

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

8 July 2019

### **ASX Announcement**

Target's Statement - Off-market bid for Bligh Resources Limited (ASX: BGH) ("Bligh") by Saracen Metals Pty Ltd (ACN 107 154 727) ("Saracen Metals") a wholly owned subsidiary of Saracen Mineral Holdings Limited (ACN 009 215 347) (ASX: SAR).

Enclosed, in accordance with section 633(1) item 14 of the *Corporations Act 2001* (Cth), is a copy of the Target's Statement issued by Bligh in relation to an off-market takeover bid by Saracen Metals.

The Target's Statement has been lodged with the Australian Securities and Investments Commission and sent to Saracen Metals earlier today.

Lloyd Flint  
**Company Secretary**

Attachment - Target's Statement



## **BLIGH RESOURCES LIMITED**

### **TARGET'S STATEMENT**

in relation to the off-market takeover bid made by Saracen Metals Pty Ltd ACN 107 154 727 (a wholly owned subsidiary of Saracen Mineral Holdings Limited ACN 009 215 347) to acquire all of your fully paid ordinary shares in Bligh Resources Limited ACN 130 964 162 for 0.0369 Saracen Shares for every 1 Bligh Share.

Your Directors unanimously recommend that you

**ACCEPT**

the Saracen Offer, in the absence of a Superior Proposal.

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

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# LETTER FROM THE CHAIRMAN OF BLIGH

Dear Bligh Shareholder

On behalf of the Board of Bligh Resources Limited (**Bligh**), I am pleased to present you with this Target's Statement and the opportunity to combine with Saracen Metals Pty Ltd (a wholly owned subsidiary of Saracen Mineral Holdings Limited) (**Saracen**) via Saracen's off-market takeover offer to acquire all of the shares of Bligh (**Bligh Shares**) (**Offer**).

Under the Offer, Bligh Shareholders are being offered 0.0369 new Saracen Shares for every 1 Bligh Share they hold. The Offer represents a premium of:

1. 97% to the last closing price of 6.5 cents on 13 June 2019; and
2. 97% to Bligh's one month VWAP of 6.5 cents.

Based on Saracen's closing share price of \$3.47 on the ASX on 13 June 2019 (being the last day Saracen Shares and Bligh Shares traded before the Announcement Date), the Offer values Bligh at approximately \$38.2 million (on a fully diluted basis) or \$0.128 per Bligh Share (on a fully diluted basis).

In addition, Bligh Shares had a closing price of \$0.135 on 3 July 2019, being the last practicable trading day before the date of this Target's Statement. Based on Saracen's closing share price of \$3.78 on the ASX on 3 July 2019 (being the last practicable trading day before the date of this Target's Statement), the Offer values Bligh Shares at approximately \$0.139 per Bligh Share.

Upon successful completion of the Offer, Bligh Shareholders may own approximately 1.32% of Saracen<sup>1</sup>.

Your Directors believe that the Offer is an excellent opportunity for Bligh Shareholders to realise the value of their investment in Bligh. As such, the Directors unanimously recommend that Bligh Shareholders **ACCEPT** the Offer in the absence of a Superior Proposal. Each Director intends to accept the Offer with respect to all Bligh Shares owned or controlled by them, in absence of a Superior Proposal.

As the Chairman of your company, I would like to take this opportunity to highlight the key reasons why the Directors believe that the Offer is compelling and why we recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal:

1. If you accept the Offer, you will hold shares in Saracen, a company that is expected to have:
  - a. enhanced scale, market relevance and trading liquidity;
  - b. strong financial position with a robust pro-forma balance sheet and growing cash flow generation to support continued project expansion and development and further industry opportunities;
  - c. enhanced equity and capital markets profile with a pro-forma market capitalisation in excess of \$3.1 billion (as at 3 July 2019); and
  - d. significant growth potential with existing and expanding production, diversified and superior grown profile, proven management and operating teams, strong balance sheet and greater international market profile;
2. Bligh's major shareholder, Zeta Resources Limited, representing 85.03% of the Bligh Shares (on a fully diluted basis), has indicated it intends to accept the Offer in absence of a Superior Proposal;
3. the Offer represents an attractive premium to Bligh's pre-announcement trading prices and, based on Saracen's closing share price on 13 June 2019, being the last trading day before the Announcement Date, the Offer valued Bligh at approximately \$38.2 million (on a fully diluted basis) and \$0.128 per Bligh Share (on a fully diluted basis);
4. as at the date of this Target's Statement no Superior Proposal has emerged; and
5. the value of Bligh Shares may fall if the Offer is not successful.

<sup>1</sup> Based on the number of Bligh Shares and Saracen Shares on issue as at the Announcement Date. The actual percentage interest that Bligh Shareholders will hold in Saracen will depend upon the extent to which Bligh Options and Saracen Performance Rights are exercised.

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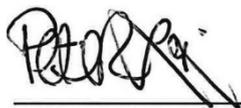
A detailed explanation of the reasons why you should **ACCEPT** the Offer is detailed in Section 3.1 of this Target's Statement. In addition, the Target's Statement details other matters that may be relevant to your decision whether to **ACCEPT** the Offer. I urge you to read this Target's Statement and the Bidder's Statement carefully in full, and if required, to seek your own legal, financial, taxation or other professional advice.

The Offer is scheduled to close at 5.00pm (WST) on 12 August 2019, unless withdrawn or extended. To **ACCEPT** the Offer, please refer to the acceptance instructions set out in section 4 of the Bidder's Statement and in the acceptance form that accompanies the Bidder's Statement.

I encourage you to closely consider the merits of the Offer as described in this Target's Statement. The Target's Statement will be available on Bligh's website <https://www.bligh-resources.com/> as soon as possible and we will also dispatch a copy of the Target's Statement to Bligh Shareholders.

Should you have any questions in relation to the Offer or this Target's Statement, please call Bligh on 08 9336 3388, Monday to Friday, 8:30am to 5:00pm (WST).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Sullivan', written over a horizontal line.

**Peter Sullivan**  
Non-Executive Chairman

## KEY DATES

Event	Date
<b>Offer Announced</b>	14 June 2019
<b>Date Bidder's Statement and Target's Statement lodged with ASIC</b>	8 July 2019
<b>Offer opens</b>	10 July 2019
<b>Offer closes (unless extended or withdrawn)*</b>	5:00pm (WST) on 12 August 2019

\*These dates are subject to change. Please refer to section 11.9 of this Target's Statement for further details regarding the extension of the Offer

# IMPORTANT NOTICES

## Nature of this document

This Target's Statement is dated 8 July 2019 and is issued by Bligh Resources Limited ACN 130 964 162 (**Bligh or Company**), under Part 6.5 Division 3 of the Corporations Act, in response to the Bidder's Statement lodged by Saracen Metals Pty Ltd ACN 107 154 727 (a wholly owned subsidiary of Saracen Mineral Holdings Limited ACN 009 215 347) (**Saracen**) with ASIC and served on Bligh on 8 July 2019.

## Defined terms and interpretation

Capitalised terms used in this Target's Statement are either defined in brackets when first used or are defined in the Glossary in Section 14. The Glossary also sets out some rules of interpretation which apply to this Target's Statement.

## References to Target's Statement, Sections

References to Sections and Annexures are to the named in this Target's Statement.

## ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers take responsibility for the content of this Target's Statement.

## Responsibility for information in this Target's Statement

Other than as detailed below, Bligh accepts responsibility for the form and content of this Target's Statement.

The information contained in Section 7 of this Target's Statement has been prepared by Saracen and provided to Bligh to assist with the preparation of the information in the Target's Statement (**Saracen Information**). The Saracen Information has been prepared solely by Saracen and is the sole responsibility of Saracen. Bligh does not assume any responsibility for the accuracy and completeness of the Saracen Information, and Bligh does not make any representation or warranty express or implied, as to the accuracy or completeness of that information. Any other information in this Target's Statement concerning Saracen or Saracen's assets and securities has been prepared from publically available information and limited information made available by Saracen to Bligh. This information has not been independently verified by Bligh, and accordingly to the extent permitted by the Corporations Act, Bligh makes no representations and warranties express or implied, as to the accuracy or completeness of such information.

Neither Saracen nor its directors, officers, employees, contractors, advisers or agents assume any responsibility for the accuracy or completeness of this Target's Statement other than the Saracen Information, and then only as required by law or as stated in the Bid Implementation Agreement.

## No account of personal circumstances

This Target's Statement does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any Bligh Shareholder or any other person. It is important that you read this Target's Statement before making any decision, including a decision on whether or not to accept the Offer. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Bligh Shareholders should consult their taxation adviser as to the applicable tax consequences of the Offer. A summary of the Australian taxation considerations is detailed in Section 10 and section 6 of the Bidder's Statement.

## Forward looking statements

Certain statements in this Target's Statement relate to the future, including forward looking statements and information ("forward looking statements"). The forward looking statements in this Target's Statement, are not based on historical facts, but rather reflect the current views and expectations of Bligh concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, estimates of Ore Reserves and Mineral Resources and future costs of Bligh are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Bligh, to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Bligh will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, port access, customer risks, commodity price volatility, discrepancies between actual and estimated costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of mining services, mineral exploration and production, the global economic climate, dilution, share price volatility, competition, loss of key directors and employees, additional funding requirements and defective title to mineral claims or property. See Section 9.1 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Bligh is no assurance of its future financial performance. The forward looking statements in this Target's Statement reflect views and expectations held only at the date of this Target's Statement. Bligh believes that all forward looking statements included in this Target's Statement have been made on a reasonable basis. However, none of Bligh, its directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Target's Statement will actually occur. Bligh Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, Bligh and its directors disclaim any obligation to revise or update, after the date of this Target's Statement, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

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## **Notice to foreign Bligh Shareholders**

The distribution of this Target's Statement may, in some countries, be restricted by law or regulation. Persons who come into possession of this Target's Statement should inform themselves of and observe those restrictions.

## **Diagrams, charts, maps, graphs and tables**

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale.

## **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

## **Currency**

All references in this Target's Statement to "\$", "AUD", "Australian dollars" are to Australian currency.

## **Privacy and personal information**

Bligh has collected your information from the Bligh Register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Bligh Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Bligh Shareholders. Without this information, Bligh would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Shareholders to be held in a public register. Personal information of the type described above may be disclosed to Bligh, Saracen and their registries, print and mail and other service providers, authorised securities brokers, related bodies corporate of Bligh and Saracen, and may be required to be disclosed to regulators, such as ASIC. Bligh Shareholders have certain rights to access personal information that has been collected. Bligh Shareholders should contact the Share Registry in the first instance, if they wish to access their personal information. Bligh Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

## **Enquiries**

If you have any enquiries, please contact Bligh on 08 9336 3388, Monday to Friday between 8:30am and 5:00pm (WST).

## **Further Information**

Further information in relation to the Offer can be obtained from Bligh's website <https://www.bligh-resources.com/>. Information contained in or accessible through that internet site is not part of this Target's Statement. Any reference in this Target's Statement to this internet site are textual references for information only.

## 1 FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Offer, but must be read in conjunction with the more detailed information included in this Target's Statement and the Bidder's Statement. You are urged to read the Bidder's Statement and this Target's Statement in its entirety.

Question	Answer
<b>Who is the bidder?</b>	<p>Saracen Metals Pty Ltd ACN 107 154 727 (a wholly owned subsidiary of Saracen Mineral Holdings Limited ACN 009 215 347) (<b>Saracen</b>)</p> <p>Refer to section 6 of the Bidder's Statement and Section 7 for information on Saracen.</p>
<b>What is the Offer for my Bligh Shares?</b>	<p>Saracen, has made an off-market takeover offer to acquire all of your Bligh Shares in exchange for issuing you with 0.0369 Saracen Shares for every 1 Bligh Share you hold.</p> <p>If you are a Bligh Shareholder whose address in the Bligh's register of members is outside of Australia and its external territories, unless otherwise determined by Saracen, the Saracen Shares to which you would be entitled to be issued as a result of accepting the Offer will be sold on your behalf and the net proceeds remitted to you in cash.</p> <p>Further details of the terms of the Offer (including the nominee sale process for foreign Bligh Shareholders) are detailed in Section 14.4 of this Target's Statement.</p>
<b>What is the Bidder's Statement?</b>	<p>The Bidder's Statement is the document prepared by Saracen which sets out the terms of the Offer. Saracen lodged its Bidder's Statement with ASIC on 8 July 2019. The Bidder's Statement was sent to each Bligh Shareholder registered as such at 5:00 pm (Sydney time) on the Register Date.</p>
<b>What is the Target's Statement?</b>	<p>This Target's Statement is the Bligh Board's formal response to the Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Bligh and contains important information to help you decide whether to accept the Offer.</p>
<b>What choices do I have as a Bligh Shareholder?</b>	<p>As a Bligh Shareholder you can:</p> <ul style="list-style-type: none"> <li>• <b>ACCEPT</b> the Offer. The Directors recommend that you accept the Offer in the absence of a Superior Proposal;</li> <li>• Sell some or all of your Bligh Shares on ASX (which may be at a higher or lower price than the Offer Consideration);</li> <li>• Sell some of your Bligh Shares on ASX and accept the Offer in respect of all your remaining Bligh Shares; or</li> <li>• reject the Offer by doing nothing.</li> </ul>
<b>What are the Directors recommending?</b>	<p>Your Directors unanimously recommend that you <b>ACCEPT</b> the Offer in the absence of a Superior Proposal.</p> <p>The reasons for the Directors' recommendation are set out in Section 3.1.</p> <p>If there is a change in this recommendation or any material development in relation to the Offer, Bligh will keep you informed.</p>
<b>What do the Directors intend to do with their Bligh Shares?</b>	<p>The Directors collectively hold approximately 3.53% of all Bligh Shares on an undiluted basis and approximately 3.43% of all Bligh Shares on a fully diluted basis. Each of your Directors (who hold a Relevant Interest in Bligh Shares) intend to accept the Offer with respect to any Bligh Shares controlled or held by, or on behalf of, such Director in the absence of a Superior Proposal.</p>

Question	Answer
<p><b>Is there an Independent Expert's Report?</b></p>	<p>No. An independent expert's report is only required to be included in a target's statement where the bidder's voting power in the target is 30% or more, or if a director of the target company is a bidder or a director of the bidder company. This requirement does not apply to the Offer.</p> <p>In addition, your Directors do not consider that an independent expert's report is necessary as:</p> <ul style="list-style-type: none"> <li>• they believe that the information in this Target's Statement, the Bidder's Statement and publically available information is sufficient for Bligh Shareholders to determine whether or not to accept the Offer;</li> <li>• Saracen's status as an ASX listed company whose shares have traded on ASX since 2 January 1992 and the available market value of both Bligh Shares and Saracen Shares on ASX provides a transparent and reasonable basis for assessing the merits of the Offer and Saracen's prospects generally;</li> <li>• as at 3 July 2019 (being the last practicable date before the date of this Target's Statement), Saracen's market capitalisation of \$3.01 billion is significantly larger than Bligh's market capitalisation of \$39.21 million; and</li> <li>• the Directors do not consider obtaining an independent's expert's report, at this time, is in the best interest of Bligh Shareholders as the cost of obtaining an independent expert's report would be substantial and the time to prepare the independent expert's report could potentially delay the completion of the Offer. In addition, the Bligh Board considers itself appropriately qualified and experienced to make a recommendation in relation to the Offer.</li> </ul> <p>Notwithstanding that, as a the date of this Target's Statement, the Bligh Board have resolved not to obtain an independent expert's report in relation to the Offer, the Bligh Board reserves its right to commission the preparation of an independent expert's report for the Target's Statement if:</p> <ul style="list-style-type: none"> <li>• there is a material change in circumstances;</li> <li>• an independent expert's report becomes required by law; or</li> <li>• the Bligh Board determines that the preparation of an independent expert's report is in the best interest of Bligh Shareholders, or required in order for the Bligh Board to fulfil its statutory or fiduciary obligations.</li> </ul>
<p><b>How do I accept the Offer?</b></p>	<p>To accept the Offer, you should carefully follow the instructions in section 4 of the Bidder's Statement.</p>
<p><b>How long will the Offer be open for acceptance?</b></p>	<p>The Offer is scheduled to close at 5.00pm (WST) on 12 August 2019 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act and as otherwise detailed in Section 11.3 of this Target's Statement.</p>

Question	Answer
<b>Can the Offer be varied?</b>	Saracen has issued a final offer. This means Saracen can only vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period, provided the varied terms and conditions are not less favourable to Bligh Shareholders than the Offer. If Saracen varies the Offer in any of those ways, it must give written notice to ASIC and Bligh and send you a copy of that notice (provided, however, that Saracen will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).
<b>What happens if a Superior Proposal is made by a third party?</b>	If a Superior Proposal is made by a third party, Bligh Shareholders who have already accepted the Offer at such time will not receive the benefit of the Superior Proposal made by the third party unless the Offer closes with Offer Conditions that have not been satisfied or waived. As at the date of this Target's Statement, the Directors have not received a Superior Proposal.
<b>Is the Offer conditional?</b>	The Offer is subject to a limited number of conditions. In summary, the key Conditions to the Offer are: <ul style="list-style-type: none"> <li>• a minimum acceptance of 90%;</li> <li>• no Prescribed Event occurring;</li> <li>• an application for admission to quotation by ASX of the new Saracen Shares to be issued;</li> <li>• no regulatory action is made which restrains, prohibits or impedes the Offer;</li> <li>• issue or receipt of all required Regulatory Approvals;</li> <li>• restrictions on acquisitions, disposals and expenditure of Bligh;</li> <li>• no Bligh Material Adverse Change occurs in respect of Bligh;</li> <li>• financier undertakings given by Zeta;</li> <li>• receipt of all Third Party Consents; and</li> <li>• no material breach of representation or warranty given by Bligh under the Bid Implementation Deed.</li> </ul> Refer to section 13 of the Bidder's Statement and Section 11.4 for further details of the Offer Conditions.
<b>What are the consequences of accepting the Offer now, while it remains conditional?</b>	If you accept the Offer now, unless withdrawal rights are available (see below), you will give up your right to sell your Bligh Shares or otherwise deal with your Bligh Shares while the Offer remains open. If Bligh Shares trade above the Offer Consideration you will have lost your ability to sell your Bligh Shares on ASX at that higher price.
<b>If I accept the Offer now, can I withdraw my acceptance?</b>	You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, Saracen varies the Offer in a way that postpones for more than one month the time that Saracen has to meet its obligations under the Offer.
<b>When will I receive the Offer Consideration if I accept the Offer?</b>	Generally, Saracen will provide your Offer Consideration to you on or before the earlier of: <ul style="list-style-type: none"> <li>• 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</li> <li>• 21 days after the end of the Offer Period.</li> </ul> Subject to the Corporations Act and the Offer Conditions being satisfied or waived, Saracen will use reasonable endeavours to provide your Offer Consideration to you within seven days of the Unconditional Date or your acceptance of the Offer (whichever occurs first in time). Refer to section 14 of the Bidder's Statement for further details. Ineligible Foreign Shareholders and Small Parcel Holders will be provided with the net proceeds of sale to which they are entitled under the Offer at

Question	Answer
	a different time. Refer to section 14.4 of the Bidder's Statement for further details.
<b>What are the consequences of the Offer becoming unconditional?</b>	If you accept the Offer and the Offer becomes unconditional, you will be entitled to receive the Offer Consideration in respect of your Bligh Shares.
<b>What happens if I do nothing?</b>	<p>You will remain a Bligh Shareholder.</p> <p>If Saracen acquires 90% or more of the Bligh Shares and the Offer becomes unconditional, Saracen intends to compulsorily acquire the remaining Bligh Shares.</p> <p>If Saracen acquires between 50% and 90% of Bligh Shares and the Offer becomes unconditional, you will remain a minority shareholder and Bligh will then be controlled by Saracen.</p> <p>Refer to section 9 of the Bidder's Statement for details in relation to Saracen's intentions in relation to Bligh.</p>
<b>What if I want to sell my Bligh Shares on-market?</b>	<p>During the Offer Period, you may sell some or all of your Bligh Shares on-market for cash provided you have not accepted the Offer for those Bligh Shares.</p> <p>Before doing so, you should consider the implications of this course of action, including that you would not receive the benefit of any increase in the Offer Consideration. You will also forfeit the ability to accept any Superior Proposal that may emerge. If you sell your Bligh Shares on-market, you may incur a brokerage charge.</p>
<b>Can I be forced to sell my Bligh Shares?</b>	You cannot be forced to sell your Bligh Shares unless Saracen acquires a Relevant Interest in at least 90% of all the Bligh Shares by the end of the Offer Period, and proceeds to compulsory acquisition of your Bligh Shares. If that happens, you will be provided the last Offer Consideration offered by Saracen for the Bligh Shares before the end of the Offer Period.
<b>When will the Offer close?</b>	The Offer is presently scheduled to close at 5.00pm (Perth time) on 12 August 2019, but the Offer Period can be extended in certain circumstances in accordance with the Corporations Act. Refer to Section 11.3 for details on extending the Offer Period.
<b>What happens if the Offer Conditions are not satisfied or waived?</b>	If the Offer Conditions are not satisfied or waived by the end of the Offer Period, the Offer will lapse. You will then be free to deal with your Bligh Shares even if you had accepted the Offer.
<b>What are the tax implications of accepting the Offer?</b>	<p>A general outline of the tax implications for certain Australian resident and Australian non-resident Bligh Shareholders of accepting the Offer is set out in Section 10 of the Target's Statement.</p> <p>You should not rely on that outline as advice on your own affairs. It does not deal with the position of particular Bligh Shareholders. You should seek your own personal, independent financial and taxation advice before making a decision as to whether to accept or reject the Offer.</p>
<b>Is there a number I can call if I have further queries in relation to the Offer?</b>	For further details, please contact Saracen on 08 6229 9157 or call Bligh on 08 9336 3388.

## 2 DIRECTORS' RECOMMENDATION

### 2.1 Summary of the Offer

Saracen is offering to acquire all of your Bligh Shares for 100% scrip consideration of 0.0369 Saracen Shares for every 1 Bligh Share, valuing Bligh Shares at 12.8 cents per Bligh Share and Bligh at \$38.2 million.

The Offer represents a premium of:

- 97% to the last closing price of 6.5 cents on 13 June 2019; and
- 97% to Bligh's one month VWAP of 6.5 cents.

The Offer is subject to a limited number of conditions. In summary, the key Conditions to the Offer are:

- 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 Bligh Material Adverse Change occurs in respect of Bligh;
- financier undertakings given by Zeta;
- receipt of all Third Party Consents; and
- no material breach of representation or warranty given by Bligh under the Bid Implementation Deed.

Refer to section 13 of the Bidder's Statement and Section 11.4 for further details of the Offer Conditions.

Refer to the Bidder's Statement for full particulars of the Offer.

### 2.2 Recommendation of the Directors

This Target's Statement sets out the formal response of the Directors to the Offer, including the reasons why the Directors unanimously recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal. The key reasons for the Directors unanimous recommendation are set out in Section 3.1.

### 2.3 Intentions of the Directors

Each of the Directors (who holds a Relevant Interest in Bligh Shares) intends to accept the Offer in respect of any Bligh Shares that they own or control (3.43% on a fully diluted basis) in the absence of a Superior Proposal and subject to the terms of the bid.

Details of the relevant interests of each Director in Bligh Shares are set out in Section 12.1.

### 2.4 What to do next

To **ACCEPT** the Offer, you must follow the instructions provided in section 12.6 of the Bidder's Statement. To validly accept the Offer, your acceptance must be received before 5.00pm (Perth time) on 12 August 2019, unless the Offer Period is extended.

To reject the Offer, you do not need to take any action.

### 3 REASONS TO ACCEPT OR REJECT THE OFFER

Set out below are some of the reasons why the Bligh Board considers that you should accept the Offer. Also set out below is a summary of some of the reasons why you may decide to reject the Offer. You should read the Bidder's Statement and this Target's Statement in their entirety before deciding whether or not to accept the Offer.

You should particularly consider the risk factors in Section 8, which apply to the information in this Section 3.

While your Directors acknowledge that there are reasons to reject the Offer, they believe the advantages of the Offer significantly outweigh the disadvantages.

#### 3.1 Reasons to ACCEPT the Offer

<p><b>Your Directors recommend the Offer in the absence of a Superior Proposal</b></p>	<p>Your Directors unanimously recommend that you <b>ACCEPT</b> the Offer, in the absence of a Superior Proposal.</p> <p>Each of your Directors (who holds a Relevant Interest in Bligh Shares) intend to accept the Offer with respect to any Bligh Shares controlled or held by, or on behalf of, such Director in the absence of a Superior Proposal.</p>
<p><b>Saracen's Offer Consideration represents a compelling premium to Bligh's historical trading values</b></p>	<p>Saracen is offering to acquire all of your Bligh Shares for 100% scrip consideration of 0.0369 Saracen Shares for every 1 Bligh Share, valuing Bligh shares at 12.8 cents per share and Bligh at \$38.2 million.</p> <p>The Offer represents a premium of:</p> <ul style="list-style-type: none"> <li>• 97% to the last closing price of 6.5 cents on 13 June 2019; and</li> <li>• 97% to Bligh's one month VWAP of 6.5 cents.</li> </ul> <p>In addition, Bligh Shares had a closing price of \$0.135 on 3 July 2019, being the last practicable trading day before the date of this Target's Statement. Based on Saracen's closing share price of \$3.78 on the ASX on 3 July 2019 (being the last practicable trading day before the date of this Target's Statement), the Offer values Bligh Shares at approximately \$0.139 per Bligh Share.</p>
<p><b>Certain Bligh Shareholders have committed to ACCEPT the Offer</b></p>	<p>Each of your Directors (who hold a Relevant Interest in Bligh Shares) intend to accept the Offer with respect to any Bligh Shares controlled or held by, or on behalf of, such Director in the absence of a Superior Proposal</p> <p>Zeta has indicated its intention to accept the Offer for the Bligh Shares it owns, in the absence of a Superior Proposal and the Bid Implementation Deed not being terminated, on the date which is no earlier than 21 days after the Offer Date.</p> <p>The Directors and Zeta collectively hold 88.47% of Bligh Shares (on a fully diluted basis).</p>
<p><b>Bligh Shareholders will become shareholders in an Australian gold producer</b></p>	<p>On successful completion of the Offer, Bligh Shareholders will:</p> <ul style="list-style-type: none"> <li>• hold Saracen Shares meaning you will have exposure to Thunderbox and Carosue Dam Gold Projects; and</li> <li>• become part of a leading ASX listed Australian gold exploration and production company.</li> </ul> <p>Refer to Section 7 for details regarding Saracen and its activities.</p>

<b>Bligh will require funding in absence of the Offer</b>	<p>At the date of this Target's Statement, Bligh has a cash balance of approximately A\$217,000.</p> <p>Bligh will require additional funding to fund exploration activities at the Bundarra Project, satisfy outstanding debts owed to Zeta and for working capital purposes.</p>
<b>Trading price of Bligh Shares may fall if the Offer is unsuccessful</b>	<p>There are many factors that affect the price of Bligh Shares, however, since the Offer was announced Bligh Shares have traded above Bligh's Share price prior to the Announcement Date, at a level that broadly reflects the terms of the Offer. The Bligh Directors consider that in the absence of the Offer or an alternative Competing Transaction emerging, the price of Bligh Shares may fall below current levels, at least in the short term.</p>
<b>No Superior Proposal has emerged</b>	<p>There is the potential for a proposal that is superior to the Offer to emerge. However, as at the date of this Target's Statement no Superior Proposal has emerged.</p> <p>If a competing proposal is received prior to the end of the Offer Period, this will be announced to ASX and the Bligh Board will carefully consider the proposal and advise Bligh Shareholders of their recommendation.</p>

### 3.2 Reasons to REJECT the Offer

<b>You may disagree with your Directors' unanimous recommendation</b>	<p>In the Directors recommending the Offer (in the absence of a Superior Proposal), the Directors are making judgements based on future events which are not predictable with certainty and which may prove to be incorrect (either positively or negatively).</p> <p>Bligh Shareholders may not agree with the Directors' unanimous recommendation and are not obliged to follow the recommendation.</p>
<b>You may believe there is an opportunity for increased value from Bligh remaining as a stand-alone entity</b>	<p>You may believe that Bligh Shareholders will have the opportunity for greater returns over the long term by continued investment in Bligh as a stand-alone entity.</p>
<b>A Superior Proposal for Bligh, if it were to continue as a stand-alone entity, may materialise in the future</b>	<p>At the date of this Target's Statement, no Superior Proposal for Bligh has emerged.</p> <p>It is possible that, if Bligh were to continue as a stand-alone entity, a Superior Proposal for Bligh which is more attractive for Bligh Shareholders may materialise in the future.</p> <p>There is nothing preventing other parties from making unsolicited competing proposals for Bligh during the Offer Period.</p> <p>If a competing proposal is received prior to the end of the Offer Period, this will be announced to ASX and the Bligh Board will carefully consider the proposal and advise Bligh Shareholders of their recommendation.</p>
<b>The potential tax consequences of the Offer may not suit your current financial position or tax circumstances</b>	<p>Acceptance of the Offer may have potential tax consequences for Bligh Shareholders. A general outline of the tax implications of accepting the Offer is set out in Section 10 of the Target's Statement. As this outline is a general outline only, Bligh Shareholders are encouraged to seek their own specific advice as to the taxation implications applicable to their circumstances.</p>

## 4 YOUR CHOICES AS A BLI GH SHAREHOLDER

The Directors unanimously recommend that Bligh Shareholders **ACCEPT** the Offer in the absence of a Superior Proposal and subject to the terms of the bid.

However, as a Bligh Shareholder you have the following choices available to you:

### 4.1 Accept the Offer

To accept the Offer, follow the instructions set out in section 12.6 of the Bidder's Statement.

Details of the Offer Consideration you will receive are set out in Section 14 and in the Bidder's Statement. You will only receive the Offer Consideration if the Offer Conditions are either satisfied or waived. The Offer is subject to a limited number of conditions. Refer to section 13 of the Bidder's Statement and Section 11.4 for further details of the Offer Conditions.

The consequences of accepting the Offer are discussed in Section 11.11. If you accept the Offer, you will not be able to sell your Bligh Shares on market unless you have the right to withdraw your acceptance and you have exercised that right. The circumstances in which acceptances of the Offer may be withdrawn are detailed in section 3 of the Bidder's Statement.

If you accept the Offer, you may be liable for capital gains tax or income taxes as a result of your acceptance. An overview of the taxation consequences for Bligh Shareholders of accepting the Offer is provided in section 11 of the Bidder's Statement and Section 10.

Bligh encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Bligh Shares.

### 4.2 Sell some or all of your Bligh Shares on-market

During the Offer Period, if you have not accepted the Offer, you can sell some or all of your Bligh Shares on ASX. If you choose to sell, settlement will occur on a normal "T+2" basis and the purchaser of those Bligh Shares may accept the Offer in respect of those Bligh Shares.

There is no guarantee of the price at which the Bligh Shares will trade from time to time, whether before or after the end of the Offer Period. The latest price for the Bligh Shares may be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX: BGH).

If you sell your Bligh Shares you:

- (a) will lose the ability to accept the Offer in relation to those Bligh Shares (or any other offer for Bligh Shares which may eventuate); and
- (b) may incur a brokerage charge.

Bligh Shareholders who wish to sell their Bligh Shares on market should contact their broker for information on how to effect the sale.

You should seek your own personal advice regarding the taxation consequences for you of selling the Shares on ASX.

### 4.3 Do nothing and retain all your Bligh Shares

You can reject the Offer by simply doing nothing. If you reject the Offer, you will retain all of your Bligh Shares.

You should note that if you choose to reject the Offer by simply doing nothing, and retain all of your Bligh Shares, you may be exposed to a number of risks which have been outlined in Section 5.

Bligh Shareholders should note that if Saracen acquires a Relevant Interest in 90% of Bligh Shares during or at the end of the Offer Period, Saracen will be entitled to compulsorily acquire the Bligh Shares it does not already own.

## 5 RISKS OF NOT ACCEPTING THE OFFER

Saracen's intentions for Bligh are described in section 9 of the Bidder's Statement, but those intentions may change, particularly as a result of the review of operations which Saracen states that it will undertake. Changes to the business which are implemented or failed to be implemented by Saracen may mean that you may subsequently choose to dispose of your Bligh Shares at a time when market conditions are less favourable than those prevailing at the date of this Target's Statement.

If you do not accept the Offer, maintaining your investment in Bligh may mean that you are exposed to the risks outlined below, depending on the outcome of the Offer. The risks presented in this Section are not designed to be an exhaustive list, but to highlight some of the key potential risks of not accepting the Offer.

### 5.1 Risks if Saracen acquires a Relevant Interest in less than 50% of all Bligh Shares

#### (a) Potential changes to the Bligh Board

In section 9.5(a) of the Bidder's Statement, Saracen has stated that it intends to (subject to the formal requirements of the Corporations Act and Bligh's constitution) seek representation on the Bligh Board so that the proportion of Saracen nominees is broadly in line with its voting power in Bligh.

#### (b) Potential changes to Bligh' strategic direction

In section 9.5(b) of the Bidder's Statement, Saracen has stated that it intends to remain actively involved as a Bligh shareholder with a view of maximising returns for Saracen Shareholders.

#### (c) Potential reliance on one or a small number of Bligh Shareholder(s) to support Bligh' potential equity raising in the future

There is a possibility that an equity raising would be required for Bligh to fund its daily operations, reduce its debt level, and/or provide funding to develop its existing assets.

In the situation where Saracen acquires a Relevant Interest in less than 100% of all Bligh Shares and Bligh undertakes an equity capital raising by way of a pro rata offer of Bligh Shares to Bligh Shareholders to raise additional funds, if the pro rata equity raising is supported only by Saracen, or Saracen and a small number of other Bligh Shareholders, the pro rata equity raising will be dilutive to Bligh Shareholders who do not participate in the offer. Saracen may increase its Relevant Interest in Bligh Shares without Bligh Shareholder approval or making a takeover bid, as a result of taking up its full entitlement (assuming any available shortfall is not fully allocated) or any agreed underwriting arrangements to which it is a party.

### 5.2 Risks if Saracen acquires a Relevant Interest in 50% or more of all Bligh Shares

#### (a) Bligh may be removed from the official list of ASX

In section 9.3(a) of the Bidder's Statement, Saracen has stated that it intends to procure that Bligh is removed from the official list of ASX (if it becomes entitled to do so). If Bligh is removed from the official list of ASX it may adversely impact your ability to sell your Bligh Shares, the price at which you can sell your Bligh Shares, and the level of relevant Bligh information you are able to access.

ASX guidance indicates that ASX would not usually require Saracen to obtain Bligh Shareholder approval for Bligh' removal from the official list of ASX in the context of a successful takeover where the usual conditions are satisfied, which include that (among other things):

- (i) Saracen and its related bodies corporate own or control at least 75% of Bligh Shares; and
- (ii) there are fewer than 150 holders of Bligh Shares having holdings with a value of at least \$500, excluding Saracen and its related bodies corporate.

In the event the above conditions are not met, Saracen has stated that it may still request ASX remove Bligh from the official list of ASX. ASX's guidance indicates that ASX's decision to act on Saracen's request may be subject to the satisfaction of certain conditions (including the approval of Bligh Shareholders to the removal by way of an ordinary resolution) directed to ensuring that the

interests of remaining Bligh Shareholders are not unduly prejudiced by the removal and that trading in Bligh Shares takes place in an orderly manner up to the date of its removal.

For Saracen's entitlement to achieve the above intention, refer to the details regarding minority shareholder protections in Section 5.7.

**(b) Saracen will be able to determine the outcome of ordinary resolutions**

Saracen will be in a position to cast the votes required to determine alone the outcome of an ordinary resolution (in respect of which it is entitled to vote), and will be in a position to control the composition of the Bligh Board.

For Saracen's entitlement to achieve the above intention, refer to the details regarding minority shareholder protections in Section 5.7.

### **5.3 Risk if Saracen acquires a Relevant Interest in 75% or more of all Bligh Shares**

**(a) Saracen will be able to determine the outcome of special resolutions**

Saracen will be in a position to cast the votes required to determine alone the outcome of a special resolution (in respect of which it is entitled to vote) at a meeting of Bligh Shareholders. This would enable it to pass resolutions, for example, to amend Bligh's constitution, giving Saracen significant power to control the operations and strategy of Bligh.

For Saracen's entitlement to achieve the above intention, refer to the details regarding minority shareholder protections in Section 5.7.

### **5.4 Risk if Saracen acquires a Relevant Interest in 90% or more of all Bligh Shares**

If Saracen acquires a Relevant Interest in 90% or more of all Bligh Shares and the compulsory acquisition provisions of the Corporations Act are satisfied, Saracen will be entitled to compulsorily acquire the Bligh Shares that it does not already own.

In section 9.3(a) of the Bidder's Statement, Saracen has stated that it intends to proceed with compulsory acquisition of all remaining Bligh Shares. For further details of compulsory acquisition, refer to section 9.3(a) of the Bidder's Statement.

If you choose not to accept the Offer and Saracen subsequently exercises compulsory acquisition rights, you are likely to be paid later than other Bligh Shareholders who accept the Offer.

### **5.5 Risks relating to Saracen's Proposed Strategic Review**

Should Saracen acquire control of Bligh, it has stated that it intends to undertake a review of Bligh's assets and operations. Saracen goes on to state that the conclusions and outcomes reached in the strategic review will inform its preferred approach to developing, operating and retaining or divesting the assets within the Bligh portfolio.

Changes to the business which are implemented by Saracen may mean that you may subsequently choose to dispose of your Bligh Shares at a time when market conditions are less favourable than those prevailing at the date of this Target's Statement.

### **5.6 Reduced liquidity of Bligh Shares**

As Saracen increases its Bligh shareholding, it will reduce the number of Bligh Shares that can be expected to be available for trading on ASX. This is likely to reduce the liquidity of Bligh Shares, and may adversely affect the price at which they might otherwise be expected to trade.

## 5.7 Minority shareholder protections

In the event that Saracen has a Relevant Interest in less than 100% of all Bligh Shares, the implementation of Saracen's intentions as set out in section 9 of the Bidder's Statement will be subject to:

- (a) the Corporations Act (including, without limitation, those provisions intended for the protection of minority shareholders);
- (b) Bligh's constitution and the statutory and fiduciary obligations of the Bligh's Directors at that time to act in the best interests of Bligh and all Bligh Shareholders;
- (c) in certain circumstances, minority shareholder approval, in respect of which Saracen may not be able to vote as an interested party;
- (d) statutory and Listing Rules protection regulating minority shareholder rights; and
- (e) statutory and Listing Rules protection against oppression,

and that each of those matters serves to protect the rights of Bligh' minority shareholders.

As a result of these protections, Saracen and its associates may be excluded from voting on certain resolutions in general meeting, and should Saracen appoint any nominee directors to the Bligh Board, these directors may potentially be precluded from voting at Bligh Board meetings in certain circumstances. Where a minority shareholder maintains a "blocking stake" or substantial holding in Bligh which provides them with a significant proportion of the Bligh Shares which are not held by Saracen and its associates, that shareholder may have the ability to determine the outcome of any such resolutions put to Bligh Shareholders in general meetings.

For example, to the extent that Saracen has a Relevant Interest in more than 50% but less than 100% of all Bligh Shares and a transaction is proposed between Saracen and Bligh, since Saracen is considered a 'related party' of Bligh in this scenario, the transaction may be required to be subject to the prior approval of Bligh Shareholders in general meeting (with Saracen precluded from voting on the relevant resolution, and other regulatory requirements to be complied with).

## 6 INFORMATION ABOUT BЛИGH

### 6.1 Overview of Bligh

Bligh is an ASX-listed mineral exploration company. The principal focus of Bligh is its interest in the Bundarra Project which is considered prospective for gold.

Bligh is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the Listing Rules. See Section 6.14 for further information.

### 6.2 History of Bligh

Bligh was incorporated on 7 May 2008 for the primary purpose of identifying exploration projects in Australia and elsewhere which could host commercially significant mineral deposits. Bligh has been listed on the ASX since 24 November 2011.

### 6.3 Directors

At the date of this Target's Statement, the Directors are:

Name	Position
Peter Sullivan	Non-Executive Chairman
Dugald Morrison	Non-Executive Director
James Sullivan	Non-Executive Director

### 6.4 Bligh senior management

At the date of this Target's Statement, the senior management personnel of Bligh are:

Senior Management Personnel	
Lloyd Flint	Company Secretary

### 6.5 Bundarra project overview

The Bundarra Project lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 60 km north of Leonora in the Eastern Goldfields region of Western Australia. The Bundarra Project hosts a JORC 2012 compliant Mineral Resources estimated to contain 9.7 million tonnes averaging 2.1g/t Au for a total of 660,000 ounces of gold across five deposits.

The Bundarra Project covers an area of 26.57 km<sup>2</sup> and the tenement schedule consists of five Mining Leases and six Prospecting Licences. To date, more than 6,675 holes have been drilled with an accumulated drilling depth of more than 210,000m.

Further details on the Bundarra Project are set out in the ASX announcements, specifically those dated 1 November 2018, 18 December 2018 and 24 April 2019 (**Bundarra ASX Announcements**).

For further information in relation to the Bundarra Project and its reported measured, indicated and inferred mineral resources please refer to the Bundarra ASX Announcements. The Company confirms it is not aware of any new information or data that materially affect the information included in the Bundarra ASX Announcements and that all material assumptions and technical parameters underpinning the relevant estimates continue to apply and have not materially changed.

**Celtic South, Celtic North, Wonder West, Wonder North and Bluebush Deposits Remaining Mineral Resources, November 2018**

Deposit	Category	Volume '000 m <sup>3</sup>	Tonnes '000 t	Au g/t	Au '000 Oz
Celtic North	Indicated	71	195	2.4	15
	Inferred	387	1,060	2.0	69
	<i>Total</i>	<i>458</i>	<i>1,254</i>	<i>2.1</i>	<i>84</i>
Celtic South	Indicated	35	78	2.1	5
	Inferred	47	111	1.4	5
	<i>Total</i>	<i>82</i>	<i>188</i>	<i>1.7</i>	<i>10</i>
Wonder West	Measured	17	39	3.0	4
	Indicated	205	495	2.1	33
	Inferred	114	291	1.7	16
	<i>Total</i>	<i>336</i>	<i>825</i>	<i>2.0</i>	<i>54</i>
Wonder North	Measured	137	327	2.2	23
	Indicated	855	2,239	2.2	155
	Inferred	1,487	3,968	2.3	291
	<i>Total</i>	<i>2,478</i>	<i>6,534</i>	<i>2.2</i>	<i>469</i>
Bluebush	Indicated	103	235	1.7	13
	Inferred	240	634	1.5	30
	<i>Total</i>	<i>344</i>	<i>868</i>	<i>1.5</i>	<i>43</i>
<b>Total Measured and Indicated:</b>		<b>1,420</b>	<b>3,610</b>	<b>2.1</b>	<b>250</b>
<b>Total Inferred:</b>		<b>2,270</b>	<b>6,060</b>	<b>2.1</b>	<b>410</b>
<b>Total:</b>		<b>3,700</b>	<b>9,670</b>	<b>2.1</b>	<b>660</b>

## 6.6 Schedule of tenements

The tenements in which Bligh holds an interest as at the date of this Target's Statement are as follows:

Tenement	Location	Holding
M 37/514	Bundarra	100%
M 37/638	Bundarra	100%
M 37/350	Bundarra	100%
M 37/488	Bundarra	100%
M 37/513	Bundarra	100%
P 37/8382	Bundarra	100%
P 37/8383	Bundarra	100%
P 37/8384	Bundarra	100%
P 37/8385	Bundarra	100%
P 37/8386	Bundarra	100%
P37/9079 <sup>1</sup>	Bundarra	100%

Notes:

1. Transfer of P37/0979 to the name of SR Mining Pty Ltd has been lodged with DMIRS, registration is pending.

## 6.7 Historical financial information

### (a) Basis of preparation

The selected historical financial information in this section has been extracted from Bligh's audited consolidated financial statements for the financial years ended 30 June 2018 and 30 June 2017 and the reviewed consolidated financial statements for the half year ended 31 December 2018.

The information in this section is a summary only and has been prepared solely for inclusion in this Target's Statement. The financial information presented below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements.

On request, Bligh will provide a copy of Bligh's audited consolidated financial statements for the last two financial years, free of charge to any Bligh Shareholder upon request to Bligh's Company Secretary by email to [info@blighresources.com.au](mailto:info@blighresources.com.au).

### (b) Consolidated Statement of Profit or Loss

Detailed below is an extract of Bligh's audited Consolidated Statements of Profit or Loss for the years ended 30 June 2018 and 30 June 2017 and for the half year ended 31 December 2018.

Consolidated Statements of Profit or Loss	31 December 2018	30 June 2018	30 June 2017
		\$	\$
<b>Revenue from ordinary activities</b>			
Interest income	-	1,893	3,506
Other income	-	2,094	-
	-	<b>3,987</b>	<b>3,506</b>
<b>Less: Expenses</b>			
Exploration and evaluation interests written off	-	-	772,112
Administration costs	34,019	68,992	182,446
Consultancy fees	21,000	43,200	216,371
Depreciation and amortisation expense	-	-	41,621
Directors, employees and consultant expenses	83,865	178,737	201,570
Occupancy expenses	28,583	46,344	25,403
Travelling costs	-	-	14,608
Legal and professional costs	1,902	51,495	252,949
Share based payments	6,284	291,700	409,922
	<b>175,653</b>	<b>680,468</b>	<b>2,117,002</b>
<b>Loss from operating activities</b>	<b>(175,653)</b>	<b>(676,481)</b>	<b>(2,113,497)</b>
Finance costs	(11,326)	(6,336)	(989)
<b>Loss before income tax</b>	<b>(186,979)</b>	<b>(682,817)</b>	<b>(2,114,486)</b>
Income tax expense	-	-	-
<b>Loss from continuing operations after income tax</b>	<b>(186,979)</b>	<b>(682,817)</b>	<b>(2,114,486)</b>
Other comprehensive loss for the year	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(186,979)</b>	<b>(682,817)</b>	<b>(2,114,486)</b>

(c) **Consolidated Statement of Financial Position**

Detailed below is an extract of Bligh's audited Consolidated Statements of Financial Position for the years ended 30 June 2018 and 30 June 2017 and for the half year ended 31 December 2018.

Consolidated Statements of Financial Position	Consolidated		
	31 December 2018	30 June 2018	30 June 2017
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	85,690	221,591	136,106
Trade and other receivables	69,101	6,117	61,975
Other current assets	-	3,984	-
<b>Total current assets</b>	<b>154,791</b>	<b>231,692</b>	<b>198,081</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	5,832,162	5,206,050	4,500,259
Plant and equipment		-	-
<b>Total non-current assets</b>	<b>5,832,162</b>	<b>5,206,050</b>	<b>4,500,259</b>
<b>Total assets</b>	<b>5,986,953</b>	<b>5,437,742</b>	<b>4,698,340</b>
<b>Current liabilities</b>			
Trade and other payables	87,897	70,011	176,690
Employee benefits	21,335	14,357	-
Borrowings	711,326	-	-
<b>Total current liabilities</b>	<b>820,558</b>	<b>84,368</b>	<b>176,690</b>
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>820,558</b>	<b>84,368</b>	<b>176,690</b>
<b>Net assets</b>	<b>5,166,395</b>	<b>5,353,374</b>	<b>4,521,650</b>
<b>Equity</b>			
Contributed equity	12,214,263	12,214,263	10,699,722
Accumulated losses	(7,643,749)	(7,456,770)	(6,773,953)
Reserves	595,881	595,881	595,881
<b>Total equity</b>	<b>5,166,395</b>	<b>5,353,374</b>	<b>4,521,650</b>

(d) **Consolidated Cash Flow Statement**

Detailed below is an extract of Bligh's audited Consolidated Cash Flow Statement for the years ended 30 June 2018 and 30 June 2017 and for the half year ended 31 December 2018.

Consolidated Cash Flow Statement	31 December 2018	Consolidated	
		30 June 2018	30 June 2017
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(209,789)	(280,432)	(1,393,223)
Interest received	-	1,893	3,506
Interest paid	-	(6,336)	(989)
<b>Net cash (outflow) from operating activities</b>	<b>(209,789)</b>	<b>(284,875)</b>	<b>(1,390,706)</b>
<b>Cash flows from investing activities</b>			
Payment for exploration and evaluation expenditure	(626,112)	(705,791)	(1,229,287)
Payment for property, plant and equipment	-	-	(20,000)
<b>Net cash (outflow) from investing activities</b>	<b>(626,112)</b>	<b>(705,791)</b>	<b>(1,249,287)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	-	1,225,341	3,044,382
Share issue transaction costs	-	(2,500)	(295,535)
Proceeds from release of bonds	-	-	39,869
Proceeds from borrowings	700,000	-	-
Repayment of borrowings	-	(146,690)	(45,000)
<b>Net cash provided by financing activities</b>	<b>700,000</b>	<b>1,076,151</b>	<b>2,743,716</b>
Net increase in cash held	(135,901)	85,485	103,723
Cash at beginning of financial year	221,591	136,106	32,383
<b>Cash at end of financial year</b>	<b>85,690</b>	<b>221,591</b>	<b>136,106</b>

**6.8 Material changes in Bligh's financial position and financial performance**

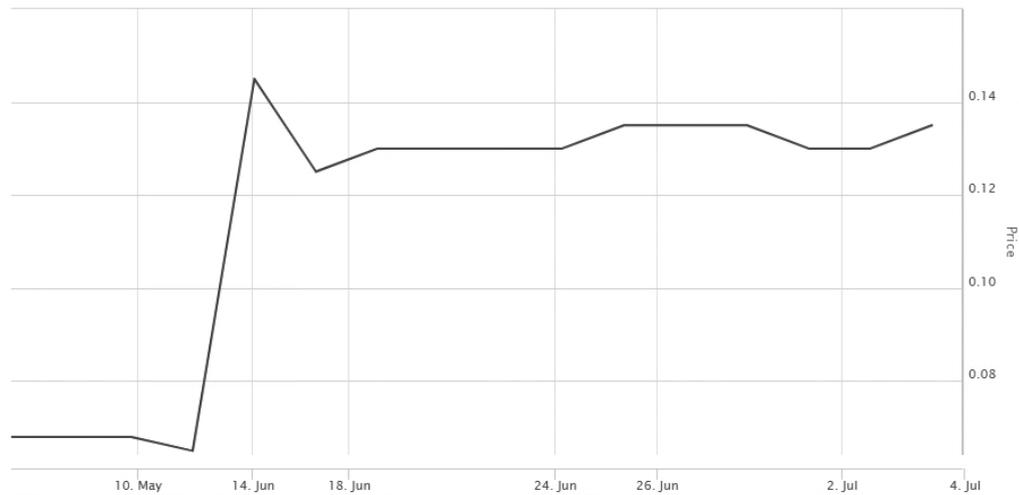
To the Directors' knowledge, and except as disclosed in this Section or elsewhere in this Target's Statement, the financial position and financial performance of Bligh has not materially changed since 31 December 2018.

**6.9 Forecasts**

Bligh does not provide cashflow or profit & loss forecasts to the market.

## 6.10 Recent Bligh Share price history

The following depicts the trading history of Bligh over the 3 months up to 3 July 2019, being the last practicable date prior to the date of this Target's Statement.



Source: ASX<sup>2</sup>

At 3 July 2019, being the last practicable date prior to the date of this Target's Statement:

- (a) the last recorded traded price of Bligh Shares was \$0.135;
- (b) the 30 day VWAP of Bligh Shares was \$0.120;
- (c) the 60 day VWAP of Bligh Shares was 0.053;
- (d) the 90 day VWAP of Bligh Shares was 0.041;
- (e) the highest recorded traded price of Bligh Shares in the previous 3 months was \$0.145 on 14 June 2019;
- (f) the lowest recorded traded price of Bligh Shares in the previous 3 months was \$0.065 on 22 May 2019;

The current price of Bligh Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or <https://www.bligh-resources.com/>.

## 6.11 Bligh issued securities

At the date of this Target's Statement, there are 290,412,101 Bligh Shares and 8,000,000 Bligh Options on issue.

At the date of this Target's Statement, the following Bligh Options are on issue:

Number	Class
1,500,000	Exercise Price of \$0.03 per Bligh Option, expiring on 19 October 2019
2,500,000	Exercise Price of \$0.05 per Bligh Option, expiring on 19 October 2019
4,000,000	Exercise Price of \$0.07 per Bligh Option, expiring on 19 October 2019

<sup>2</sup><https://www.asx.com.au/prices/charting/?code=BGH&compareCode=&chartType=line&priceMovingAverage1=&priceMovingAverage2=&volumeIndicator=Bar&volumeMovingAverage=&timeframe=Daily>

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) of the Bidder's Statement for further details.

## **6.12 Dividend Policy**

Bligh does not currently pay dividends to its Shareholders. The Bligh Board is not able to indicate if and when dividends will be paid in the future if the Offer is not implemented, as payment of any dividend will depend on the future profitability, financial position and cash requirements of Bligh.

## **6.13 Litigation**

Bligh is not aware of any material legal claims against it, or grounds for the making of a material claim.

## **6.14 Publicly available information**

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, Bligh is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Bligh's most recent announcements are available from Bligh's website at <https://www.bligh-resources.com/investors.html>.

ASX maintains files containing publicly available information about entities listed on their exchange. Bligh's files are available for inspection at Bligh' registered office during normal business hours and are available on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

Additionally, copies of documents lodged with ASIC in relation to Bligh may be obtained from or inspected at an ASIC service centre. Please note, ASIC may charge a fee in respect of such services.

The following documents are available for inspection during normal business hours at the registered office of Bligh:

- (a) Bligh's constitution;
- (b) Bligh's annual report for the financial year ended 30 June 2018; and
- (c) Bligh's public announcements.

The annual report and public announcements are available at Bligh' website at <https://www.bligh-resources.com/investors.html>, or may be requested to be provided free of charge by contacting Bligh.

## 7 INFORMATION ABOUT SARACEN

### 7.1 Disclaimer

The information in this Section and all information concerning Saracen contained in other sections of this Target's Statement has been prepared by Bligh using the information contained in the Bidder's Statement and publicly available information, and has not been independently verified by Bligh. Accordingly, subject to the Corporations Act, Bligh does not make any representation (express or implied) as to the accuracy or completeness of such information.

For further details of Saracen refer to section 6 of the Bidder's Statement.

### 7.2 Overview of Saracen and its Projects

Saracen is an Australian incorporated, ASX listed, gold exploration and production company, Saracen was incorporated on 27 January 1987 and admitted to the official list of the ASX on 2 January 1992 (ASX:SAR).

#### (a) Thunderbox Project

Saracen has a 100% interest in the Thunderbox Gold Project, located 45km south of the town of Leinster in Western Australia. The Thunderbox Project is comprised on the Thunderbox and Kailis open-pit mines and in the future is expected to develop, the Thunderbox underground mine as well as the Bannockburn and Otto Bore deposits. Refer to section 6.3 of the Bidder's Statement for further information regarding the Thunderbox Project, including further information regarding the Mineral Resources and Ore Reserves for the Thunderbox Project.

#### (b) Carosue Dam Project

Saracen has a 100% interest in the Carosue Dam Gold Project, located 120km north east of Kalgoorlie in Western Australia. The Carosue Dam Gold Project is based around processing plant with accommodation and other infrastructure located next to the operating the Whirling Dervish and Karari underground mines. In addition, there are a number of additional deposits within the region that may be developed in the future. Refer to section 6.3 of the Bidder's Statement for further information regarding the Carosue Dam Project, including further information regarding the Mineral Resources and Ore Reserves of the Carosue Dam Project.

### 7.3 Saracen directors

According to the Bidder's Statement, Saracen's directors are:

- (a) Mr Anthony Kiernan;
- (b) Mr Raleigh Finlayson;
- (c) Mr Martin Reed;
- (d) Dr Roric Smith;
- (e) Ms Samantha Tough; and
- (f) Mr John Richards.

### 7.4 Further information about Saracen

Section 6 of the Bidder's Statement provides further information relating to Saracen.

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## **8 PROFILE OF MERGED ENTITY**

### **8.1 Introduction**

Saracen has prepared a profile of the Merged Entity at section 8 of the Bidder's Statement. The Bligh Directors recommend that you read and carefully consider the information in section 8 of the Bidder's Statement.

### **8.2 Capital Structure of the Merged Entity**

A description of the capital structure of the Merged Entity, and the assumptions on which that description is based is detailed in section 8.3(a) of the Bidder's Statement.

### **8.3 Pro forma Financial Information for the Merged Entity**

Section 8.4 of the Bidder's Statement details a Merged Entity pro-forma unaudited consolidated statement of financial position as at 31 December 2018, together with:

- (a) a description of the pro forma adjustments made; and
- (b) the assumptions underlying the preparation of that financial statement.

## 9 RISK FACTORS

### 9.1 Introduction

In considering the Offer, Bligh Shareholders should be aware of the risks related to Bligh and its assets. Bligh is subject to a number of investment risk factors which may affect the operating and financial performance of Bligh and the value of Bligh Shares. Many of the risks are outside the control of Bligh and the Directors, and there can be no certainty that Bligh's objectives or anticipated outcomes will be achieved.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Bligh or the Offer. Additional risks and uncertainties not currently known to Bligh may also have an adverse impact on Bligh.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Bligh Shareholders. Each Bligh Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

### 9.2 Risks of holding Bligh Shares

#### (a) Trading in Shares may not be liquid

As at the date of this Target's Statement, Zeta Resources has a relevant interest in 253,742,974 Bligh Shares (constituting a voting power of 87.37% (on an undiluted basis)). There is no guarantee that there will be an ongoing liquid market for the Bligh Shares. Accordingly, there is a risk that, should the market for Bligh Shares become illiquid, the Bligh Shareholders will be unable to realise their investment in Bligh

#### (b) Nature of mineral exploration and mining

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties, these include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire explosions and other incidents beyond the control of Bligh.

For example, unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by Bligh may be affected by numerous factors which are beyond Bligh's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in Bligh not receiving an adequate return on invested capital.

Bligh's operations are subject to all of the hazards and risks normally incidental to the exploration, development and production of minerals, including:

- (i) unusual and unexpected geologic formations;
- (ii) seismic activity;
- (iii) rock bursts;
- (iv) cave-ins or slides;

- (v) flooding
- (vi) periodic interruptions due to inclement or hazardous weather conditions; and
- (vii) other conditions involved in the drilling and removal of material,

any of which could result in damage to, or destruction of, mines and other production facilities, personal injury or deaths, damage to property, environmental damage and possible legal liability. Milling operations are subject to hazards such as fire, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

(c) **Ore Reserves, Mineral Reserves and Mineral Resource estimates**

The figures for Ore Reserves, Mineral Reserves and Mineral Resources are estimates only and no assurance can be given that the anticipated tonnages and grade will be achieved, that the indicated level of recovery will be realised or that Ore Reserves or Mineral Reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating Ore Reserves, Mineral Reserves and Mineral Resources, including many factors beyond Bligh's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Ore Reserves and Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that tin recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

(d) **Future capital requirements**

Bligh may require additional financial resources to continue funding its future exploration and the development of its projects. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to Bligh or Bligh Shareholders. Bligh may in the future raise additional funds through public or private financing. If additional funds are raised through the issue of equity securities, the percentage ownership of the current Bligh Shareholders may be reduced and such securities may, subject to requisite Shareholder approval, have rights, preferences or privileges senior to those of the holders of Bligh's securities then in issue. If adequate funds are not available to satisfy either short or long-term capital requirements, Bligh may be required to limit its operations significantly.

(e) **Competition**

The mining industry is intensely competitive in all of its phases and Bligh will compete with many companies possessing greater financial and technical resources than Bligh. Competition in the minerals and mining industry is primarily for mineral-rich properties that can be developed and produced economically, the technical expertise to find, develop and operate such properties, the labour to operate the properties, and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in Bligh being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Bligh's prospects for mineral exploration and success in the future.

(f) **Other risks**

In the event the Offer is not successful, an investment in Bligh Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in Bligh.

### 9.3 General investment risks

(a) **Global economic conditions**

Bligh's funding position, financial performance and ability to execute its strategy is impacted by a variety of general global economic, political, social and business conditions. In addition to commodity

prices and currency fluctuations, factors that have the potential to impact Bligh's business include inflation, interest rates and other general economic factors. Deterioration in any of these conditions could have an adverse impact on Bligh.

Domestic and global conditions may affect the value of Bligh Shares. General worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of Bligh's products, variations in the operating costs and development and sustaining capital expenditure which Bligh will require in the future will all impact the value of the shares, some outside of the control of Bligh.

(b) **Share market risks**

There can be no guarantee that there will continue to be an active market for Bligh Shares or that the price of Bligh Shares will increase. There may be relatively few buyers or sellers of Bligh Shares on ASX at any given time. This may affect the volatility of the trading price of Bligh Shares on ASX. It may also affect the prevailing trading price at which Bligh Shareholders are able to sell their Bligh Shares on ASX.

(c) **Tax risks**

Future changes in tax laws in Australia and other jurisdictions in which Bligh has activities and investment interests, including changes in interpretation or application of existing laws by the courts or taxation authorities, may affect taxation treatment of Bligh securities or the holding or disposal of those securities. The tax consequences for individual investors in Bligh will depend on the individual tax profile and circumstances of the investor and all investors should obtain independent taxation advice with respect to their personal position.

#### 9.4 Risks related to the outcome of the Offer

If you do not accept the Offer, maintaining your investment in Bligh may also involve the following risks, depending on the outcome of the Offer:

- (a) The Bligh Shares acquired by Saracen under the Offer will reduce the number of Bligh Shares that can be expected to be available for trading on ASX. This is likely to reduce the liquidity of Bligh Shares, and may adversely affect the price at which they might otherwise be expected to trade.
- (b) If Saracen acquires control of Bligh, it will have enhanced capacity to influence the manner in which Bligh' business is conducted. Saracen's intentions for Bligh are detailed in sections 4 and 5 of the Bidder's Statement, but those intentions may change, particularly as a result of the strategic review that Saracen intends to undertake. Changes to the business which are implemented by Saracen may mean that you may subsequently choose to dispose of your Bligh Shares at a time when market conditions are less favourable than those prevailing at the date of this Target's Statement.

The following is intended only as a general guide to the Australian income tax position, and other indirect tax implications, under current Australian (federal and state/territory) tax law and administrative practice as at the date of this Target's Statement. Australian tax is a complex, and ever changing, area of law and the tax implications for you may differ from those detailed below, depending on your particular circumstances. It is unlikely two (2) shareholders' circumstances are the same. As these statements are of a general nature only, it is imperative that you obtain your own independent professional advice in respect of the tax implications of the Offer.

The following is an overview of the likely Australian tax considerations for an Australian tax resident or non-Australian tax resident Shareholder who holds their Bligh Shares on capital account and disposes of their shares under the Offer.

The following may not apply to certain other Bligh Shareholders, such as if you are a dealer in shares, you hold Bligh Shares on revenue account or as trading stock, if you are an insurance company or a collective investment scheme, or if Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) applies to you and you have made an election to apply certain methods to calculating gains and losses. In addition, the following may not apply to you if you acquired your shares as a result of an employment or services arrangement. Such persons may be subject to special rules or any gain on the disposal of their Bligh Shares may be assessed as ordinary income.

The Australian income tax implications for non-Australian tax resident Shareholders are also complex and will depend upon their own specific circumstances. Non-Australian tax resident Shareholders may also have tax implications in their country of residence.

## 10.1 Income Tax

### (a) Australian tax resident Bligh Shareholders

The transfer of Bligh Shares to Saracen pursuant to the Offer will give rise to a capital gains tax (**CGT**) event for you. Australian tax resident Shareholders may make a capital gain or a capital loss. If you accept the Offer, the time of the CGT event will be the date when you accept the Offer to dispose of your Bligh shares.

You may make a capital gain equal to the capital proceeds received (the cash consideration received from Saracen) less the cost base of your Bligh Shares, all generally expressed in Australian dollars (**AUD**). The cost base of your Bligh Shares is generally the AUD cost of their acquisition plus certain other amounts associated with their acquisition and disposal such as brokerage or duty. However, there are provisions that may adjust the cost base of your shares.

If you are an individual, trustee of a trust or a complying superannuation entity, and you acquired your Bligh Shares at least 12 months prior to accepting the Offer, you may be entitled to concessional discount CGT treatment under Division 115 of the ITAA 1997 in respect of any capital gain. This will depend upon your individual circumstances.

If the reduced cost base of your Bligh Shares (noting there are provisions that may adjust the reduced cost base of your shares) is greater than the capital proceeds you received, you may realise a capital loss equal to the difference. This capital loss may be applied to reduce a capital gain in the same or a future tax year.

### (b) Availability of Scrip-for-Scrip Roll-over Relief

Bligh Shareholders that make a capital gain may choose to elect that scrip-for-scrip roll-over relief apply to the extent of the gain that is referable to the receipt of Saracen Shares. The part of the gain that is referable to the receipt of cash or other consideration will not be disregarded as it is ineligible proceeds for which roll-over is not available.

The amount of the capital gain in respect of which scrip-for-scrip roll-over is available should be calculated as follows:

$$\begin{array}{rcc} \text{Amount of the capital gain on the disposal of a Bligh Share for which scrip-for-scrip roll-over is available} & = & \frac{\text{Value of the Saracen Share received for the disposal of the Bligh Share}}{\text{Value of the total consideration received for the disposal of the Bligh Share}} \times \text{Capital gain made on the disposal of the Bligh Share} \end{array}$$

The value of the Saracen Shares in the above calculation should be determined at the time of accepting the offer.

**(c) Consequences if Scrip-for-Scrip Roll-Over is Chosen**

**(i) Capital gain is partially disregarded**

If a Bligh Shareholder chooses scrip-for-scrip roll-over, that part of the capital gain that is referable to the receipt of Saracen Shares will be disregarded. The part of the capital gain that is referable to the receipt of either cash or other consideration will not be disregarded because it is ineligible proceeds for which roll-over is not available.

**(ii) Acquisition date of the Saracen Shares**

If a Bligh Shareholder chooses scrip-for-scrip roll-over, the acquisition date of the Saracen Shares received, for the purposes of making a discount capital gain, will be the date when they acquired the Bligh Shares that were exchanged for those Saracen Shares.

**(iii) Cost base and reduced cost base of the Saracen Shares,**

If a Bligh Shareholder chooses scrip-for-scrip roll-over, the first element of the cost base and reduced cost base of a Saracen Share received in exchange for their Bligh Shares, will be worked out by reasonably attributing the cost bases and reduced cost bases (respectively) of the Bligh Shares that were exchanged for that Saracen Share, and for which the roll-over was obtained. The cost base and reduced cost base of a Bligh Share exchanged is reduced by so much of it as is attributable to the receipt of the cash or other consideration.

**(d) Consequences if scrip-for-scrip roll-over is not chosen, or cannot be chosen**

**(i) Capital gain or capital loss is not disregarded**

A Bligh Shareholder who does not choose roll-over, or cannot choose roll-over, must take into account all of the capital gain or capital loss made from the disposal of their Bligh Shares in working out their net capital gain or net capital loss for the income year in which CGT event A1 happens (i.e. the income year in which the offer is accepted).

A net capital loss is not deductible against the assessable income of the Bligh Shareholder. However, a net capital loss may be carried forward to offset capital gains made in future years of income, subject to various requirements being met.

**(ii) Other consequences**

A Bligh Shareholder that is an individual, complying superannuation entity or trustee may be entitled to reduce the amount of any capital gain made on the disposal of its Bligh Shares if it has held the Bligh Shares for at least 12 months before the acceptance date (this reduction is referred to as the CGT discount).

The CGT discount, if it is available, is applied only after any available capital losses have been applied to reduce the capital gain.

The discount rate is 50% for individuals and trustees, and 33.3% for complying superannuation entities.

The CGT discount is not available to Bligh Shareholders that are companies.

(e) **Non-Australian tax resident Shareholders**

This section applies to Bligh Shareholders who are not residents of Australia for income tax purposes (non-Australian tax resident) and that hold Bligh Shares on capital account and are not used at any time in carrying on a business through a permanent establishment (as defined) in Australia. Such Shareholders may only be subject to Australian CGT upon disposal of their Bligh Shares where those Bligh Shares constitute an “indirect Australian real property interest”. Bligh Shares will constitute an “indirect Australian real property interest” where both of the following tests are met:

- (i) the non-Australian tax resident Shareholder, together with its associates (as defined for Australian tax purposes), holds 10 per cent or more of Bligh’ issued shares at the time of the CGT event or for any 12 month period in the 24 months prior to disposal (the non-portfolio interest test); and
- (ii) more than 50 per cent of the market value of the assets of Bligh is represented (directly or indirectly) by real property or mining, quarrying or prospecting rights in Australia (the principal asset test).

Non-Australian tax resident shareholders should seek independent advice on applying these tests.

If your shares do not constitute an indirect Australian real property interest, any capital gain or loss realised on the disposal of your Bligh Shares should be disregarded for Australian income tax purposes.

If your shares do constitute an indirect Australian real property interest, the transfer of Bligh Shares to Saracen pursuant to the Offer will trigger a CGT event for you. Non-Australian tax resident Shareholders may make a capital gain or a capital loss in relation to the sale of shares on capital account (again generally calculated in AUD).

You may make a capital gain equal to the capital proceeds received (the cash consideration received from Saracen) less the cost base of your Bligh Shares. The cost base of your Bligh Shares is generally the cost of their acquisition plus certain other amounts associated with their acquisition and disposal such as brokerage or duty. However, there are provisions that may adjust the cost base of your shares.

If the reduced cost base of your Bligh Shares (noting there are provisions that may adjust the reduced cost base of your shares) is greater than the capital proceeds you received, you may realise a capital loss equal to the difference.

A non-Australian tax resident Bligh Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be an Australian resident in relation to their Bligh Shares will be subject to Australian CGT consequences on disposal of the Bligh Shares.

Further, you should also seek advice from your tax advisor as to the taxation implications in your country of residence and in Australia.

(f) **Foreign resident capital gains tax withholding**

A foreign resident CGT withholding applies from 1 July 2016 to any transaction involving the acquisition of the legal ownership of an asset that is an “indirect Australian real property interest” from a “relevant foreign resident”. The withholding tax rate is currently 12.5%.

Under these rules, a “relevant foreign resident” is any entity that, at the time the transaction is entered into:

- (i) is known by the purchaser to be a foreign resident;
- (ii) is reasonably believed by the purchaser to be a foreign resident;

- (iii) is not reasonably believed by the purchaser to be an Australian resident, and either has an address outside Australia or the purchaser is authorised to provide a financial benefit relating to the transaction to a place outside Australia; or
- (iv) has a connection outside Australia of a kind specified in the regulations.

Under these rules, Saracen will be required to withhold 12.5% of the Offer consideration payable under the Offer where it considers a Bligh shareholder to be a “relevant foreign resident” and the Bligh Shares of the shareholder to be an “indirect Australian real property interest”. However, Saracen will not be required to withhold any amounts from the cash consideration payable to a Bligh Shareholder under these rules if Saracen is provided with one of the following declarations by a Bligh Shareholder (unless Saracen considers the declaration to be false):

- (i) the Bligh Shareholder is an Australian tax resident (residency declaration); or
- (ii) the Bligh Shares held by the Bligh Shareholder are not “indirect Australian real property interests” (interest declaration). Please refer to Section 10.1 above for the definition of indirect Australian real property interest.

Any Bligh Shareholder who believes they may be impacted by the foreign resident CGT withholding rules, or is unsure about whether they are able to make, and how to make, a residency declaration or an interest declaration, should seek their own professional tax advice prior to accepting the Offer. Any Bligh Shareholders who receive their cash proceeds net of foreign resident CGT withholding may be entitled to a credit in Australia for the amount paid, upon lodging an Australian income tax return. If you are unsure about whether a credit for the withholding tax may be claimed, Bligh recommends you seek your own tax advice in this regard.

## 10.2 Indirect Taxes

### (a) **Duty**

Under the respective transfer / stamp duty and landholder duty provisions of each of the Australian states and territories, no duty should be payable by the Bligh Shareholders on their sale of the Bligh Shares.

### (b) **GST**

Under current GST legislation, no GST should be payable by Bligh Shareholders in respect of the disposal of their shares in Bligh, regardless of whether or not the Bligh Shareholder is registered for GST.

Bligh Shareholders may incur Australian GST on costs (such as third party brokerage and adviser fees) that relate to the Scheme. Bligh Shareholders that are registered for Australian GST may be entitled to recover the Australian GST payable on the costs. However, in some circumstances, recovery of the Australian GST payable on the costs, or a portion thereof, may be restricted. This will depend on each Bligh Shareholder's individual circumstances and it is recommended that professional tax advice be sought.

## 11 KEY FEATURES OF THE OFFER

### 11.1 The Offer

Saracen is offering to acquire all of the Bligh Shares from Bligh Shareholders. The Offer related to Bligh Shares that exist as at the Register Date.

You may only accept the Offer in respect of all (and not a part) of your Bligh Shares.

The Offer does not extend to Bligh Options. The Offer does however, extend to all Bligh Shares that are issued during the Offer Period due to the exercise of the Options existing as at the Register Date.

### 11.2 Offer Consideration

The consideration for the Offer is 100% scrip comprising 0.0369 Saracen Shares for every 1 Bligh Share (subject to the rounding discussed below). The new Saracen Shares will rank equally with the Saracen Shares currently on issue.

If the number of Saracen Shares to which you are entitled is not a whole number, then any fractional entitlement will be rounded down to the nearest whole number.

### 11.3 Offer Period

The Offer is currently open for acceptance and will close at 5.00pm (Perth time) on 12 August 2019, unless extended or withdrawn in accordance with the Corporations Act.

The circumstances in which Saracen may extend or withdraw the Offer are set out in Sections 11.8 and 11.10.

### 11.4 Offer Conditions

The Offer is subject to the following conditions during the period commencing on the Announcement Date and ending at the end of the Offer Period (each inclusive):

(a) **minimum acceptance of 90%**

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

- (i) has a Relevant Interest in such number of Bligh 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.

(b) **no Prescribed Event**

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

(c) **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

(d) **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 Saracen);

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 Saracen in respect of Bligh or the Bligh Shares; or
- (ii) requires the divestiture by Saracen of any Bligh Shares or the divestiture of any material assets of the Bligh Group.

(e) **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.

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

During the Offer Period, except for Permitted Actions, no Bligh 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 Bligh 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 11.4(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 Bligh Material Adverse Change occurs in respect of the Bligh, or is discovered, announced, disclosed or otherwise becomes known Saracen.

(h) **Zeta financier undertakings**

Zeta gives an undertaking to Saracen and Bligh 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 acquisition of Bligh by Saracen under the Offer.

(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 Bligh warranties in clause 9.1 of the Bid Implementation Deed becoming untrue or incorrect in any material respect.

(together the **Offer Conditions**).

If any of the Offer Conditions are not satisfied or have not been waived, Saracen will have the option as to whether to proceed with the Offer or allow the Offer to lapse. If the Offer lapses, all acceptances of the Offer will be void and of no effect.

Refer to section 13 of the Bidder's Statement for full particulars of the conditions to the Offer, the nature of the conditions and Saracen's ability to free the Offer from the conditions

## 11.5 Status of Offer Conditions

Section 13.4 of the Bidder's Statement states that Saracen will give the notice on the status of the Offer Conditions on 2 August 2019 (subject to extension in accordance with the Corporations Act if the Offer Period is extended). Saracen is required to set out in this notice:

- (a) whether the Offer is free of the Offer Conditions;
- (b) whether, so far as Saracen knows, the Offer Conditions have been fulfilled; and
- (c) Saracen's voting power in Bligh at that time.

## 11.6 Saracen Material Adverse Change

If a Saracen Material Adverse Change occurs from the Announcement Date until any time prior to the close of the Offer Period, Bligh may terminate the Bid Implementation Deed.

## 11.7 Lapse of Offer

The Offer will lapse if the Offer Conditions are not waived or satisfied by the end of the Offer Period. If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not yet resolved in binding contracts are void and you will retain ownership of your Bligh Shares.

## 11.8 Variation of the Offer

Saracen may vary the Offer in any of the ways permitted by the Corporations Act, including by extending the Offer Period, provided the varied terms and conditions are not less favourable to Bligh Shareholders than the Offer. If Saracen varies the Offer in any of those ways, it must give written notice to ASIC and Bligh and send you a copy of that notice (provided, however, that Saracen will not be required to send you a copy of the notice if, at the time of the variation, you have already accepted the Offer, the Offer is unconditional and the variation merely extends the Offer Period).

## 11.9 Extension of Offer Period

Saracen may extend the Offer Period at any time before giving the notice on the status of the Offer Conditions (refer to Section 11.5 above) while the Offer is subject to the Offer Conditions. However, if the Offer is unconditional, Saracen may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period, Saracen's voting power in Bligh increases to more than 50% or the Offer is varied to improve the Offer Consideration. In this case the Offer Period will be automatically extended so that it ends 14 days after the

increase in Saracen's voting power in Bligh increases to more than 50% or the improvement in the Offer Consideration (as applicable).

On or about the date of this Target's Statement, Saracen and Zeta 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, all Bligh Shareholders will have the benefit of this extension. If Zeta does not receive the Variation within the Offer Period (including as extended) 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**). Refer to section 12.5 of the Bidder's Statement for further details.

Refer to section 14.9 of the Bidder's Statement for further details of the withholding arrangements.

#### 11.10 Withdrawal of Offer

Saracen may not withdraw the Offer if you have already accepted it. However, if the Offer Conditions have not been satisfied or waived at the end of the Offer Period, then all acceptances will be void. Before you accept the Offer, Saracen may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

#### 11.11 Effect of acceptance

Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, you will be unable to withdraw your acceptance of the Offer or otherwise dispose of your Bligh Shares, except as follows:

- (a) if, at the end of the Offer Period, an Offer Condition has not been satisfied or waived, the Offer will automatically terminate and your Bligh Shares will be returned to you; or
- (b) if the Offer is varied in accordance with the Corporations Act in a way that postpones for more than one month the time when Saracen has to meet its obligations under the Offer, and, at the time, the Offer is subject to one or more Offer Conditions, you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

If Saracen improves the Offer Consideration, all Bligh Shareholders who accept the Offer (whether or not they have accepted prior to that improvement) will be entitled to the benefit of that improved price.

The effect of acceptance of the Offer is further detailed in section 8.5 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Bligh Shares and the representations and warranties that you are deemed to give to Saracen by accepting the Offer.

#### 11.12 When you will receive the Offer Consideration

Generally, Saracen will provide your Offer Consideration to you on or before the earlier of:

- (a) 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
- (b) 21 days after the end of the Offer Period.

Subject to the Corporations Act and the Offer Conditions being satisfied or waived, Saracen will use reasonable endeavours to provide your Offer Consideration to you within seven days of the Unconditional Date or your acceptance of the Offer (whichever occurs first in time).

Refer to section 14 of the Bidder's Statement for further details.

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Ineligible Foreign Shareholders and Small Parcel Holders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time. Refer to section 14.4 of the Bidder's Statement for further details.

### **11.13 Ineligible Foreign Shareholders and Small Parcel Holders**

Ineligible Foreign Shareholders and Small Parcel Holders will not be entitled to receive Saracen Shares as consideration for their Bligh Shares. Instead, the relevant Saracen Shares (which would otherwise be transferred to Ineligible Foreign Shareholders and Small Parcel Holders) will be allotted to a nominee (which may require ASIC approval) who will sell the Saracen Shares and will distribute to each of those Ineligible Foreign Shareholders and Small Parcel Holders their proportion of the proceeds of sale, net of costs.

Refer to section 14.4 of the Bidder's Statement for further details.

### **11.14 Compulsory acquisition**

Saracen has indicated in section 9 of its Bidder's Statement that if it satisfies the required thresholds, it presently intends to compulsorily acquire any outstanding Bligh Shares. Saracen will be entitled to compulsorily acquire any outstanding Bligh Shares for which it has not received acceptances on the same terms as the Offer if, during or at the end of the Offer Period, Saracen (taken together with its associates) has a Relevant Interest in at least 90% (by number) of Bligh Shares.

If the compulsory acquisition thresholds are met, Saracen will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Bligh Shareholders who have not accepted the Offer, but it may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied. A Bligh Shareholder has statutory rights to challenge compulsory acquisition, however this will require the relevant Bligh Shareholder to establish that the terms of the Offer do not represent fair value for the Bligh Shares. Bligh Shareholders should be aware that, if their Bligh Shares are acquired compulsorily, they are not likely to receive any consideration until at least one month after the compulsory acquisition notices are sent.

It is also possible that Saracen will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Bligh Shares. Saracen would then have rights to compulsorily acquire Bligh Shares not owned by it within six months of becoming the holder of 90%. Saracen's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

## 12 ADDITIONAL INFORMATION

### 12.1 Interests of Directors

#### (a) Bligh marketable securities

The number, description and amount of Bligh marketable securities controlled or held by, or on behalf of, each Director as at the date of this Target's Statement are:

Director	Bligh Shares	Bligh Options
Peter Sullivan	7,862,007	-
Dugald Morrison	-	-
James Sullivan	2,387,421	-

Notes:

1. Peter Sullivan holds 7,862,007 Bligh Shares through Hardrock Capital Pty Ltd.
2. James Sullivan holds 2,387,421 Bligh Shares through Mr J Sullivan ATF the Sullivan's Garage Superannuation Fund.

No Director acquired or disposed of a Relevant Interest in any Bligh securities in the four month period ending on the date immediately before the date of this Target's Statement.

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

#### (b) Saracen marketable securities

There are no marketable securities of Saracen controlled or held by, or on behalf of, any Directors as at the date of this Target's Statement.

No Director acquired or disposed of a Relevant Interest in any Saracen securities in the four month period ending on the date immediately before the date of this Target's Statement.

#### (c) Participation in the Offer

Except as set out in this Section 12.1 or elsewhere in this Target's Statement, all Directors will be treated in the same way under the Offer as all other Bligh Shareholders.

#### (d) Interests of Directors in contracts entered into by Saracen

Except as set out in this Section 12.1 or elsewhere in this Target's Statement, none of the Directors have any interests in contracts entered into by Saracen.

#### (e) Other agreements or arrangements with Directors in connection with the Offer

Except as set out in this Section 12.1 or elsewhere in this Target's Statement there are no other agreements or arrangements between any Director and any other person in connection with or conditional upon the outcome of the Offer, other than in their capacity as a Bligh Shareholder.

Except as set out in this Section 12.1 or elsewhere in this Target's Statement no Director has a material interest in relation to the Offer other than in their capacity as a Bligh Shareholder.

### 12.2 Agreements or arrangements with Directors and executive officers

#### (a) Deeds of indemnity, access and insurance

Bligh has not entered into Deeds of Indemnity, Insurance and Access with its Directors and various executive officers.

(b) **Other termination benefits**

Except as set out in this Section 12.2(b) (including the termination notice and redundancy entitlements in the table below) or elsewhere in this Target's Statement, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director, secretary or executive officer of Bligh as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Bligh or in a Related Body Corporate of Bligh; or
- (ii) be made or given to any director, secretary or executive officer of any Related Body Corporate of Bligh as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Bligh.

	Peter Sullivan	James Sullivan	Dugald Morrison
Total fixed remuneration per annum (inclusive of superannuation)	\$50,000	\$80,000	Nil
Termination notice without cause (which can be paid out in lieu of notice)	Nil	Nil	Nil
Redundancy entitlement	Nil	Nil	Nil

### 12.3 Substantial holders

At the date of this Target's Statement, the following persons had notified Bligh that they had Voting Power in 5% or more of Bligh Shares:

Shareholder Name	Number of Bligh Shares	% of Bligh Shares
Zeta Resources Limited	253,742,974	85.03 <sup>1</sup> %

Note:

1. On a fully diluted basis,

### 12.4 ASX announcements

The following announcements have been lodged on Bligh' ASX platform since the lodgement of Bligh's annual report dated 30 June 2018:

Date	Description of Announcement
24/06/2019	Appendix 3B and Cleansing Notice - Exercise of Options
18/06/2019	Appendix 3B and Cleansing Notice- Exercise of Options
14/06/2019	SAR: Takeover Offer for Bligh Resources Limited
14/06/2019	Withdrawal of Entitlement Offer and Takeover bid for Bligh
24/05/2019	Dispatch of Offer Document
15/05/2019	Letters to Shareholders, Optionholders, Ineligible holders
15/05/2019	Entitlement Offer Document

Date	Description of Announcement
15/05/2019	Entitlement Offer, Appendix 3B and Cleansing Notice
24/04/2019	Quarterly Activities and Cashflow Reports- 31 March 2019
11/03/2019	Half Yearly Report and Accounts
29/01/2019	Change of Director's Interest Notice
17/01/2019	Quarterly Activities and Cashflow Reports December 2018
18/12/2018	Wonder North Mineral Resource Upgrade- Amended
17/12/2018	Wonder North Mineral Resource Upgrade
28/11/2018	Final Director's Interest Notice
28/11/2018	Initial Director's Interest Notice
28/11/2018	Results of Meeting
01/11/2018	Step Out Confirms Down Plunge Continuity -Wonder North Deeps
16/10/2018	Notice of Annual General Meeting/Proxy Form
12/10/2018	Quarterly Activities and Cashflow Reports -30 September 2018
02/10/2018	Board Changes
21/09/2018	Appendix 4G
21/09/2018	Corporate Governance Statement
21/09/2018	Annual Report to shareholders
17/08/2018	Bundarra Gold Project Update
16/07/2018	Quarterly Activities and Cashflow Reports 30 June 2018

## 12.5 Consents

### (a) Consents

The following parties have given and have not withdrawn, before the date of issue of this Target's Statement, their written consent to be named in this Target's Statement in the form and context in which they are named:

- (i) DLA Piper Australia as legal advisers to Bligh; and
- (ii) Link Market Services as Bligh's Share Registry.

### (b) Disclaimer

Each person referred to in Section 12.5(a):

- (i) has not authorised or caused the issue of this Target's Statement;
- (ii) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than as specified in Section 12.5(a); 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 Target's Statement other than a reference to its name and any statement or report which has been

included in this Target's Statement with the consent of that person referred to in Section 12.5(a).

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules). Pursuant to this Class Order, the consent of persons such statements are attributed is not required for the inclusion of those statements in this Target's Statement. Refer to Section 6.14.

In accordance with ASIC Class Order 13/521, any Bligh Shareholder who would like to receive a copy of those documents (or relevant extracts from those documents) may obtain a copy free of charge by contacting Bligh.

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

- (a) fairly representing a statement by an official person; or
- (b) a public official document or published book, journal or comparable publication.

Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for inclusion of those statements in this Target's Statement.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement also contains trading data obtained from Bloomberg without its consent.

## 12.6 Competent Persons' Statements

The information in this Target's Statement that relates to Mineral Resources is based on information compiled by Messrs Steve Rose & Dmitry Pertel whom are Fellows of the Australasian Institute of Mining and Metallurgy (**AusIMM**). Messrs Rose & Pertel are full-time employees of CSA Global Pty Ltd and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person defined in the 2012 Edition of the "*Australasian Code for Reporting of Mineral Resources and Ore Reserves*". Messrs Rose and Pertel consent to the inclusion of such information in this Target's Statement in the form and context in which it appears.

## 12.7 Other material information

There is no other information that Bligh Shareholders or their professional advisers would reasonably require to make an informed assessment on whether to accept the Offer, being information which:

- (a) is reasonable for Bligh Shareholders and their professional advisers to expect to find in this Target's Statement; and
- (b) is known to any of the Directors.

In deciding what information should be included in this Target's Statement, the Directors have had regard to, amongst other things, the matters which Bligh Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Bligh Shareholders and information available from public sources such as the ASX, ASIC and Bligh's website at <https://www.bligh-resources.com/>.

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13    **AUTHORISATION**

This Target's Statement is dated 8 July 2019 and was approved pursuant to a unanimous resolution passed at a meeting of the Directors.

Signed for and on behalf of

Bligh Resources Limited

A handwritten signature in black ink, appearing to read 'Peter Sullivan', written over a horizontal line.

**Peter Sullivan**  
Director

In this Target's Statement, unless the context requires otherwise:

**\$ or AUD** means the lawful currency of Australia.

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

**Announcement Date** means 14 June 2019.

**Annexure** means an annexure to this Target's Statement.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

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

**Bidder's Statement** means the bidder's statement by Saracen under Part 6.5 of the Corporations Act relating to the Offer dated 8 July 2019.

**Bligh** means Bligh Resources Limited (ACN 130 964 162).

**Bligh Board** means the board of directors of Bligh.

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

**Bligh 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 Bligh 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 Bligh or Saracen (whether or not becoming public);
- (b) have an adverse financial impact on the revenues or expenses of the Bligh 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 Bligh Group exceeding \$250,000; or
- (d) impose an obligation on the Bligh Group exceeding \$250,000,

other than those:

- (e) 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;
- (f) which took place with the prior written consent of Saracen;
- (g) which were Fairly Disclosed in the Target Disclosure Materials, or about which Saracen or its Representatives had knowledge at the Announcement Date;
- (h) 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 Bligh with ASX;

- (i) 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;
- (j) which result from any change to currency exchange or commodity market conditions in Australia, including gold prices;
- (k) which results from any change or disruption to the financial markets in Australia;
- (l) which result from any change in accounting policy required by law;
- (m) which result from a general deterioration in equity markets, interest rates, exchange rates or credit spreads that impacts the Bligh Group and its competitors in a similar manner; or

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.

**Bligh Option** means an unlisted option to acquire a Bligh Share.

**Bligh Optionholder** means a holder of one or more Bligh Options.

**Bligh Register** means the share register of Bligh Shareholders kept pursuant to the Corporations Act.

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

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

**Business Day** means a day that is not a Saturday, Sunday or a public holiday on which banks are open for general banking business in Perth, Western Australia.

**CGT** means capital gains tax.

**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 Bligh or the Bligh Group (where a material asset of Bligh includes a right in respect of assets representing 10% or more of the value of Bligh or the Bligh Group's total assets);
- (c) acquire Control of Bligh;
- (d) otherwise directly or indirectly acquire or merge with Bligh or SR Mining; or
- (e) enter into any agreement, arrangement or understanding requiring Bligh 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.

**Control** has the meaning given to that term in section 50AA of the Corporations Act and **Controlled** has the corresponding meaning.

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

**Directors** mean the directors of Bligh.

**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 acquisition of Bligh by Saracen and experienced in a business similar to the business conducted by the Bligh Group to identify or otherwise determine the nature and scope of the relevant matter, fact, event or circumstance.

**Foreign Shareholder** means a Bligh Shareholder, except Zeta, 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** means the tax levied under the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**Ineligible Foreign Shareholders** means a Foreign Shareholder, unless Saracen 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 Shareholders with Saracen Shares to such a Bligh Shareholder 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.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

**Listing Rules** means the official listing rules of ASX.

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

**Mineral Resource** has the meaning given to that term in the JORC Code.

**Mining Tenement** means all tenure granted under the *Mining Act 1978 (WA)*.

**Offer Conditions** has the meaning given in Section 11.4.

**Offer Period** means the period during which the Offer will remain open for acceptance.

**Offer Consideration** means 0.0369 Saracen Shares per Bligh Share.

**Ore Reserve** has the meaning given to that term in the JORC Code.

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

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

- (a) **share conversion:** any Bligh Group Member converting all or any of its securities into a larger or smaller number of securities;
- (b) **corporate action:** any Bligh Group Member (other than a direct or indirect wholly owned subsidiary of Bligh) 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 Bligh Group Member (other than a direct or indirect wholly owned subsidiary of Bligh) 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 Bligh Group Member grants, or agrees to grant, any security interest or encumbrance over any of its business or assets;
- (e) **issue securities:** any Bligh Group Member issues any shares, options or securities which are convertible into shares in the company, other than to Bligh or to a direct or indirect wholly owned subsidiary of Bligh or pursuant to the exercise of options the existence of which has been disclosed to Saracen before the Announcement Date;
- (f) **constitution:** any Bligh Group Member changing its constitution;
- (g) **Insolvency Event:** an insolvency event occurring in relation to a Bligh Group Member;
- (h) **capital and assets:** Bligh distributing, cancelling or returning capital or assets to its members;
- (i) **shareholder loan:** Bligh 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 Bligh 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 Bligh 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 Bligh (other than between Bligh and a direct or indirect wholly owned subsidiary of Bligh);
- (l) **dividends and distributions:** Bligh 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 Bligh Group Member does anything that would result in a de-consolidation of the consolidated group (for the purposes of the Tax Act) of which Bligh is the head company, other than acquiring or disposing of a wholly owned subsidiary as permitted under the Bid Implementation Deed,

other than:

- (n) as permitted or required by the Bid Implementation Deed, the acquisition of the Bligh by Saracen under the Offer;
- (o) matters which were Fairly Disclosed in the Target Disclosure Materials, or about which Saracen had knowledge at the Announcement Date;
- (p) 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 Bligh with ASX; or
- (q) matters consented to in writing by Saracen.

**Q** means a quarter of a financial year.

**Register Date** means 5 July 2019.

**Regulatory Approvals** means:

- (a) any approval, consent, authorisation, registration, filing, lodgement, permit, agreement, notarisation, 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** of a person, means a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted.

**Relevant Interest** has the meaning given to that term in section 9 of the Corporations Act.

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

**Saracen** means Saracen Metals Pty Ltd ACN 107 154 727 (a wholly owned subsidiary of Saracen Mineral Holdings Limited ACN 009 215 347).

**Saracen Information** has the meaning given in the 'Important Notes'.

**Saracen Material Adverse Change** arises where Saracen's market capitalisation falls by at least 50% across three consecutive trading days for an event, or series of events, relating to the operational performance of Saracen during the period from the Announcement Date until the end of the Offer Period.

**Share Registry** means Link Market Services Limited.

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

**Small Parcel Holder** 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).

**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 Bligh;
- (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.

**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 Bligh and its Representatives prior to entry into the Bid Implementation Deed.

**Target's Statement** means this target's statement, being the statement issued by Bligh under Part 6.5 of the Corporations Act relating to the Offer.

**Third Party Consents** means any consent, agreement, waiver, licence or approval from or by a third party in respect of a contract involving Bligh or a Bligh Group Member, which the parties have agreed in writing is required for implementation of the acquisition of the Bligh by Saracen under the Offer.

**Unconditional Date** means the date that the Offer is declared free from the Offer Conditions.

**Variation** has the meaning given to it in Section 11.9.

**Voting Power** has the meaning given to it in the Corporations Act.

**VWAP** means the volume weighted average price.

**WST** means Western Standard Time in Australia.

**Zeta** means Zeta Resources Limited ARBN 162 902 481.

**Zeta Loan** means the interest bearing loan from Zeta Resources Limited ARBN 162 902 481 to the Target for an amount of up to \$1,000,000, made pursuant to the Facility Agreement dated 20 August 2018.

**Zeta Withholding Amount** has the meaning given to it in Section 11.9.

**Zeta Withholding Agreement** has the meaning given to it in Section 11.9.

In this Target's Statement:

- (a) all dates and times are Perth, Western Australia times unless otherwise indicated;
- (b) words and phrases not otherwise defined in this Target's Statement have the same meaning (if any) as is given to them by the Corporations Act;
- (c) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (d) headings are for ease of reference only and do not affect the interpretation of this Target's Statement; and
- (e) a reference to a Section is to a Section in this Target's Statement unless stated otherwise.

## Corporate Directory

Directors & Company Secretary	Legal Adviser
<b>Directors</b> Mr Peter Sullivan Mr Dugald Morrison Mr James Sullivan	DLA Piper Australia Central Park, Level 31 152-158 St Georges Terrace Perth WA 6000
<b>Company Secretary</b> Lloyd Flint	Tel +61 8 6467 6000 Fax +61 8 6467 6001
Registered and Corporate Office	Share Registry
Unit 5 78 Marine Terrace Fremantle WA 6160	Link Market Services Limited Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000
Tel: +61 8 9336 3388 Fax: +61 8 9315 5475	Tel +61 1300 554 474 Fax: +61 9287 0303
Stock Exchange Listing	
Australian Securities Exchange ASX Code: <b>BGH</b>	

