. Changes in commodity prices may have significant positive or negative effects on

the Merged Groups project development and production plans and activities, together with its ability to fund those plans and activities.

(f) Regulatory risk

Saracen's activities in the mining industry are subject to legislation, regulation and various approvals. The introduction of new regulations, or alteration of current legislation and regulations, could have a material adverse effect on the financial performance and current or proposed activities of the Merged Group.

In particular, the Merged Group will continue to hold tenure to mineral exploration, prospecting and mining licences in Western Australia. Each state in Australia imposes specific laws, policies and regulations on the title and use of the type of tenure held. The Merged Group may require licences and approvals in relation to environmental matters, exploration, development and production of minerals. There is a risk these may not be obtained or that obtaining these may be delayed, which may have a material adverse impact on the Merged Group. Loss of tenure could result (amongst other things) in the write down of the carrying values of tenements in the Merged Group's financial statements, loss of profits and termination of agreements.

(g) Foreign exchange risk

The international price of gold is denominated in USD, whereas the income derived from the sale of gold and operating expenditure of the Merged Group will be taken into account in Australian currency, exposing the merged group further to the volatility of the AUD / USD rate of exchange as determined in the international markets.

10.3 Risks relating to the Offer and the creation of the Merged Group

(a) Issue of new Saracen Shares as Offer Consideration

Pursuant to each Offer, new Saracen Shares will be offered as Offer Consideration to Bligh Shareholders. The market value of the Saracen Shares may vary from their market value on the date that Bligh Shareholders accept the Offer.

The value of the Offer Consideration provided to Bligh Shareholders under each Offer may be affected by market fluctuations. The Bidder shall have no obligation to adjust the Offer Consideration payable to accepting Bligh Shareholders under each Offer if the value of the Saracen Shares changes during the Offer Period.

Additionally, if current Saracen Shareholders or current Bligh Shareholders do not wish to hold shares in the Merged Group and seek to sell their Saracen Shares, this may have a material adverse effect on the Merged Group and the price of the Saracen Shares. Refer to section 10.4(c) for risk factors relating to the trading price of Saracen Shares.

(b) Assumed Bligh information

In preparing the information in this Bidder's Statement, the Bidder has relied upon information in relation to Bligh which is publicly available through Bligh's continuous and periodic disclosure under the Corporations Act and ASX Listing Rules and certain non-public information provided by Bligh. The Bidder has not been able to verify the accuracy, reliability or completeness of all of the information which was disclosed by Bligh. In addition, there may be other potentially materially price sensitive information which Bligh has not disclosed in reliance of an exception to the continuous disclosure requirements set out in ASX Listing Rule 3.1A.

As the Bidder has conducted only limited due diligence on Bligh, there could be circumstances relating to Bligh which the Bidder is unaware of and which could adversely affect the anticipated results of the operations of the Merged Group, including the basis for preparing financial information for Bligh. The Bidder has prepared (and made assumptions in the preparation of) the pro-forma financial information relating to the Merged Group, in reliance on limited financial information and other information provided by Bligh. If any of the data or information provided to and relied upon by Saracen in its limited due diligence process and its preparation of this Bidder's Statement proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the Merged Group may be different to the pro-forma statement of financial position in this Bidder's Statement. It should also be noted that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on the Merged Group in the future.

(c) Risk factors relating to the trading price of Saracen Shares

The market value of the Saracen Shares which are issued under the Offer will depend on the trading price of those shares. There is no guarantee that the trading price of Saracen Shares will increase in the future, or that the trading price in the future will be the same as the current trading prices of Saracen Shares. The market price of Saracen Shares may fall due to the factors described elsewhere in this section 10 and other factors, some of which are beyond Saracen's control, including, but not limited to:

- (i) general economic conditions and changes in law, regulation or government policy (whether or not such changes also affect the operations of Bligh or Saracen);
- (ii) operating results that do not meet the expectations of securities analysts and investors or changes in expectations as to Saracen's future financial performance by securities analysts and investors;
- (iii) investor sentiment including in relation to the mining sector, general movements in securities markets and changes in market valuations of other companies in the same or similar sector to Saracen;
- (iv) the announcement of acquisitions, strategic partnerships, joint ventures or capital commitments by Saracen or its competitors; and
- (v) future issues by Saracen of debt or equity securities.

(d) Merger integration risks

Integrating two companies produces some risks, including information systems and work practices. Integration costs that are higher than expected could have a material adverse effect on Saracen and the Merged Group.

(e) Acquisition risk

Saracen may also review and consider other business opportunities. Consequently, this strategy may result in Saracen making acquisitions of, or investments in, complementary or alternative companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions that are not identified in Saracen's due diligence or the acquisitions may not prove to be successful. Further, risks associated with such acquisitions will also arise from Saracen's ability to execute the acquisition and then to correctly manage the business operations and growth strategies moving forward.

10.4 General risks

(a) Economic conditions

The operating and financial performance of the Merged Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, gold prices, copper prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors, including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Merged Group's operating and financial performance and financial position. The Merged Group's future possible revenues and share prices can be affected by these factors, which are beyond Saracen's control.

(b) Changes in taxation rules or their interpretation

Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted by the courts or taxation Authorities in Australia may impact Saracen's tax liabilities or the tax treatment of a Saracen Shareholder's investment or the disposal of those shares. In addition, an investment in Saracen Shares involves tax considerations which may differ for each Saracen Shareholder. Each Bligh Shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be discretely impacted.

(c) Force majeure events

Events may occur within or outside Australia that could impact upon the Australian economy, Saracen's operations and the price of Saracen Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, uranium concentrate risk or other natural or man-made events or occurrences that can have an adverse effect on the demand for Saracen's products and its ability to operate its assets. Saracen has only a limited ability to insure against some of these risks.

11. Taxation Considerations

PricewaterhouseCoopers has been engaged by Saracen to provide a general overview of the Australian income tax, GST and stamp duty implications for Bligh Shareholders who accept the Offer (or if their Bligh Shares are compulsorily acquired). Under the Offer, each of the Bligh Shares owned by participating Bligh Shareholders will be acquired by Saracen in return for the Offer Consideration.

This section provides a general summary of the Australian income tax, GST and stamp duty considerations for Bligh Shareholders on acceptance of the Offer (subject to the exclusions below). In providing our views, we have relied upon facts as set out in the Bidder's Statement. These facts have not been independently verified by PricewaterhouseCoopers.

This summary does not provide an exhaustive opinion on of all possible Australian income tax, GST and stamp duty implications that could apply to Bligh Shareholders in relation to the Offer. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only Bligh Shareholders that are individuals, trusts, complying superannuation funds and corporate shareholders that hold their shares on capital account have been considered in this summary. In particular, our comments are not intended to cover Bligh Shareholders, who:

- are exempt from Australian income tax;
- hold their Bligh Shares on revenue account or as trading stock;
- are partnerships or persons that are partners of such partnerships;
- acquired their Bligh Shares, or any rights in relation to Bligh Shares, under an employee share scheme or similar employee incentive plan;
- acquired their Bligh Shares before 20 September 1985;
- are under a legal disability; or
- are subject to the taxation of financial arrangements rules in Division 230 of the Tax Act in relation to gains and losses on their Bligh Shares.

This summary is based upon Australian taxation law and administrative practice in effect as at the date of this Bidder's Statement. PricewaterhouseCoopers does not undertake to update this summary for any changes in the Australian tax law after the date of this Bidder's Statement.

This summary is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. Saracen has not sought a class ruling for Bligh Shareholders in relation to the Offer and, therefore, a risk remains that the ATO may not agree with the summary or aspects of it.

It does not consider any specific facts or circumstances that may apply to particular Bligh Shareholders. As the tax consequences to Bligh Shareholders of accepting the Offer will depend on each Bligh Shareholder's individual circumstances, all Bligh Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Offer according to their own particular circumstance.

11.1 Australian Tax Resident Shareholders

This Section applies to Bligh Shareholders who are residents of Australia for Australian income tax purposes and hold their Bligh Shares on capital account.

(a) Capital Gains Tax (CGT) Event

Under the Offer, Bligh Shareholders will dispose of their Bligh Shares to Saracen in exchange for the Offer Consideration, comprising shares in Saracen. The disposal of the Bligh Shares to Saracen under the Offer will give rise to a CGT event for Bligh Shareholders. The time of the CGT event for the Bligh Shareholders should be the date the Bligh Shares are disposed of, which will occur on the Implementation Date.

In the absence of CGT roll-over relief (discussed below), the following tax consequences are expected to arise for the Bligh Shareholders that acquired (or are deemed to have acquired) their Bligh Shares on or after 20 September 1985:

- A capital gain will be realised to the extent the capital proceeds received by the Bligh Shareholder from the disposal of their Bligh Shares exceed the cost base of those shares; or
- A capital loss will be realised to the extent that capital proceeds received by the Bligh Shareholder from the disposal of their Bligh Shares are less than the reduced cost base of those shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Capital losses can only be used to reduce capital gains. Bligh Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Capital proceeds

The capital proceeds on the disposal of the Bligh Shares should be equal to the Offer Consideration received by the Bligh Shareholders.

The capital proceeds will be equal to the market value of the Saracen Shares received by the Bligh Shareholders at the Implementation Date. Saracen will determine the relevant market value of the Saracen shares to the Bligh Shareholders following the completion of the Transaction and publish this on the Saracen and Bligh investor websites.

(c) Cost base and reduced cost base of a Bligh Share

The cost base of a Bligh Share will generally be equal to the cost of acquiring that Bligh Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Bligh Share is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Bligh Shareholder's individual circumstances. The cost base and reduced cost base of each Bligh Share will depend on the individual circumstances of each Bligh Shareholder.

(d) Indexation

Certain Bligh Shareholders who acquired their Bligh Shares at or before 11:45am on 21 September 1999 can choose to increase the cost base of their Bligh shares for indexation based on the "consumer price index" movement from the date of acquisition to 30 September 1999. Only individuals, complying superannuation funds, trusts and listed investment companies can choose to apply indexation. Other types of taxpayers do not qualify.

Bligh Shareholders who choose to apply indexation forego the opportunity to apply the CGT discount (discussed below at (e)) (**CGT Discount**). In addition, indexation is not included in determining the reduced cost base. This means that indexation cannot increase the amount of a capital loss.

(e) **CGT Discount**

The CGT Discount may apply to Bligh Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Bligh Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Bligh Shares to Saracen.

The CGT Discount is:

- one-half if the Bligh Shareholder is an individual or trustee: meaning only 50% of the capital gain (without any allowance for indexation) will be included in assessable income; and
- one-third if the Bligh Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain (without any allowance for indexation) will be included in assessable income.

The CGT Discount is not available to Bligh Shareholders that are companies, or Bligh Shareholders who choose for indexation to apply (described above).

If a Bligh Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Bligh Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies them and the trust's beneficiaries.

(f) **Scrip-for-scrip roll-over relief**

Bligh Shareholders who make a capital gain from the disposal of their Bligh Shares may be eligible to choose CGT scrip-for-scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip-for-scrip roll-over relief enables Bligh Shareholders to disregard the capital gain they make from the disposal of their Bligh Shares under the Offer.

For roll-over relief to be available, Saracen must become the owner of 80% or more of the shares in Bligh, the Bligh Shareholder must make a capital gain upon disposal of their Bligh Shares, and have acquired their Bligh Shares after 20 September 1985. If a capital loss arises, no scrip-for-scrip roll-over relief is available.

Bligh Shareholders do not need to inform the Australian Taxation Office, or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(g) Consequences of choosing CGT scrip-for-scrip roll-over relief

If a Bligh Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Bligh Shares under the Scheme should be disregarded.

Further, the first element of the cost base for their Saracen Shares is determined by attributing to them, on a reasonable basis, the existing cost base of the Bligh Shares exchanged under the Offer. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Saracen Shares is taken to be the date when the Bligh Shareholder originally acquired their Bligh Shares.

(h) Consequences if CGT scrip for scrip roll-over relief is not available or is not chosen

If a Bligh Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Bligh Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined above at paragraph 11.1(a) will apply.

If a Bligh Shareholder makes a capital loss from the disposal of their Bligh Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

11.2 Foreign tax resident shareholders

This Section applies to Bligh Shareholders that are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents), and hold their Bligh Shares on capital account. It does not apply to Bligh Shareholders who have held their Bligh Shares at any time in carrying on a business at or through a permanent establishment in Australia.

Foreign tax resident Bligh Shareholders who hold their Bligh Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Bligh Shares, provided their Bligh Shares are not an "indirect Australian real property interest" as at the time of disposal.

Broadly, a Bligh Shareholder's Bligh Shares will not be an indirect Australian real property interest unless both the following conditions are satisfied:

- the foreign tax resident Bligh Shareholder and their associates (as defined for tax purposes) together hold 10% or more (by value) of the issued shares in Bligh at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Bligh Shares; and
- the aggregate market value of Bligh's assets which are taxable Australian property (being direct and indirect interests in real property, including land, leases of land mining tenements and property affixed to land, situated in Australia) exceeds the aggregate market value of Bligh's assets which are not taxable Australian property.

Bligh management has determined that the aggregate market value of Bligh's assets, which are taxable Australian property, exceed the aggregate market value of Bligh's assets which are not taxable Australian property. Accordingly, any foreign tax resident that holds a 10% or more interest in Bligh shares should be subject to Australian CGT.

For any Bligh Shareholder who satisfies these requirements, Saracen will be required to withhold (under the foreign Resident CGT withholding rules) some of the Offer Consideration and remit the withheld amount to the Australian Taxation Office (as discussed below).

For Bligh Shareholders who do not satisfy the criteria outlined above, there should be no obligation for Saracen to withhold a portion of the Offer Consideration.

Foreign Resident CGT Withholding Rules

The foreign resident CGT withholding tax rules were enacted on 25 February 2016, with effect for transactions occurring from 1 July 2016. Effective from this date, unless an exemption applies, a buyer (in this case Saracen) is required to withhold and pay (in cash) to the Commissioner an amount equal to 12.5% of the capital proceeds paid for the acquisition of Bligh Shares from Foreign Shareholders (i.e., 12.5% of the market value of the Saracen Shares issued to acquire the Bligh Shares).

Whilst the foreign resident CGT withholding tax rules aim to facilitate the collection of CGT from foreign resident sellers, it can be triggered even if the seller is, in fact, an Australian tax resident. However, this is only to the extent:

- a Bligh Shareholder's Bligh Shares are an indirect Australian real property interest; and
- a Bligh Shareholder and their associates (as defined for tax purposes), together hold 10% or more (by value) of the issued shares in Bligh at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Bligh Shares and the Bligh Shareholders.

Where a Bligh shareholder meets these criteria acceptance of the Offer will result in Saracen withholding a portion of the Offer Consideration necessary to allow it to withhold the correct amount to the Australian Taxation Office.

In certain circumstances, the Australian Taxation Office can serve a notice on Saracen which may require the Bidder to withhold an amount of Offer Consideration at an amount higher than 12.5% of the capital proceeds.

11.3 GST implications for Scheme Shareholders

No GST will be payable by Bligh Shareholders on the acquisition by Saracen of their Bligh Shares under the Offer, or on the receipt by Bligh Shareholders of Saracen Shares as Offer Consideration. Bligh Shareholders who are registered for GST may not be entitled to input tax credits (or only entitled to reduced input tax credits) for any GST incurred on costs associated with the disposal of their Bligh Shares.

11.4 Stamp Duty implications for Scheme Shareholders

No stamp duty should be payable by the Bligh Shareholders on the acquisition by Saracen of their Bligh Shares under the Offer or on the receipt by Bligh Shareholders of Saracen Shares as Offer Consideration.

Disclaimer

To persons receiving this document in Australia:

The information contained in this Section does not constitute "financial product advice" within the meaning of the Corporations Act. PricewaterhouseCoopers partnership which is providing this advice is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act. Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice.

12. Formal Terms of the Offer

The terms and conditions of the Offer are set out in this section 12, and sections 13, 14 and 15.

12.1 Identity of the Bidder

The Bidder is Saracen Metals Pty Limited ACN 107 154 727.

12.2 Date of the Offer

The Offer is dated [insert date].

12.3 Offer

- (a) The Bidder offers to acquire all of Your Bligh Shares together with all Rights attaching to them on the terms in this section 12 and sections 13, 14 and 15.
- (b) You may accept the Offer only in respect of all of Your Bligh Shares and not some only.
- (c) By accepting this Offer, you undertake to transfer to the Bidder not only the Bligh Shares to which the Offer relates, but also all Rights attached to those Bligh Shares.
- (d) An Offer in this form is being made to each Bligh Shareholder registered in the Bligh Register as at the Register Date. It also extends to:
 - (i) any person who becomes registered or entitled to be registered as the holder of Bligh Shares during the period from the Register Date to the end of the Offer Period, as a result of conversion or exercise of rights attached to securities held by that person, provided that those securities were issued to the person prior to the Announcement Date; and
 - (ii) any person who becomes registered, or entitled to be registered, as the holder of Bligh Shares during the Offer Period.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Bligh Shares to which the Offer relates:
 - (i) a corresponding offer on the same terms as the Offer will be deemed to have been made to that other person in respect of those Bligh Shares;
 - (ii) a corresponding offer on the same terms as the Offer will be deemed to have been made to you in respect of any remaining Bligh Shares you hold; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.
- (f) If, at the time the Offer is made to you, or at any time during the Offer Period, you are registered or entitled to be registered as the holder of one or more parcels of Bligh Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the

Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call Saracen on 08 6229 9157 to request those additional copies.

- (g) If Your Bligh Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

12.4 Offer Consideration

- (a) The Offer Consideration is 0.0369 Saracen Shares in respect of each of Your Bligh Shares.
- (b) If, at the time this Offer is made to you, you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder, you will not receive Saracen Shares. Instead, you are offered and will receive a cash amount determined in accordance with section 14.4 of this Bidder's Statement.
- (c) If you accept the Offer and are entitled to receive a fraction of a Saracen Share, the number of Saracen Shares you are entitled to under this Offer will be rounded down to the next whole number of Saracen Shares.
- (d) The Saracen Shares to be issued are ordinary shares in the Bidder and will be credited as fully paid and have the rights summarised in section 6.7.

12.5 Offer Period

- (a) The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer and ending at 7:00pm (Sydney time) on the later of:
 - (i) **[insert date]**; or
 - (ii) any date to which the period of the Offer is extended in accordance with the Corporations Act.
- (b) The Bidder reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) On or about the date of this Bidder's Statement, Saracen, Zeta and Bligh entered into an agreement pursuant to which Zeta is obliged to apply to the Commissioner of Taxation for a variation to Zeta's withholding tax obligation under section 14-235 of the Tax Administration Act 1953 (Cth) (**Variation**). If Zeta has not received such Variation during the Offer Period, Saracen has agreed to extend the Offer Period for one month. If the Offer is extended under this section 12.5(c), all Bligh Shareholders will have the benefit of this extension. If Zeta does not receive the Variation within the Offer Period (including as extended under this section 12.5(c)) then Saracen will remit the relevant withholding amount (**Zeta Withholding Amount**) to the Commissioner of Taxation under section 14-200 of the Tax Administration Act 1953 (Cth) and this amount will be a debt due and owing from Zeta to Saracen and the Offer will close at the end of the extended Offer Period (collectively, the **Zeta Withholding Agreement**).
- (d) If, within the last seven days of the Offer Period, either of the following events occurs:
 - (i) the Offer is varied to improve the consideration offered; or

- (ii) the Bidder's voting power in Bligh increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the event referred to in paragraph (a) or (b) above.

12.6 How to accept this Offer

(a) Who may accept

During the Offer Period:

- (i) any person who is able to give good title to a parcel of Your Bligh Shares may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them;
- (ii) any person who holds one or more parcels of Bligh Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate offer on terms identical with the Offer had been made in relation to:
 - (A) each of those parcels; and
 - (B) any parcel they hold in their own right;
- (iii) a person is taken to hold Bligh Shares if the person is, or is entitled to be, registered as the holder of those Bligh Shares;
- (iv) a person is taken to hold Bligh Shares on trust for, as nominee for, or on account of, another person if they:
 - (A) are, or are entitled to be, registered as the holder of particular Bligh Shares; and
 - (B) hold their interest in the Bligh Shares on trust for, as nominee for, or on account of, that other person;
- (v) in the case of a person who may accept under section 12.6(a)(ii) of this Bidder's Statement as if a separate offer, on the same terms as the Offer, has been made to that person for a parcel of Bligh Shares within a holding, an acceptance of that offer is ineffective unless:
 - (A) the person gives the Bidder a notice stating that the Bligh Shares consist of a separate parcel; and
 - (B) the acceptance specifies the number of Bligh Shares in the parcel;
- (vi) a notice under paragraph 12.6(a)(v) of this Bidder's Statement must be made:
 - (A) if it relates to Bligh Shares in a CHES Holding - in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
 - (B) otherwise - in writing; and

- (vii) a person may, at the one time, accept for two or more parcels of Bligh Shares as if there had been a single offer for a separate parcel consisting of those parcels.
- (b) **Offer is for all Your Bligh Shares**
- (i) The Offer is for all of Your Bligh Shares. You may accept the Offer at any time during the Offer Period. If you accept the Offer, you will be taken to have also accepted the Offer for all Your Bligh Shares, including any Bligh Shares which are issued to you during the Offer Period.
 - (ii) You may accept this Offer at any time during the Offer Period.
- (c) **Acceptance procedure for Bligh Shareholders**
- (i) **If you hold Your Bligh Shares in an Issuer Sponsored Holding (i.e., your SRN starts with an "I"):** to validly accept the Offer, you must:
 - (A) complete and sign the accompanying Acceptance Form in accordance with the instructions on the form; and
 - (B) return it (together with all other documents required by those instructions) so that they are received at an addresses specified in section 12.6(d)(i) before the end of the Offer Period.
 - (ii) **If you hold Your Bligh Shares in a CHESS Holding (i.e., your HIN starts with an "X"),** you must comply with the ASX Settlement Operating Rules. To accept this Offer in accordance with the ASX Settlement Operating Rules: you have one of the following three choices:
 - (A) you can instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period;
 - (B) you can complete and sign your Acceptance Form and return it (together with any other required documents described on the form) directly to your Controlling Participant (usually your broker) in sufficient time for this Offer to be accepted before the end of the Offer Period, with instructions to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (C) you can complete and sign your Acceptance Form and return it to the Bidder at the address specified in section 12.6(d)(ii) so that your Acceptance Form is received before 7.00pm (Sydney time) on the second last Business Day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant (usually your broker) to initiate acceptance of the Offer on your behalf. Neither the Bidder, nor its registry, Computershare, will be responsible for any delays incurred by this process.

- (i) the Bidder may in its sole discretion waive any or all of those requirements at any time (including requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances under section 12.6(c));
- (ii) where the requirements have been complied with in respect of some but not all of Your Bligh Shares, the Bidder may, in its sole discretion, deem your acceptance of the Offer complete in respect of those of Your Bligh Shares for which the requirements have been complied with, but not in respect of the remainder;
- (iii) the Bidder is not required to communicate with you prior to making its determination as to the above matters and the determination of the Bidder will be final and binding; and
- (iv) in relation to a CHESS Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

Where the Bidder elects to waive any requirements of section 12.6, your acceptance of the Offer will be complete regardless of any failure by you to comply with the waived requirements.

(f) The effect of acceptance

By signing and returning the Acceptance Form or instructing your Controlling Participant to initiate acceptance of the Offer under the ASX Settlement Operating Rules in accordance with this section 12.6:

- (i) you authorise the Bidder and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
 - (A) make it an effective acceptance of the Offer in relation to Your Bligh Shares which are not in a CHESS Holding; and
 - (B) enable the transfer of Your Bligh Shares to the Bidder; and
- (ii) if any of Your Bligh Shares are in a CHESS Holding, you authorise the Bidder and each of its officers and agents to:
 - (A) instruct your Controlling Participant to give effect to your acceptance of the Offer for those Bligh Shares under Rule 14.14 of the ASX Settlement Operating Rules; and
 - (B) give to your Controlling Participant on your behalf any other instructions in relation to those Bligh Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer.

(g) Your agreement

By signing and returning the Acceptance Form or otherwise accepting the Offer in accordance with this section 12.6:

- (i) you irrevocably accept the Offer (and any variation of it), and subject to all of the Conditions being fulfilled or waived, and agree to transfer to the Bidder all Your Bligh Shares;

- (ii) you represent and warrant to the Bidder as a fundamental condition going to the root of the contract resulting from your acceptance that all of Your Bligh Shares will at the time of your acceptance of the Offer and of transfer to the Bidder be fully paid up and that the Bidder will acquire good title to and beneficial ownership of them free from Encumbrances;
- (iii) you represent and warrant to the Bidder that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in Your Bligh Shares (including the Rights) to the Bidder;
- (iv) you consent to becoming a member of Saracen and agree to be bound by the constitution of Saracen upon the allotment of the new Saracen Shares;
- (v) the Bidder will be entitled to all Rights declared, paid, made or which arise or accrue on or after the Announcement Date;
- (vi) you irrevocably authorise Bligh to pay to the Bidder, or to account to the Bidder, for all Rights in respect of Your Bligh Shares, subject to the Bidder accounting to you for any such Rights received by the Bidder if the Offer is withdrawn;
- (vii) you irrevocably authorise the Bidder and each director of, and any nominee of, the Bidder to alter the Acceptance Form on your behalf by inserting correct details relating to Your Bligh Shares, filling in blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by the Bidder to make it an effective acceptance of the Offer or to enable registration of Your Bligh Shares in the name of the Bidder;
- (viii) if you signed the Acceptance Form in respect of Bligh Shares which are held in a CHESS Holding, you irrevocably authorise the Bidder and each director of, and any nominee of, the Bidder to:
 - (A) instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Bligh Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules; and
 - (B) give any other instructions in relation to Your Bligh Shares to your Controlling Participant, as determined by the Bidder acting in its own interests as a beneficial owner and intended registered holder of those Bligh Shares;
- (ix) you irrevocably authorise the Bidder to notify Bligh on your behalf that your address for the purpose of serving notices upon you in respect of Your Bligh Shares is the address specified by the Bidder in the notification;
- (x) you acknowledge and agree that if you are a Foreign Shareholder or the Bidder believes you are a Foreign Shareholder, section 14.8 applies to you;
- (xi) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of Your Bligh Shares to the Bidder subject to the terms of the constitution of Bligh on which they were held immediately before your acceptance of the Offer (and the Bidder agrees to take those Bligh Shares subject to those terms);

- (xii) on this Offer or any takeover contract becoming unconditional, you irrevocably appoint the Bidder and each director of, and any nominee of, the Bidder as your attorney (even though the Bidder has not yet provided the consideration due to you) to:
 - (A) exercise all your powers and rights in relation to Your Bligh Shares, including powers and rights to requisition, convene, attend and vote in respect of Your Bligh Shares at all general and class meetings of Bligh or appoint a proxy or proxies to attend and vote in the manner directed by the Bidder on your behalf in respect of Your Bligh Shares at any such meeting and to request Bligh to register, in the name of the Bidder or its nominee, Your Bligh Shares, as appropriate, with full power of substitution;
 - (B) execute all forms, notices, documents (including a document appointing a director of the Bidder as a proxy for any of Your Bligh Shares) and resolutions relating to Your Bligh Shares and generally to exercise all powers and rights which you have as the registered holder of Your Bligh Shares;
 - (C) receive from Bligh or any other party, and retain, any security certificates which were held by Bligh or any other party; and
 - (D) direct Bligh to pay to the Bidder, or to account to the Bidder for, all Rights attaching to Your Bligh Shares, subject however to any such Rights received by the Bidder being accounted for by the Bidder to you, if the Offer is withdrawn or avoided;
- (xiii) you agree that in exercising the powers conferred by the power of attorney in sub-paragraph 12.6(g)(xii), the Bidder and each of its directors and its nominees is entitled to act in the interest of the Bidder;
- (xiv) you agree to do all such acts, matters and things that the Bidder may require to give effect to the matters the subject of sub-paragraph 12.6(g)(xii) (including the execution of a written form of proxy to the same effect as this section 12.6(g) which complies in all respects with the requirements of the constitution of Bligh) if requested by the Bidder;
- (xv) you represent and warrant to the Bidder that, unless you have notified it in accordance with section 12.6(a)(v), Your Bligh Shares do not consist of separate parcels of Bligh Shares;
- (xvi) you agree not to attend or vote in person at any general or class meeting of Bligh or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on the Bidder and the directors of the Bidder by sub-section 12.6(g)(xii) (even though the Bidder has not yet provided the consideration due to you);
- (xvii) you authorise the Bidder to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of Your Bligh Shares which are in CHESS Holding into the Takeover Transferee Holding (even though the Bidder has not yet provided the consideration due to you);
- (xviii) you agree to indemnify the Bidder and its agents (and each of them) in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Shareholder Reference Number or in consequence of the transfer of Your Bligh Shares being registered by Bligh

without production of your Holder Identification Number or your Shareholder Reference Number;

- (xix) you irrevocably accept the Offer in respect of all Your Bligh Shares despite any difference between that number and the number of Bligh Shares shown in our Acceptance Form; and
- (xx) where, at that time, you have a right to be registered as a holder of the Bligh Shares the subject of your acceptance as the result of an on market purchase (but you are not a Bligh Shareholder) you:
 - (A) agree to use reasonable endeavours to procure the delivery of the Bligh Shares the subject of your acceptance to the Bidder in accordance with your acceptance (including giving the Bidder all documents necessary to vest those Bligh Shares in the Bidder or otherwise to give the Bidder the benefit or value of those Bligh Shares);
 - (B) agree not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Bligh Shares the subject of your acceptance to the Bidder;
 - (C) irrevocably assign to the Bidder all contractual rights and recourse against the vendor in respect of your on market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - (D) agree to assign to the Bidder (without any further action being required) all rights in respect of your on market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to the Bidder the right to (at the Bidder's ultimate discretion) complete that trade on your behalf, and agree that the Bidder may deduct from the consideration otherwise payable to you any amount paid by the Bidder in order to settle that on market purchase on your behalf. If the Bidder does not, or cannot, make such a deduction, you must pay such amount to the Bidder; and
 - (E) agree that if you are unable to assign to the Bidder any of the rights and recourse specified under sections 12.6(g)(xx)(C) and 12.6(g)(xx)(D), you will assign such right and recourse as soon as you are legally able to do so.

By accepting this Offer you will be deemed to have agreed to the matters set out in this section 12.6(g), even where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

The undertakings and authorities referred to in this section 12.6(g) will remain in force after you receive the consideration for Your Bligh Shares and after the Bidder becomes registered as the holder of Your Bligh Shares.

(h) **Power of attorney, deceased estate**

- (i) When accepting the Offer, you must also provide for inspection:

- (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Bligh Shareholder, a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.
- (ii) If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney under section 12.6(g)(xii).
- (i) **Validation of otherwise ineffective acceptances**

Except in relation to Bligh Shares in a CHESS Holding, the Bidder may treat the receipt by it of a signed Acceptance Form as a valid acceptance of the Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If the Bidder does treat an Acceptance Form as valid, the Bidder will not be obliged to give the Offer Consideration to you until the Bidder receives all those documents and until all of the requirements for acceptance referred to in this section 12.6 and in the Acceptance Form have been met.

13. Conditions of this Offer

13.1 Conditions

Subject to section 13.2, the Offer and the contract that results from its acceptance are subject to the following conditions:

(a) **Regulatory approvals**

Before 8.00am on the day before the last day of the Offer Period, all Regulatory Approvals which are necessary, or which the parties agree are desirable, to implement the Transaction have been issued or received (as applicable) and those Regulatory Approvals remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew them.

(b) **No Prescribed Event**

Before the end of the Offer Period, no Prescribed Event occurs.

(c) **Minimum Acceptance Condition**

At or before the end of the Offer Period, Bidder Group:

- (i) has a Relevant Interest in such number of Target Shares as represents at least 90% in aggregate of all Bligh Shares on issue; and
- (ii) becomes entitled to compulsorily acquire all outstanding Bligh Shares under Part 6A.1 of the Corporations Act.

(d) **ASX quotation approval**

Satisfaction of the condition implied by section 625(3) of the Corporations Act, namely that an application for admission to quotation by ASX of the new Saracen Shares to be issued pursuant to the Offer is made within 7 days after the start of the Offer Period and permission for admission to official quotation by ASX is granted no later than 7 days after the end of the Offer Period.

(e) **No regulatory action**

During the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Government Agency;
- (iii) no application is made to any Government Agency (other than by Bidder);

In consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act), which:

- (i) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
 - (A) the making of the Offers or the completion of any transaction contemplated by the Offer; or
 - (B) the rights of Bidder in respect of the Target or the Bligh Shares; or
- (ii) requires the divestiture by Bidder of any Bligh Shares or the divestiture of any material assets of the Target Group.

(f) **Acquisitions, disposals and expenditure**

During the Offer Period, except for Permitted Actions, no Target Group Member:

- (i) except for actions in the ordinary course of business, acquires or agrees to acquire any assets, properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital or operating expenditure by the Target Group, whether in one or more transactions, where the amounts or value involved in such transaction, transactions, commitments or series of commitments exceeds \$20,000 in aggregate;
- (ii) disposes of, or agrees to dispose of, or creates or agrees to create an equity interest in respect of any Mining Tenements; or
- (iii) subject to Condition 13.1(f)(ii) above, except for actions in the ordinary course of business, disposes of, or agrees to dispose of, or creates or agrees to create an equity interest in respect of any assets (including, without limitation off-take from the Mining Tenements or pursuant to any mining off-take agreement or similar agreement), properties or businesses, whether in one transaction or a number of such transactions, where the amount or value involved in such transaction or transactions exceeds \$20,000 in aggregate.

(g) **No material adverse change**

Between the Announcement Date and the end of the Offer Period, no Material Adverse Change occurs in respect of the Target, or is discovered, announced, disclosed or otherwise becomes known to Saracen.

(h) **Financier undertakings**

The Majority Shareholder gives an undertaking to Saracen and the Target not to exercise, and not to state an intention to exercise, any rights it has to terminate the Zeta Loan, require repayment of funds or interest under the Zeta Loan, as a result of the Transaction.

(i) Third party consents

All Third Party Consents are granted or obtained in respect of implementation of the Transaction by 8:00am on the last day of the Offer Period and are not withdrawn, cancelled or revoked.

(j) No material breach of representation or warranty

Between the Announcement Date and the last day of the Offer Period (each inclusive), Saracen does not become entitled to terminate the Bid Implementation Deed under clause 10.1 of the Bid Implementation Deed as a result of the Target warranties in clause 9.1 of the Bid Implementation Deed becoming untrue or incorrect in any material respect.

13.2 Nature and benefit of conditions

(a) The Conditions set out in section 13.1 are conditions subsequent. The breach or non-fulfilment of any of the Conditions does not, until the end of the Offer Period, prevent a contract arising to acquire Your Bligh Shares resulting from your acceptance of this Offer, but non-fulfilment of any of those Conditions will have the consequences set out in section 13.3(b).

(b) Each of the Conditions set out in section 13.1:

- (i) constitutes and will be construed as a separate, several and distinct condition; and
- (ii) until the expiration of the Offer Period will be for the benefit of the Bidder alone and may be relied upon only by the Bidder.

13.3 Bidder may decide Offer is free from all or any of the conditions

(a) The Bidder may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all (or any) of the conditions set out in section 13.1 by notice in writing to Bligh not later than seven days before the end of the Offer Period.

(b) If at the end of the Offer Period, in respect of any Condition in section 13.1:

- (i) the Bidder has not declared this Offer (and it has not become) free from that condition; and
- (ii) that condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, the Bidder will notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

13.4 Date for giving notice on status of conditions

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is **[insert date]**, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

14. Offer Consideration

14.1 When consideration is provided

Subject to this section 14 and the Corporations Act, if you accept the Offer and all of the Conditions are fulfilled or waived, the Bidder will provide the Offer Consideration due to you for Your Bligh Shares on or before the earlier of:

- (a) the date one month after the date you validly accept this Offer or, if at the time of your acceptance the Offer is subject to any Condition, one month after the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

Notwithstanding the above, and subject to the Corporations Act and the Conditions being satisfied or waived, the Bidder will use reasonable endeavours to provide your Offer Consideration to you within seven days of the Offer becoming unconditional or your acceptance of the Offer (whichever occurs first in time).

14.2 Where additional documents are required

Where the Acceptance Form requires additional documents to be given to the Bidder with your acceptance of the Offer to enable the Bidder to become the registered holder of Your Bligh Shares (such as a power of attorney):

- (a) if the documents are given to the Bidder with your Acceptance Form, the Bidder will provide the consideration in accordance with section 14.1 of this Bidder's Statement;
- (b) if the documents are given to the Bidder after your Acceptance Form and before the end of the Offer Period and this Offer is subject to a Condition at the time that the Bidder is given the documents, the Bidder:
 - (i) will provide the Offer Consideration due to you on or before the earlier of:
 - (A) one month after the Offer becomes unconditional; and
 - (B) 21 days after the end of the Offer Period; and
 - (ii) notwithstanding 14.2(b)(i) above, will use reasonable endeavours to provide the Offer Consideration due to you within seven days after the Offer becoming unconditional or your acceptance of the Offer (whichever occurs first in time);
- (c) if the documents are given after your Acceptance Form and before the end of the Offer Period and the Offer is unconditional at the time that the Bidder is given the documents, the Bidder:
 - (i) will provide the Offer Consideration due to you on or before the earlier of:
 - (A) one month after the Bidder is given the documents; and
 - (B) 21 days after the end of the Offer Period;

- (ii) notwithstanding 14.2(c)(i) above, will use reasonable endeavours to provide the Offer Consideration due to you within seven days after the Offer becoming unconditional or your acceptance of the Offer (whichever occurs first in time);
- (d) if the documents are given after the end of the Offer Period, and the Offer is not subject to a Condition, the Bidder will provide the Offer Consideration within seven days after that documents are given. However, if at the time the documents are given, the Offer is still subject to a Condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, the Bidder will provide the Offer Consideration due to you within 21 days after the Offer becomes unconditional.

If you do not provide the Bidder with the required additional documents within one month after the end of the Offer Period, the Bidder may, in its sole discretion, rescind the Offer Contract.

14.3 Where the Bidder is entitled to any Rights

If the Bidder becomes entitled to any Rights on acceptance of the Offer, you must give the Bidder all documents that the Bidder needs to give the Bidder title to those Rights. If you do not give those documents to the Bidder (or if you have received or are entitled to receive the benefit of those Rights) before the Bidder provides the Offer Consideration to you, the Bidder will deduct from the Offer Consideration otherwise due to you the amount (or value, as reasonably assessed by the Bidder) of those Rights.

14.4 Ineligible Foreign Shareholders or Small Parcel Shareholders

- (a) If you have accepted the Offer and you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder, you will receive your share of the proceeds from the sale of the Saracen Shares in accordance with this section 14.4.
- (b) If you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder, you will not be entitled to receive Saracen Shares as the Offer Consideration for Your Bligh Shares as a result of accepting this Offer, and the Bidder will:
 - (i) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Saracen Shares to which you and all other Ineligible Foreign Shareholders and Small Parcel Shareholders would have been entitled but for section 12.4(b);
 - (ii) cause the Saracen Shares so issued to be offered for sale by the Nominee on the ASX as soon as reasonably practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee (at the risk of the Ineligible Foreign Shareholders and Small Parcel Shareholders);
 - (iii) pay to you the amount ascertained in accordance with the formula:

$$(N \times YS) / TS$$

where:

“N” is the amount which is received by the Nominee upon the sale of all Saracen Shares under this section 14.4 less any fees, taxes and sale expenses;

“**YS**” is the number of Saracen Shares which would, but for section 12.4(b), otherwise have been issued to you; and

“**TS**” is the total number of Saracen Shares allotted to the Nominee under this section 14.4.

- (c) You will receive your share of the net proceeds of the sale of Saracen Shares calculated in accordance with this section 14.4 in Australian currency.
- (d) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form or to the address for you last notified to the Bidder by Bligh, within the period required by the Corporations Act.
- (e) Under no circumstances will interest be paid on your share of the net proceeds of the sale of Saracen Shares by the Nominee, regardless of any delay in remitting these proceeds to you.
- (f) As the market price of Saracen Shares will be subject to change from time to time, the sale price of the Saracen Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither the Bidder nor the Nominee gives any assurance as to the price that will be achieved for the sale of the Saracen Shares by the Nominee.
- (g) The Nominee will be appointed by, and will provide the Nominee services to, the Bidder. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder or Small Parcel Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder or Small Parcel Shareholder and does not underwrite the sale of the Saracen Shares.
- (h) If the Bidder determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Bligh Shares from a Bligh Shareholder, the Bidder will, for any such Bligh Shareholder:
 - (i) determine the amount to be paid to the Commissioner (**Payment Amount**) which will either be 12.5% of the Offer Consideration or another amount as advised by the Commissioner;
 - (ii) remit funds, equal to the Payment Amount, to the Commissioner within the time required under the TAA; and
 - (iii) reduce the amount of Offer Consideration payable by the Bidder to that Bligh Shareholder by the Payment Amount for the purposes of this Offer.

For the avoidance of doubt, where the conditions in this section 14.4(h) are satisfied, the Bidder will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the consideration to a Bligh Shareholder if the amount paid to the Bligh Shareholder is the amount (or value as reasonably assessed by the Bidder) of the Offer Consideration that would have otherwise been payable to the Bligh Shareholder pursuant to the Offer, less the Payment Amount for that Bligh Shareholder.

14.5 Method of payment

Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by pre-paid ordinary post to the address set out in your Acceptance Form or to the address for you last notified to the Bidder by Bligh, or, if you have an overseas address, by pre-paid airmail post.

14.6 Saracen allotment

The obligation of the Bidder to issue and allot any Saracen Shares to which you are entitled will be satisfied by the Bidder causing Saracen:

- (a) to enter your name on the register of members of Saracen; and
- (b) to dispatch or procure the dispatch to you by pre-paid post to your address recorded in Bligh's register of members at 7.00pm (Sydney time) on the Register Date, an uncertificated holding statement in your name. If Your Bligh Shares are held in a joint name, an uncertificated holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Bligh's register of members at 7.00pm (Sydney time) on the Register Date.

14.7 Return of documents

If any contract arising from the Offer is rescinded by the Bidder, the Bidder will, at its election, return by post to you at the address shown on the Acceptance Form any Acceptance Form and any other documents sent with it by you or destroy those documents and notify ASX.

14.8 Restrictions on provision of consideration

It is your sole responsibility to satisfy yourself that you are permitted by any applicable Foreign Law to accept the Offer and receive the Offer Consideration.

If, at the time of acceptance of the Offer, you are resident in or a resident of a place to which, or you are a person to whom, the following regulations apply:

- (a) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
- (c) the *Charter of the United Nations (Dealing with Assets) Regulations 2008*;
- (d) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001*;
- (e) the *Charter of the United Nations (Sanctions – Iraq) Regulations 2008*; or
- (f) any other law of Australia or regulation under the *Charter of the United Nations Act 1945* (Cth) that requires that an authority, clearance or approval of the Reserve Bank of Australia, the Australia Tax Office or any government authority be obtained before you receive any consideration for Your Bligh Shares,

which would make it unlawful for the Bidder to provide consideration for Your Bligh Shares, you will not be entitled to receive any consideration for Your Bligh Shares until all requisite authorities or clearances have been received by the Bidder.

14.9 Withholdings

If any amount is required under any Australian law or by any Government Agency to be withheld from any consideration otherwise payable to you under this Offer and paid to a Government Agency, or retained by the Bidder out of any consideration otherwise payable to you under this Offer, the payment or retention by the Bidder of that amount will constitute full discharge of the Bidder's obligation to pay that amount of consideration to you.

If the Bidder determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the Taxation Administration Act 1953 (Cth) (TAA) with respect to the acquisition of the Bligh Shares from a Bligh Shareholder, the Bidder will, for any such Bligh Shareholder:

- (a) determine the amount to be paid to the Commissioner (Payment Amount) which will either be 12.5% of the Offer Consideration or another amount as advised by the Commissioner;
- (b) remit funds, equal to the Payment Amount, to the Commissioner within the time required under the TAA; and
- (c) reduce the amount (or value as reasonably assessed by the Bidder) of consideration payable by the Bidder to that Bligh Shareholder by the Payment Amount for the purposes of this Offer.

For the avoidance of doubt, where the conditions in this section 14.9 are satisfied, the Bidder will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the Offer Consideration to a Bligh Shareholder if the amount paid to the Bligh Shareholder is the amount of the Offer Consideration that would have otherwise been payable to the Bligh Shareholder pursuant to the Offer, less the Payment Amount for that Bligh Shareholder.

If any Bligh Shareholder is subject to an amount of withholding by Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the Taxation Administration Act 1953 (Cth) (TAA), and wishes to take advantage of the arrangements contemplated in section 12.5(c) in this Bidder's Statement in relation to Zeta, such Bligh Shareholder should contact Fiona Baird (from Saracen) on 08 6229 9157 in relation to this request. The Bidder will consider any such request in good faith and will use its reasonable endeavours to extend similar arrangements to such Bligh Shareholders.

15. General

15.1 Official quotation of new Saracen Shares

- (a) Saracen has been admitted to the official list of the ASX. Shares of the same class as those to be issued as Offer Consideration has been granted official quotation by the ASX.
- (b) An application will be made within seven days after the start of the Offer Period to the ASX for the granting of official quotation of the Saracen Shares to be issued in accordance with the Offer. However, official quotation is not granted automatically on application.
- (c) Pursuant to the Corporations Act, this Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by the ASX of the Saracen Shares to be issued pursuant to the Offer is granted no later than seven days following the end of the Offer Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offers will be automatically void.

15.2 Variation or withdrawal of the offer

- (a) The Bidder may vary the Offer in accordance with the Corporations Act.
- (b) The Bidder may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to any conditions specified in ASIC's consent.
- (c) Subject to ASIC's consent (and any conditions imposed by ASIC), withdrawal of this Offer may be effected by written notice from the Bidder given to Bligh.
- (d) Subject to any conditions imposed by ASIC on its consent, where the Bidder withdraws this Offer:
 - (i) this Offer, if not previously accepted, automatically becomes incapable of acceptance; and
 - (ii) any contract resulting from an acceptance of this Offer before the withdrawal (and for this purpose this Offer is treated as having continued in existence notwithstanding that acceptance) is automatically void.

15.3 Notices

Any notice, nomination, or other communication to be given by the Bidder to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of the Bidder by any of its directors or its company secretary and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the register of Bligh Shareholders or, if you have an overseas address, by pre-paid airmail post.

Other than in respect of the delivery of Acceptance Forms by Bligh Shareholders (which must be delivered in accordance with section 12.6(c)), any notice or other communication given by you to the Bidder in connection with the Offer will be deemed to be duly given if it is in writing and is sent to any of the following addresses:

By mail:	or	By hand
Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia		Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford Victoria 3067 Australia

If:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to the Bidder, but before it has been received, or
- (b) for any other reason, the Bidder does not acquire the Bligh Shares to which your Acceptance Form relates,

the Bidder will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or any other address you notify in writing to the Bidder by, where such address is inside Australia, pre-paid ordinary post, or where such address is outside Australia, pre-paid airmail.

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable in respect of a transfer of Your Bligh Shares in respect of which the Offer is accepted, will be paid by the Bidder.

15.4 **Brokerage and stamp duty**

You will not pay stamp duty on the disposal of Your Bligh Shares should you accept the Offer.

If Your Bligh Shares are registered in an Issuer Sponsored Holding in your name and you post them directly to the Bidder, you will not incur any brokerage in connection with your acceptance of the Offer.

If Your Bligh Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Bligh Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any Transaction fees or service charges in connection with acceptance of the Offer.

15.5 **Foreign laws**

The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer and to receive the Offer Consideration.

15.6 **Governing law**

The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Western Australia.

16. Additional Information

16.1 Bid Implementation Deed

On 14 June 2019, Bligh and Saracen entered into the Bid Implementation Deed which sets out the rights and obligations of Bligh and Saracen in connection with the implementation of the Offer. A copy of the Bid Implementation Deed was provided to the ASX on 14 June 2019 and is publicly available on the ASX company announcements platform.

A summary of the Bid Implementation Deed follows:

(a) Conditions

The Offer is subject to a number of Conditions which must be satisfied or waived before an unconditional contract can arise from acceptance of the Offer. These conditions are set out in clause 3 and Schedule 1 of the Bid Implementation Deed and are summarised in section 13.1 of this Bidder's Statement.

Bligh and Saracen:

- (i) must to the extent within its power, use reasonable endeavours to ensure that each Condition is satisfied as soon as practicable after the Announcement Date (if applicable);
- (ii) agree not to do, or omit to do, anything which will, or is likely to, result in any of the Conditions being breached or not satisfied; and
- (iii) must keep the other promptly and reasonably informed of the steps it has taken and its progress towards satisfaction of the Conditions, and promptly notify the other if it becomes aware that any Condition has been satisfied.

(b) Competing Proposal

Clause 6 of the Bid Implementation Deed sets out the exclusivity obligations of Bligh in connection with the implementation of the Offer. A summary of the key exclusivity obligations of Bligh during the Relevant Period is set out below:

- (i) **(No-shop)** Bligh must not, and must ensure that its Representatives do not, directly or indirectly solicit, initiate, encourage or invite enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal, or communicate to any such person any intention to do any of the things referred to above;
- (ii) **(No-talk)** Bligh represents and warrants that, as at the Announcement Date, Bligh and its Representatives have terminated all discussions with any Third Party in relation to, or which could reasonably be expected to lead to, a Competing Proposal or any other transaction that would, or would be reasonably expected to, reduce the likelihood of success of the Offer. Bligh must not, and must ensure that its Representatives do not, directly or indirectly do any of the following, or communicate to any person any intention to do any of the following:
 - (A) participate in any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Competing Proposal;

- (B) provide or make available to any Third Party any non-public information relating to Bligh or any Target Group Member where provision of that information may reasonably be expected to lead to a Competing Proposal; or
 - (C) negotiate, accept, enter into or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal.
- (iii) **(No due diligence)** Bligh must not, and must ensure that its Representatives do not, directly or indirectly solicit, initiate, facilitate or encourage any party to undertake due diligence on Bligh or any member of the Target Group in connection with a Competing Proposal, or provide to any other person or permit such person to receive any non-public information with a view to obtaining or reasonably leading to a Competing Proposal.
- (iv) **(Notification obligation)** Bligh must, within two days, notify Saracen in writing if it or a Bligh Representative is approached or receives an intention to make such an approach, by any person in relation to an actual, proposed or potential Competing Proposal. The notice must set out all material details of the approach and include the identity of the proponent(s) of the Competing Proposal.
- (v) **(Fiduciary exception)** In respect of a Competing Proposal that is made or announced without any breach by Bligh of its obligations under the Competing Proposal clauses in clause 6 of the Bid Implementation Deed, Bligh may:
- (A) undertake any action (**Prohibited Action**) that would otherwise be prohibited by the No-talk or No due diligence clauses; or
 - (B) fail to take any action (**Required Action**) that would otherwise be required by the Notification obligation,

if (and only to the extent that) the Bligh Board determines, acting in good faith and after consultation with Bligh's financial advisers and receiving written legal advice from external legal advisors, that not undertaking the Prohibited Action or taking the Required Action, would, or would be likely, to result in a Bligh Director breaching their fiduciary or statutory duties or would otherwise be unlawful.

- (vi) **(Matching right):**
- (A) Bligh must not, and must procure that each of its Subsidiaries do not, enter into, or agree to enter into, any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Bligh (or any of its Subsidiaries) or both proposes or propose to undertake or give effect to a Competing Proposal, and must use its best endeavours to ensure that no Bligh Director publicly recommends or otherwise endorses a Competing Proposal as a Superior Proposal or recommends against the Offer, unless:
 - (1) the Bligh Board, acting in good faith, after consultation with its financial advisers and external legal advisors, determines that failure to take that action would likely be inconsistent with the Directors' fiduciary or statutory duties owed by any Bligh Director, and the proposed Competing Proposal would constitute an actual, proposed or potential Superior Proposal;

(2) Bligh has provided Saracen the information contemplated above;

(3) Bligh has first given Saracen three Business Days after the date of provision of the information contemplated by paragraph 16.1(b)(iv) to provide Bligh with an irrevocable offer of matching or Superior Proposal to the Competing Proposal on terms which Saracen considers in good faith to be no less favourable to the relevant Competing Proposal (**Bidder Counter Proposal**); and

(4) Saracen has not provided, in the reasonable opinion of the Target Board, a Bidder Counter Proposal by the end of period contemplated in above paragraph 16.1(b)(vi)(A)(3).

- (B) Bligh must procure that the Bligh Board will consider the Bidder Counter Proposal to determine if the Bidder Counter Proposal would provide an equivalent or superior outcome for Bligh Shareholders as a whole compared with the Competing Proposal.
 - (C) To the extent required to discharge what the Bligh Directors have determined in good faith to be their fiduciary or statutory obligations, the Bligh Directors may release a public announcement acknowledging the receipt of a Competing Proposal and advise Bligh Shareholders to take no action in relation to the Competing Proposal until they receive further advice from the Bligh Board.
 - (D) If Saracen provides Bligh with a proposal that is a Bidder Counter Proposal by the end of the period contemplated in above paragraph 16.1(b)(vi)(A)(3), Saracen and Bligh must use reasonable endeavours to agree any amendments to the Bid Implementation Deed as reasonably necessary to reflect the Bidder's Counter Proposal as soon as reasonably practicable. Bligh must use its reasonable endeavours to procure that each of Bligh Director continues to recommend the modified Offer to Bligh Shareholders.
- (vii) (**Provision of information**) Bligh must as soon as possible provide Saracen with a copy of written materials, or in any other case a written statement, of any non-public information about the business or affairs of the Target Group disclosed or otherwise provided to any Third Party in connections with an actual, proposed or potential Competing Proposal that has not previously been provided to Saracen.

(c) **Conduct of business**

Clauses 8.1 of the Bid Implementation Deed set out the obligations of Bligh applying from the Announcement Date until the end of the Offer Period with respect to conduct of its business. Bligh must conduct its business in the ordinary course of business and in substantially the same manner and at the same location(s) as conducted in the 12 month period prior to the Announcement Date. Bligh and each Target Group member must use reasonable endeavours to:

- (i) not take any action that constitutes, or is reasonably likely to result in or lead to, a Prescribed Event or a breach of a Condition;

- (ii) preserve its current business and operations and not enter into any new line of business or other activities which Bligh was not engaged in at the date of the Bid Implementation Deed;
- (iii) keep available the services of its current officers;
- (iv) preserve its relationships with all material authorities, financiers, material customers and suppliers, licensors, licensees and others having business dealings with it;
- (v) provide regular reports of the financial affairs of Bligh and each Target Group Member in a timely manner to Saracen;
- (vi) maintain its business and assets in good working order; and
- (vii) promptly notify Saracen of any material developments concerning the conduct of the business and operations, as well as abnormal or unusual events with respect to Bligh's business or operations or the occurrence of any event outside the ordinary course of business or operations.

Bligh must procure that Saracen and its Representatives are given reasonable access to the properties, books and records and management of the Target Group and third party service providers of the Target Group during ordinary business hours and on reasonable notice to Bligh for the purposes of:

- (i) implementing the Transaction;
- (ii) enabling Saracen to understand Target Group's business and operations and its financial position, financial performance and prospects;
- (iii) enabling Saracen to prepare for the transition of ownership of the Target Group business to the Bidder Group;
- (iv) subject to Bligh acting reasonably and without delay, providing its consent and, if required entry into a confidentiality agreement with Bligh, providing information to Saracen's financiers; and
- (v) any other purpose agreed between Saracen and Bligh in writing,

unless the provision of such access places an unreasonable burden on the ability of any Target Group Member to operate their business or is prohibited by law.

(d) **Termination**

Clause 10 of the Bid Implementation Deed sets out the termination rights of each party. These are summarised below.

(i) **Termination by either party**

Either Saracen or Bligh (**Terminating Party**) may terminate the Bid Implementation Deed at any time before the end of the Offer Period by giving written notice to the other if:

- (A) there is a material breach of the Bid Implementation Deed or any representation or warranty given by the other party under the Bid Implementation Deed is untrue, inaccurate or misleading in any respect that is material in the context of the Offer and that breach has not been remedied within five Business Days after the date such notice is received;
- (B) a court of competent jurisdiction or Authority issues a final and non-appealable order or ruling or takes an action which permanently restrains or prohibits the Offer;
- (C) Saracen withdraws the Offer for non-satisfaction of a Condition or a Competing Proposal has been announced and it has been recommended by the Bligh Board;
- (D) the Offer lapses without the Conditions being satisfied or waived; or
- (E) the End Date (three months following the commencement of the Offer Period or such later date as Saracen and Bligh agree in writing) is reached and the Offer Period has not concluded.

(ii) Termination by Saracen

Saracen may terminate the Bid Implementation Deed at any time by giving written notice to Bligh if:

- (A) the Bligh Board change or withdraw their recommendation, or their intention to accept the Offer in respect of all of their Bligh Shares or make a public statement indicating that they no longer support the Offer or that they support a Competing Proposal;
- (B) a Prescribed Event occurs or any other event occurs which causes a Condition to be breached or be incapable of being satisfied;
- (C) if a Competing Proposal is publicly proposed by a person other than Saracen (or one of its Related Bodies Corporate) and is recommended by any of the Bligh Directors;
- (D) if a person other than Saracen or one of its Associates that does not hold 10% or more voting power in Bligh at the Announcement Date obtains voting power in Bligh of 10% or more; or
- (E) if any of the Bligh Directors fail to make or withdraw, change, revise, revoke or qualify, or make public statements inconsistent with, the recommendation or makes public statements indicating that they no longer recommend or intend to accept the Offer, or recommend, endorse or otherwise support a Competing Proposal.

(iii) Termination by Bligh

Bligh may terminate the Bid Implementation Deed at any time by giving written notice to Saracen if:

- (A) the Bligh Board (or a majority of the Bligh Directors) change or withdraw their recommendation in accordance with clause 5.1(b) of the Bid Implementation Deed; or

- (B) a Bidder MAC occurs from the Announcement Date until any time prior to the Offer Close Date, as defined under the Bid Implementation Deed.

(e) **Break fees**

Saracen is entitled to a Break Fee in accordance with clause 7 of the Bid Implementation Deed, in circumstances where:

- (i) each party believes that it and its shareholders will derive significant benefits from the Transaction;
- (ii) Saracen has incurred and will further incur significant costs in connection with the Transaction, which will include significant opportunity costs if the Offer is not successful;
- (iii) Saracen has requested provisions be made for the payment of the Break Fee by Bligh, and would not have entered into the Bid Implementation Deed had such provision not been made;
- (iv) Bligh believes that it is appropriate to agree to pay the Break Fee to secure Saracen's entry into the Bid Implementation Deed; and
- (v) each party has received separate legal advice in relation to the Bid Implementation Deed and the operation of the Break Fee clause.

(f) **Representations and warranties**

Under clause 9 of the Bid Implementation Deed, Saracen and Bligh have each given representations and warranties to the other, customary for a transaction of this nature.

16.2 **ASIC Relief**

ASIC has published various "Class Order" and other legislative instruments providing for modifications and exemptions that generally apply to all persons, including Saracen Group, in relation to the operations of Chapter 6 of the Corporations Act.

Among others, Saracen Group has relied on modifications to the Corporations Act set out in Class Order 13/521 "Takeover Bids" to include references to certain statements which are made or based on statements made in documents lodged with ASIC or ASX. As required, Saracen Group will make available a copy of these documents (or relevant extracts of these documents), free of charge, to you and other Bligh Shareholders who request it during the Offer Period. To obtain this information please call Saracen on 08 6229 9157.

16.3 **Broker commission**

The Bidder may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients, but it has made no final decision in relation to the matter as at the date of this Bidder's Statement.

Any commission payments will be paid only in respect of parcels of Bligh Shares held by retail Bligh Shareholders who accept the Offer.

If a commission is offered, commission payments will not exceed 0.50% of the value of the consideration payable to a retail Bligh Shareholder who accepts the Offer, and will be subject to minimum payments (not less than \$50) and maximum payments (not exceeding \$300) for each acceptance.

If a commission is offered, it will be payable only to brokers and will be subject to the condition that no part of the fee will be able to be passed on or paid to Bligh Shareholders.

It is the Bidder's intention that, if and when an offer of commission has been made to any broker by the Bidder, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

16.4 **Status of defeating conditions**

The Offer is subject to a number of Conditions set out in section 13.1. Saracen will provide updates on any material developments relating to the status of these Conditions through announcements to the ASX.

As at the date of this Bidders Statement Saracen is not aware of any events or circumstances which would result in the non-fulfilment of any of the Conditions.

16.5 **Date for determining holders of Bligh Shares**

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for the Offer is the Register Date.

16.6 **Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

16.7 Interests in Saracen securities held by Saracen Directors and Saracen Metals Directors

As at the date of this Bidder's Statement, the Saracen Metals Directors and the Saracen Directors have the following Relevant Interests in Saracen securities:

Saracen Metals Director	No. of Saracen Shares	No. of Saracen performance rights
Anthony Kiernan	40,000	None
Raleigh Finlayson	4,016,819	FY17 Long Term Incentive Plan <ul style="list-style-type: none"> • 74,000 Class A Performance Rights (unvested) • 37,000 Class B Performance Rights (unvested) • 74,000 Class C Performance Rights (unvested) FY18 Long Term Incentive Plan <ul style="list-style-type: none"> • 330,000 Class A Performance Rights (unvested) • 132,000 Class B Performance Rights (unvested) • 198,000 Class C Performance Rights (unvested) FY19 Long Term Incentive Plan <ul style="list-style-type: none"> • 76,250 Class A Performance Rights (unvested) • 76,250 Class B Performance Rights (unvested) • 76,250 Class C Performance Rights (unvested) • 76,250 Class D Performance Rights (unvested) Retention Performance Rights <ul style="list-style-type: none"> • 500,000 FY19 Performance Rights (unvested) • 500,000 FY20 Performance Rights (unvested) • 500,000 FY21 Performance Rights (unvested)
Martin Reed	35,000	None
Samantha Tough	1,718	None
John Richards	None	None
Roric Smith	None	None

Directors may indirectly, and without their knowledge, hold Saracen Shares through memberships of professional superannuation or investment funds where such funds hold Saracen Shares for investment purposes.

16.8 Details of voting power of the Bidder and its Associates in Bligh

As at the date of this Bidder's Statement and immediately before the first Offer is sent, none of the Bidder, nor Saracen nor any of their Associates held a Relevant Interest, any voting power or any other interest in any Bligh Shares.

16.9 Details of interests of the Saracen Directors and Saracen Metals in Bligh Shares

At the date of this Bidder's Statement, none of the Saracen Directors or the Saracen Metals Directors held a Relevant Interest, any voting power or any other interest in any Bligh Shares.

16.10 Dealings in shares

None of the Bidder, nor Saracen, nor any Associate of the Bidder or Saracen, provided, or agreed to provide, consideration for a Bligh Share under a purchase or agreement during the period of four months before the date of this Bidder's Statement.

16.11 Inducing benefits given during previous four months

None of the Bidder, nor Saracen, nor any Associate of the Bidder or Saracen has, during the period of four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, given, offered or agreed to give a benefit to another person which was likely to induce the other person, or an Associate, to:

- (a) accept an offer; or
- (b) dispose of Bligh Shares; and
- (c) which the benefit was not offered to all holders of Bligh Shares under the Offer.

16.12 No escalation agreements

None of the Bidder, nor Saracen, nor any Associate of the Bidder or Saracen, has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

16.13 Other interests of Saracen Directors and advisers of the Bidder

Except as disclosed in this Bidder's Statement, no:

- (a) director or proposed director of the Bidder or Saracen;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of the Bidder or Saracen; or
- (d) underwriter to the issue of Saracen Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Saracen,

(together, the **Interested Persons**) has, or has had in the two year period ending on this date of this Bidder's Statement, any interest in:

- (e) the formation or promotion of the Bidder or Saracen;
- (f) property acquired or proposed to be acquired by the Bidder or Saracen in connection with its formation or promotion, or the offer of Saracen Shares under the Offer; or
- (g) the offer of Saracen Shares under the Offer.

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of the Bidder or Saracen to induce him or her to become, or to qualify as, a director of Saracen; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Saracen or the Bidder or the offer of Saracen Shares under the Offer.

PricewaterhouseCoopers has acted as legal adviser to the Bidder in relation to the Offer. The Bidder has paid or agreed to pay \$100,000 for these services to the date of this Bidder's Statement and the Bidder may pay or agree to pay additional legal fees for legal services provided in connection with the Offer after the date of this Bidder's Statement.

PricewaterhouseCoopers Securities Ltd has acted as lead adviser to the Bidder in relation to the Offer. The Bidder has paid or agreed to pay a fee of \$600,000 payable on completion of the Offer, if successful.

16.14 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Bligh Shareholder whether or not to accept the Offer; and
- (b) known to the Bidder,

and that has not previously been disclosed to Bligh Shareholders.

16.15 Information contained in this Bidder's Statement

The Directors of the Bidder are of the opinion that the information that Bligh Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, which has not previously been disclosed to the holders of Bligh Shares or disclosed to ASX under the regular reporting and disclosure obligations of Bligh under the Corporations Act and the Listing Rules, is:

- (a) the information contained in the target's statement; and
- (b) this Bidder's Statement.

16.16 Consents

(a) Saracen

This Bidder's Statement contains statements made by, or statements based on statements made by, Saracen. Saracen has consented to being named in this Bidder's Statement and have consented to the inclusion of each statement it has made, and each statement which is said in this Bidder's Statement to be based on a statement it has made, in the form and context in which the statements have been included, and has not withdrawn its consent as at the date of this Bidder's Statement.

(b) Advisers and share registrar

PricewaterhouseCoopers Securities Ltd has given and, before the lodgement of this Bidder's Statement, has not withdrawn its written consent to be named in this Bidder's Statement as lead advisor in the form and context in which it is named.

PricewaterhouseCoopers has given and before lodgement of this Bidder's Statement, has not withdrawn its written consent to be named as legal adviser to the Saracen Group in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as registrar for the Offer in the form and context in which it is named.

Each of PricewaterhouseCoopers Securities Ltd, PricewaterhouseCoopers and Computershare Investor Services Pty Limited:

- (i) has not authorised or caused the issue of the Bidder's Statement;
- (ii) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this section; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this section.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, please call Fiona Baird from Saracen on 08 6229 9157.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (**Corporations Instrument 2016/72**), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or

- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

In addition, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains trading data sourced from Bloomberg provided without its consent.

16.17 **Saracen's Ore Reserves and Mineral Resources**

The information in this Bidder's Statement relating to Saracen's Ore Reserves and Mineral Resources is extracted from the announcement entitled "Reserves grow by 20% to 2.5Moz" released on 1 August 2018. Saracen is not aware of any new information or data that materially affects the information included in the announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimate in the announcement continue to apply and have not materially changed. Saracen confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

16.18 **Bligh's Ore Reserves and Mineral Resources**

The information in this Bidder's Statement relating to Bligh's Ore Reserves and Mineral Resources is extracted from Bligh's March 2019 Quarterly Release. This announcement is available to you at <https://www.asx.com.au/asxpdf/20190424/pdf/444hqw5sj7l5y1.pdf>.

17. Glossary

17.1 Definitions

In this Bidder's Statement, the following terms have the following meanings, unless the context otherwise requires:

2018 Annual Report means Saracen's annual report for the financial year ended 30 June 2018.

Acceptance Form means the acceptance form enclosed with this Bidder's Statement.

Agreed Form Letter means the letter between Saracen and the Target dated on or about the date of the Bid Implementation Deed attaching or referring to documents and information provided by the Target to Saracen and responses given by the Target to Saracen in relation to questions raised as part of due diligence investigations.

AISC means all-in sustaining cost.

Announcement Date means 14 June 2019.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

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

ASX Listing Rules means the official listing rules of ASX as amended, varied or waived from time to time.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

ATO means the Australian Taxation Office.

Bid Implementation Deed means the bid implementation deed dated 14 June 2019 between Saracen and Bligh.

Bidder or **Saracen Metals** means Saracen Metals Pty Ltd ACN 107 154 727.

Bidder MAC has the meaning given in the Bid Implementation Deed.

Bidder's Statement means this document, being the statement of the Bidder under Part 6.5 of the Corporations Act relating to the Offer.

Bligh or **Target** means Bligh Resources Limited ACN 130 964 162.

Bligh Board means the board of directors of Bligh.

Bligh Director means a director of Bligh.

Bligh Option means an option to subscribe for Bligh Shares.

Bligh Optionholder means a registered holder of Bligh Options.

Bligh Register means the register of Bligh Shares maintained by Link Market Services Pty Ltd on behalf of Bligh.

Bligh Securities means Bligh Shares and Bligh Options.

Bligh Shareholder means a person registered in the Bligh Register as the holder of one or more Bligh Shares.

Bligh Shares means fully paid ordinary shares in the capital of Bligh.

Business Day means a day on which banks are open for general banking business in Perth, excluding Saturdays, Sundays or public holidays.

CGT means capital gains tax as outlined under the Income Tax Assessment Act 1997 (Cth).

CGT Discount has the meaning given in section 11.1(d) of this Bidder's Statement.

CHESS means the Clearing House Electronic Subregister System, which provides for electronic transfer of listed securities in Australia.

CHESS Holding means a holding of Bligh Shares on the CHESS Subregister of Bligh.

CHESS Subregister has the meaning given by the ASX Settlement Operating Rules.

Claim means any claim, notice, demand, cause of action, proceeding, litigation, investigation or judgment whether based in contract (including breach of warranty), tort (including misrepresentation or negligence), under common law or equity, under statute or otherwise.

Closing Date means [insert date] unless extended in accordance with the Corporations Act.

Competing Proposal means any expression of interest, agreement, arrangement, transaction, offer or proposal by a Third Party under which, if it were completed, a person (whether alone or together with one or more Associates) would:

- (a) directly or indirectly acquire a legal, equitable or economic interest or Relevant Interest in 10% or more of all Bligh Shares (whether by way of acquisition of existing Bligh Shares or issue of new Bligh Shares) or in 10% or more of all SR Mining shares (whether by way of acquisition of existing SR Mining shares or issue of new SR Mining shares);
- (b) directly or indirectly acquire, becoming the holder of, or otherwise having a right to acquire or having an economic interest in, all or a substantial part of the business, or any of the material assets, or Mining Tenements of the Target or the Target Group (where a material asset of the Target includes a right in respect of assets representing 10% or more of the value of the Target or the Target Group's total assets);
- (c) acquire Control of the Target;
- (d) otherwise directly or indirectly acquire or merge with the Target or SR Mining; or

- (e) enter into any agreement, arrangement or understanding requiring the Target to:
- (i) change, withdraw or modify the recommendation that Bligh Shareholders accept the Offer in respect of all their Bligh Shares in the absence of a Superior Proposal; or
 - (ii) not recommend the Offer,

whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase, sale or purchase of assets, interests or shares, incorporated joint venture or unincorporated joint venture, reverse takeover bid, dual-listed company structure, recapitalisation, establishment of new holding company for the Target (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Conditions means the conditions to the Offer set out in section 13.1.

Control has the meaning given in section 50AA of the Corporations Act, disregarding subsection 50AA(4).

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

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

Encumbrance means:

- (a) a Security Interest;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260A in Schedule 1 of the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any third party interest (for example, a trust or an equity) or right;
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (e) an easement, restrictive covenant, caveat or similar restriction over property (except an easement or covenant whose burden is noted on the certificate of title to the land concerned); or
- (f) an agreement to create anything referred to above or to allow any of them to exist.

End Date has the meaning given in the Bid Implementation Deed.

Entitlement Offer means an offer to acquire a security or asset which cannot be transferred to another party.

Fairly Disclosed means, in relation to a matter, fact, event or circumstance, publicly disclosed to ASX, ASIC or disclosed to the relevant party or its Representatives to the extent, and in reasonably sufficient detail, so as to allow a reasonable and sophisticated bidder (or one of its Representatives) experienced in transactions similar to the Transaction and experienced in a business similar to the business conducted by the Target Group to identify or otherwise determine the nature and scope of the relevant matter, fact, event or circumstance.

Foreign Law means a law, however arising, or requirement of a regulatory body of a jurisdiction other than an Australian jurisdiction.

Foreign Shareholder means a Bligh Shareholder, except the Majority Shareholder, whose address shown in the Bligh Register is a place outside of Australia and its external territories.

Government Agency means any Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, Authority, or any minister of the Crown in right of the Commonwealth of Australia or any State, tribunal, agency or entity whether foreign, federal, state, territorial or local and includes, for the avoidance of doubt, ASIC, the Australian Competition and Consumer Commission and the Takeovers Panel.

GST has the meaning given to it in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder Identification Number or **HIN** means the number used to identify a Bligh Shareholder on the CHESSE Subregister of Bligh.

Ineligible Foreign Shareholder means a Foreign Shareholder, unless the Bidder determines (in its absolute discretion) that:

- (a) it is lawful, not unduly onerous and not unduly impracticable to make the Offer to a Bligh Shareholder in the relevant jurisdiction and to issue that Bligh Shareholder with Saracen Shares on completion of the Offer; and
- (b) it is lawful under the law of the relevant jurisdiction for that Bligh Shareholder to participate in the Offer by the Bidder.

Insolvency Event means the occurrence of any one or more of the following events in relation to any party:

- (a) an application or an order is made for the winding up of the party, the declaration of bankruptcy of a party or the appointment of a provisional liquidator or receiver or receiver and manager and, in the case of an application, it is not stayed, dismissed, struck out or withdrawn within 14 days of it being made;
- (b) a resolution is passed for the winding up of the party which resolution is other than for the purposes of reconstruction or amalgamation the terms of which have previously been approved in writing by the other party;
- (c) a liquidator, provisional liquidator, administrator or official manager is appointed to the party;
- (d) a receiver or manager (or both) is appointed to, or a mortgagee takes possession of, all or any part of the business or the assets of the party;
- (e) the party makes any composition or arrangement or assignment with or for the benefit of its creditors;
- (f) the party is or states that it is insolvent;
- (g) the party enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;

- (h) the party proposes a winding-up or dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (i) the party is insolvent as disclosed in its accounts, or otherwise states that it is insolvent, or it is deemed or presumed to be insolvent under an applicable law;
- (j) the party is taken to have failed to comply with a statutory demand as a result of section 459F(1) of the Corporations Act;
- (k) a notice is issued under sections 601AA or 601AB of the Corporations Act;
- (l) a writ of execution is levied against the party or its property and is not removed within 10 Business Days of notification of the levy;
- (m) the party ceases to carry on business or threatens to do so; or
- (n) something having a substantially similar effect to paragraphs (a) to (m) happens in connection with that party under the law of any jurisdiction.

Interested Persons has the meaning given in section 16.13(d) of the Bidder's Statement.

Issuer Sponsored Holding has the meaning given in the ASX Settlement Operating Rules.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

Last Practical Trading Date means 3 July 2019.

LTI has the meaning given in section 6.8 of this Bidder's Statement.

Majority Shareholder means Zeta.

Material Adverse Change means a change, event, occurrence, fact or matter which, alone or with a series of similar or related matters, will, or would be reasonably likely to, in any 12 month period:

- (a) involve a Claim by or against a Target Group Member exceeding \$250,000 or which may reasonably result in a judgement exceeding \$250,000 being commenced, threatened to be commenced, is announced or is made known to the Target or the Bidder (whether or not becoming public);
- (b) have an adverse financial impact on the revenues or expenses of the Target Group exceeding:
 - (i) \$250,000 for an unusual or non-recurring event; or
 - (ii) \$100,000 for any recurrent event;
- (c) have an adverse impact on the assets or liabilities of the Target Group exceeding \$250,000; or
- (d) impose an obligation on the Target Group exceeding \$250,000,

Other than those:

- (a) which are required or permitted by or arise out of the announcement or pendency of, the Bid Implementation Deed, the Offer or the transactions contemplated by them;

- (b) which took place with the prior written consent of Saracen;
- (c) which were Fairly Disclosed in the Target Disclosure Materials, or about which Saracen or its Representatives had knowledge at the Announcement Date;
- (d) which were Fairly Disclosed in documents that were publicly available in the 12 month period ending on the date immediately prior to the Announcement Date from public filings of Target with ASX;
- (e) which result from any matter, event or circumstance arising from changes in law or general economic, political or regulatory conditions in Australia or that affects or otherwise has an impact on Australia;
- (f) which result from any change to currency exchange or commodity market conditions in Australia, including gold prices;
- (g) which results from any change or disruption to the financial markets in Australia;
- (h) which result from any change in accounting policy required by law;
- (i) which result from a general deterioration in equity markets, interest rates, exchange rates or credit spreads that impacts the Target Group and its competitors in a similar manner; or
- (j) relating to costs and expenses associated with the Offer to the extent that the amounts or estimates of the amounts are Fairly Disclosed in the Target Disclosure Materials.

Merged Group means the Saracen Group immediately following completion of the Offers, should the Offers be successful and Bligh become a subsidiary of Saracen.

Mining Tenements means the mining leases and prospecting licences granted under the *Mining Act 1978 (WA)* and held by the Target or any member of the Target Group as at the Execution Date.

Nominee has the meaning given in section 14.4(b)(i) of this Bidder's Statement.

Offer means the offer by Saracen Metals under Chapter 6 of the Corporations Act contained in this Bidder's Statement (or, if the context so requires, this Bidder's Statement itself) and **Offers** means the offers dispatched or to be dispatched to Bligh Shareholders.

Offer Consideration means 0.0369 Saracen Shares per Bligh Share, as set out in section 12.4. of this Bidder's Statement.

Offer Contract means a contract that results from the acceptance of the Offer.

Offer Period means the period commencing on **[insert date]** and ending at 7.00pm (Sydney time) on **[insert date]**, or such later date to which the Offer has been extended during which the Offers will remain open for acceptance.

Payment Amount has the meaning given in section 14.4(h)(i) of this Bidder's Statement.

Permitted Actions has the meaning given in the Bid Implementation Deed.

Perth time means the local time in Perth, Australia.

Prescribed Event means the occurrence of any of the following during the Offer Period:

- (a) **share conversion:** any Target Group Member converting all or any of its securities into a larger or smaller number of securities;
- (b) **corporate action:** any Target Group Member (other than a direct or indirect wholly owned subsidiary of the Target) resolving to reduce its capital in any way, or reclassifying, combining, splitting or redeeming or repurchasing in any way any of its securities;
- (c) **buy-back:** any Target Group Member (other than a direct or indirect wholly owned subsidiary of Target) entering into a buy back agreement or resolving to approve the terms of a buy back agreement under the Corporations Act;
- (d) **Security Interests and Encumbrances:** other than in the ordinary course of business, any Target Group Member grants, or agrees to grant, any Security Interest or Encumbrance over any of its business or assets;
- (e) **issue securities:** any Target Group Member issues any shares, options or securities which are convertible into shares in the company, other than to Target or to a direct or indirect wholly owned subsidiary of Target or pursuant to the exercise of options the existence of which has been disclosed to Bidder before the Announcement Date;
- (f) **constitution:** any Target Group Member changing its constitution;
- (g) **Insolvency Event:** an Insolvency Event occurring in relation to a Target Group Member;
- (h) **capital and assets:** the Target distributing, cancelling or returning capital or assets to its members;
- (i) **shareholder loan:** the Target repaying or making any loans or advances to any of its members except as expressly set out in the Bid Implementation Deed;
- (j) **restraint:** a Target Group Member entering into an agreement or commitment, which materially restrains it from competing with any person or conducting activities in a material market;
- (k) **related party transaction:** any Target Group Member enters into or otherwise becomes a party to, any material transaction with a related party (as that term is defined in Chapter 2E of the Corporations Act) of the Target (other than between the Target and a direct or indirect wholly owned subsidiary of the Target);
- (l) **dividends and distributions:** the Target announcing, making, paying, declaring or distributing any distributions of its profits or assets (whether by way of dividend, capital reduction, bonus or otherwise and whether in cash or in specie), or agree to do any of those things; or
- (m) **de-consolidation:** any Target Group Member does anything that would result in a de-consolidation of the consolidated group (for the purposes of the Tax Act) of which the Target is the head company, other than acquiring or disposing of a wholly owned subsidiary as permitted under the Bid Implementation Deed,
 other than:
 - (a) as permitted or required by the Bid Implementation Deed, the Transaction;
 - (b) matters which were Fairly Disclosed in the Target Disclosure Materials, or about which Saracen had knowledge at the Announcement Date;

- (c) matters which were Fairly Disclosed in documents that were publicly available in the 12 month period ending on the date immediately prior to the Announcement Date from public filings of Target with ASX; or
- (d) matters consented to in writing by Saracen.

Register Date means the date set by the Bidder under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 5 July 2019.

Regulatory Approvals means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisisation, certificate, permission, licence, direction, declaration, authority, waiver or exemption from, by or with a Government Agency; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Government Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Reporting Statement has the meaning given at footnote 8 of this Bidder's Statement.

Representative means, in respect of a party, its Subsidiaries and each director, officer, employee, advisor, agent or representative of that party and its Subsidiaries.

Rights means all accretions, rights or benefits of whatever kind attaching, arising or accruing from Bligh Shares directly or indirectly after the Announcement Date including all distributions or dividends and all rights to receive them, or to receive or subscribe for shares, units, notes, options or other securities or entitlements declared, paid or issued by Bligh or any subsidiary of Bligh.

Saracen means Saracen Mineral Holdings Ltd ACN 009 215 347.

Saracen Directors means the directors of Saracen.

Saracen Group means Saracen and its Subsidiaries, and the **Saracen Group Member** means any one of them.

Saracen Metals or **Bidder** means Saracen Metals Pty Ltd ACN 107 154 727.

Saracen Metals Directors means the directors of Saracen Metals.

Saracen Shareholder means a person registered in the register of members of Saracen as a holder of Saracen Shares.

Saracen Shares means fully paid ordinary shares in the capital of Saracen.

Security Interest means a right, interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or

- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above.

Shareholder Reference Number or **SRN** means the number allocated by Bligh to identify a Bligh Shareholder on the Issuer Sponsored Subregister of Bligh.

Small Parcel means a parcel of Saracen Shares having a value of less than A\$500 based on the highest closing price of Saracen Shares on the ASX during the period from the date of this Bidder's Statement until the earlier of the end of the Offer Period and five ASX trading days before the first day on which Saracen must provide the Offer Consideration under the Offer.

Small Parcel Shareholder means a Bligh Shareholder who would be entitled to receive a total number of Saracen Shares as consideration under the Offer which constitute a Small Parcel.

SR Mining means S R Mining Pty Ltd ACN 151 605 417.

STI has the meaning given in section 6.8 of this Bidder's Statement.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Superior Proposal means a written bona fide Competing Proposal which the Bligh Board, acting in good faith after having consulted its external legal and financial advisers, determines:

- (a) would, if completed substantially in accordance with its terms, result in a Third Party acquiring Control of the Target;
- (b) is reasonably capable of being valued and completed in a timely fashion and in any event within 6 months, taking into account all aspects of the Competing Proposal, including any timing considerations, any conditions precedent and the identity of the proponent; and
- (c) would, if completed substantially in accordance with its terms, be more favourable to Bligh Shareholders (as a whole) than the Offer (as the Offer may be amended or varied following application of the matching right set out in clause 6.6 of the Bid Implementation Deed), taking into account all terms and conditions of the Competing Proposal.

TAA has the meaning given in section 14.4(h) of this Bidder's Statement.

Takeover Transferee Holding has the meaning given in the ASX Settlement Operating Rules, being the CHESS Holding to which Bligh Shares are to be transferred pursuant to acceptances of the Offer.

Target or **Bligh** means Bligh Resources Limited ACN 130 964 162.

Target Disclosure Materials means:

- (a) the information and documents disclosed by Target on its website or to ASX prior to the Announcement Date;
- (b) the information referred to in the Agreed Form Letter; and

- (c) written responses from Target and its Representatives prior to entry into the Bid Implementation Deed.

Target Group means Target and its Subsidiaries, and **Target Group Member** means any one of them.

Third Party means a person other than Bidder or its Related Bodies Corporate.

Third Party Consents means any consent, agreement, waiver, licence or approval from or by a Third Party in respect of a contract involving Target or a Target Group Member, which the parties have agreed in writing is required for implementation of the Transaction.

Transaction means the acquisition of the Target by the Bidder under the Offer.

Variation has the meaning given in section 12.5 of this Bidder's Statement.

VWAP means volume weighted average price, calculated by dividing the value of trades by the volume of trades over a given period.

Your Bligh Shares means:

- (a) the Bligh Shares in respect of which you are registered or entitled to be registered as a holder in the register of securityholders of Bligh, and in respect of which no other person becomes registered or entitled to be registered as a holder before you accept the Offer; and
- (b) any other Bligh Shares to which you are able to give good title at the time you accept the Offer.

Zeta Loan means the interest bearing loan from Zeta to the Target for an amount of up to \$1,000,000, made pursuant to the Facility Agreement dated 20 August 2018.

Zeta means Zeta Resources Limited (ARBN 162 902 481).

17.2 Interpretation

In this Bidder's Statement, the following principles of interpretation apply unless the context otherwise requires:

- (a) words and phrases not specifically defined in this Bidder's Statement have the same meaning that is given to them in the Corporations Act (if any) and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- (b) without limiting paragraph (a), a term that relates to CHES and is not specifically defined in this Bidder's Statement or the Corporations Act, has the same meaning that is given to that term in the ASX Settlement Operating Rules;
- (c) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (d) the singular includes the plural and vice versa;
- (e) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government, and vice versa;

- (f) a reference to gender includes any gender;
- (g) a reference to a section or paragraph is to a section or paragraph of this Bidder's Statement;
- (h) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of a word or phrase defined in this Bidder's Statement have a corresponding meaning;
- (i) a reference to "dollars", "\$" or "cents" is to Australian currency unless otherwise stated;
- (j) a reference to a time is a reference to Perth or Sydney time as the context requires;
- (k) a reference to a period of time (including a year, a quarter, a month or a day) is to a calendar period;
- (l) a statement made in this Bidder's Statement is made as at the date of this Bidder's Statement;
- (m) headings are for ease of reference only and do not affect its interpretation;
- (n) "including", "for example" or "such as" when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (o) a reference to writing includes facsimile/e-mail transmissions;
- (p) a reference to you is to a person to whom the Offer is made under this Bidder's Statement;
- (q) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document; and
- (r) a right or obligation of two or more persons benefits them jointly and binds them jointly and severally.

18. Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of the Bidder on 4 July 2019.

Signed by Raleigh Finlayson for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.

Date: 8 July 2019

Signed for and on behalf of Saracen Metals Pty Ltd ACN 107 154 727

By: 

Print name: Raleigh Finlayson

19. Corporate Directory

Directors & Company Secretary		Lead Adviser and Legal Adviser	
<p>Directors Mr Anthony Kiernan Mr Raleigh Finlayson Mr Martin Reed Dr Roric Smith Ms Samantha Tough Mr John Richards</p> <p>Company Secretary Jeremy Ryan</p>		<p>Lead Adviser PricewaterhouseCoopers Securities Ltd Level 15 125 St Georges Terrace Perth WA 6000</p> <p>Tel: +61 8 9238 3000 Fax: +61 8 9238 3999</p> <p>Legal Adviser PricewaterhouseCoopers Level 15 125 St Georges Terrace Perth WA 6000</p> <p>Tel: +61 8 9238 3000 Fax: +61 8 9238 3999</p>	
Registered and Corporate Office		Share Registry	
<p>Level 11, 40 The Esplanade Perth WA 6000 Perth WA 6000</p> <p>Tel: +61 8 6229 9100 Fax: +61 8 6229 9199</p>		<p>Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford, Victoria 3067 Australia</p> <p>Telephone: 1300 850 505 Facsimile: +61 3 9473 2500</p>	
Stock Exchange Listing			
<p>Australian Securities Exchange ASX Code: SAR</p>			

Saracen Metals Pty Ltd

ACN 107 154 727

Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



Saracen 08 6229 9157

BGHTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

CHES

 **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Saracen Metals Pty Ltd ("Saracen Metals") (ACN 107 154 727) to acquire all of your Shares in Bligh Resources Limited ("Bligh") (ACN 130 964 162) the terms of which are set out in the Bidder's Statement from Saracen Metals dated 8 July 2019 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Bligh register, as provided to Saracen Metals. The current address recorded by Saracen Metals is printed above and overleaf. If you have recently bought or sold Bligh Shares your holding may differ from that shown. If you have already sold all your Bligh Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Bligh Shares. You will be deemed to have elected to receive in consideration for ALL of your Bligh Shares if you do not complete, or make an invalid election in, Step 2 on the reverse of this form.

As your Bligh Shares are in a CHES holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Saracen Metals to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Saracen Metals and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Saracen Metals (and authorise Saracen Metals to warrant on your behalf) that you have full legal

and beneficial ownership of the Bligh Shares to which this form relates and that Saracen Metals will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Saracen Metals to initiate the acceptance of Saracen Metals's Offer on your behalf. Neither Saracen Metals or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Withholding Declaration

Please refer to Section 11.2 of the Bidder's Statement for further details before completing Step 3 overleaf.

If you mark the box in Step 3, Saracen Metals will withhold 12.5% of the capital proceeds paid for the acquisition of Bligh Shares.

Step 4: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form. Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



X 2222222222 I ND

Takeover Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at Register Date:

2000

You are accepting the Offer for ALL the Bligh Shares as recorded by Saracen Metals as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Bligh Shares. The consideration applicable is set out in the terms of Saracen Metals's Offer.

If you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder, you will not be entitled to receive Saracen Shares and will be provided with the net proceeds of sale to which you are entitled under the Offer at a different time as per see section 14.4 of the Bidder's Statement.

STEP 3 Withholding declaration by non-Australian residents

Please refer to Section 11.2 of the Bidder's Statement for further details before completing the below section.

By marking this box, I/we declare that:

- I/we am/are **NOT** Australian tax resident(s); **AND**
- I/we, together with my/our tax associates, holds Bligh Shares that are an indirect Australian real property interests.

If you mark this box but (i) you are an Australian resident or (ii) you are not an Australian resident but you, together with your tax associates, hold an interest in less than 10% of Bligh Shares, you will be deemed **NOT** to have made the above withholding declaration.

For Bligh Shares held in a CHESS holding, I/we authorise Saracen Metals to inform my/our Controlling Participant on my/our behalf to select CHESS takeover consideration code BGHWHD to reflect the above withholding declaration.

If I/we have not marked the box, I/we authorise Saracen Metals to instruct my Controlling Participant on my/our behalf to select CHESS takeover consideration code BGH001.

STEP 4 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Saracen Metals for my/our Bligh Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Bligh Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Saracen Metals Pty Ltd. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Saracen Metals Pty Ltd or to third parties upon direction by Saracen Metals Pty Ltd where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Saracen Metals Pty Ltd

ACN 107 154 727

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



Saracen 08 6229 9157

BGHTKO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Takeover Acceptance Form

ISSUER

Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Saracen Metals Pty Ltd ("Saracen Metals") (ACN 107 154 727) to acquire all of your Shares in Bligh Resources Limited ("Bligh") (ACN 130 964 162) the terms of which are set out in the Bidder's Statement from Saracen Metals dated 8 July 2019 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Bligh register, as provided to Saracen Metals. The current address recorded by Saracen Metals is printed above and overleaf. If you have recently bought or sold Bligh Shares your holding may differ from that shown. If you have already sold all your Bligh Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Bligh Shares.

Step 3: Withholding Declaration

Please refer to Section 11.2 of the Bidder's Statement for further details before completing Step 3 overleaf.

If you mark the box in Step 3, Saracen Metals will withhold 12.5% of the capital proceeds paid for the acquisition of Bligh Shares.

Step 4: Signing Instructions

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Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

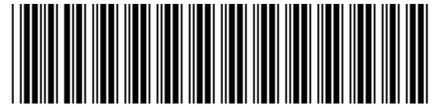
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



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Takeover Acceptance Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at Register Date:

2000

You are accepting the Offer for ALL the Bligh Shares as recorded by Saracen Metals as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Bligh Shares. The consideration applicable is set out in the terms of Saracen Metals's Offer.

If you are an Ineligible Foreign Shareholder or a Small Parcel Shareholder, you will not be entitled to receive Saracen Shares and will be provided with the net proceeds of sale to which you are entitled under the Offer at a different time as per see section 14.4 of the Bidder's Statement.

STEP 3 Withholding declaration by non-Australian residents

Please refer to Section 11.2 of the Bidder's Statement for further details before completing the below section.

By marking this box, I/we declare that:

- I/we am/are **NOT** Australian tax resident(s); **AND**
- I/we, together with my/our tax associates, holds Bligh Shares that are an indirect Australian real property interests.

If you mark this box but (i) you are an Australian resident or (ii) you are not an Australian resident but you, together with your tax associates, hold an interest in less than 10% of Bligh Shares, you will be deemed **NOT** to have made the above withholding declaration.

For Bligh Shares held in a CHESS holding, I/we authorise Saracen Metals to inform my/our Controlling Participant on my/our behalf to select CHESS takeover consideration code BGHWHD to reflect the above withholding declaration.

If I/we have not marked the box, I/we authorise Saracen Metals to instruct my Controlling Participant on my/our behalf to select CHESS takeover consideration code BGH001.

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I/We accept the Offer made by Saracen Metals for my/our Bligh Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Bligh Shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

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