

6 March 2020

ASX Announcement

Non-Renounceable Pro Rata Entitlement Offer

Please find attached a Prospectus lodged with the Australian Securities and Investment Commission on 5 March 2020 in relation to the non-renounceable pro-rata entitlement offer (Offer) announced to ASX on 26 February 2020.

An Appendix 3B with respect to the Offer was lodged with ASX on 26 February 2020, and an amended Appendix 3B updated for a change in timetable will follow this announcement.

This announcement has been approved for release by the Board of Blackham Resources Limited.

Blackham Resources Limited

Dan Travers
Company Secretary

For further information on Blackham please contact:

Milan Jerkovic

Executive Chairman

Blackham Resources Limited

Office: +618 9322 6418

Jim Malone

General Manager Investor Relations

Blackham Resources Limited

Office: +61 419 537 714

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Greg Fitzgerald – Non-Executive Director
Tony James – Non-Executive Director
Neil Meadows – Operations Director

ASX CODE

BLK

CORPORATE INFORMATION

5,884M Ordinary Shares
674M Quoted Options
190M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

L3 1 Altona Street
West Perth WA 6005

POSTAL ADDRESS

PO Box 1412 West Perth WA 6872

www.blackhamresources.com.au

E: info@blackhamresources.com.au

P: +61 8 9322 6418

F: +61 8 9322 6429



ACN 119 887 606

Prospectus

For a fully underwritten, non-renounceable pro rata entitlement issue of four (4) New Share for every nine (9) Shares held by Eligible Shareholders at the Record Date at an issue price of A\$0.01 (one cent) per New Share to raise up to approximately A\$26.15 million before costs.

The entitlement issue is fully underwritten by Delphi Unternehmensberatung AG and SPARTA AG (see Sections 7.2).

This Prospectus is also being issued in order to facilitate secondary trading of the Additional Shares and Shortfall Shares.

It is proposed that the Offer will close at 5.00pm (AEDT) on 25 March 2020. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 5 for a summary of some of the key risks associated with an investment before deciding to apply for New Shares.

Not for release to US wire services or distribution in the United States

Important Notice

This Prospectus is dated, and was lodged with ASIC on 5 March 2020. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm AEDT on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

No exposure period applies to the Offer.

Electronic Prospectus and Entitlement and Acceptance Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.blackhamresources.com.au.

Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Entitlement and Acceptance Form (free of charge) from the Company's Australian registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's Australian registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Entitlement and Acceptance Form within Australia.

Applications will only be accepted on the relevant Entitlement and Acceptance Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.blackhamresources.com.au.

The Corporations Act prohibits any person from passing on to another person the Entitlement and Acceptance Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offer should complete the Entitlement and Acceptance Form. If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. If acceptance is by BPAY® there is no need to return an Entitlement and Acceptance Form.

The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 4 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By returning an Entitlement and

Acceptance Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Eligibility

Eligible Shareholders can only take up their Entitlements by completing and returning the Entitlement and Acceptance Form accompanying this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Foreign Investors

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America (to the extent such persons are an investor as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (US Accredited Investors)). It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 5 for details relating to the key risks applicable to an investment in the Shares.

Non-renounceable Offer

Entitlements are non-renounceable. This means the rights to subscribe for New Shares under the Offer are not transferable and there will be no trading of rights on the ASX.

Shareholders who choose not to take up their Entitlement receive no value in respect of their Entitlements and their shareholding in the Company will be diluted.

Eligible Shareholders (other than Directors and related parties) may also apply for Additional Shares in excess of their Entitlement regardless of the size of their present holding. However, Additional Shares will only be allocated to Eligible Shareholders if available and otherwise in accordance with Section 4.4.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus. If persons considering subscribing for New Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for New Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act

and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes the holder of New Shares, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an

assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Listing Rule 5.19 Disclosure

Any production forecasts and other geological information included in this Prospectus were included in the Company announcements as referenced.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material

assumptions and technical parameters underpinning the resource estimates with those announcements continue to apply and have not materially changed.

The Company confirms that all the material assumptions underpinning the production targets, and the forecast financial information derived from the production targets, in the initial public reports referenced in this Prospectus continue to apply and have not materially changed.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AEDT, being the time in Sydney, New South Wales, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 9.

Corporate Directory

Directors

Mr Milan Jerkovic, Executive
Chairman

Mr Neil Meadows, Executive Director
Operations

Mr Greg Fitzgerald, Non-Executive
Director

Mr Anthony James, Non-Executive
Director

Company Secretary

Mr Dan Travers

Registered Office

Level 3, 1 Altona St,
West Perth, Western Australia

Share Registry *

Link Market Services Limited,
Level 12 QV1 Building,
250 St Georges Terrace,
Perth, Western Australia

Underwriters *

DELPHI Unternehmensberatung AG
Ziegelhaeuser Landstr. 1
69115 Heidelberg
Germany

SPARTA AG
Ziegelhaeuser Landstr. 1
69115 Heidelberg
Germany

Auditor *

RSM Australia Partners
Level 32, Exchange Tower,
2 The Esplanade,
Perth, Western Australia

Legal Advisor

Eaton Hall, Corporate & Commercial
Lawyers
20/210 Queen Victoria Street,
North Fremantle, Western Australia

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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Indicative Timetable

Lodgement of Prospectus with ASIC	5 March 2020
Lodgement of Prospectus with ASX	6 March 2020
Lodgement of completed Appendix 3B with ASX	6 March 2020
"Ex" Date	10 March 2020
Record Date (at 7:00pm AEDT)	11 March 2020
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	16 March 2020
Opening date of the Offer	16 March 2020
Last day to extend the Closing Date	20 March 2020
Closing Date (at 5:00pm AEDT)	25 March 2020
Shares quoted on a deferred settlement basis	26 March 2020
Notification of shortfall and shortfall shares allotted	30 March 2020
Issue of New Shares and lodgement of Appendix 2A with ASX applying for quotation of the securities	1 April 2020

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

Letter from the Chairman

Dear Shareholder

On behalf of the Board of Blackham Resources Limited (**Blackham** or the **Company**), I am pleased to present this Prospectus and to invite you to participate in the Offer.

The Offer contemplated by this Prospectus is fully underwritten and is intended to raise approximately \$26 million before costs, which is intended to supplement the funds raised in the placements announced on 26 February 2020, as follows:

- A placement of 1,167,800,000 Shares at an issue price of \$0.01 to raise \$11,678,000 (**Tranche 1 Placement**); and
- A placement of 1,432,200,000 Shares at an issue price of \$0.01 to raise \$14,322,000, which is subject to shareholder approval at a general meeting proposed to be held on or about 6 April 2020 (**Tranche 2 Placement**).

The Company is particularly encouraged by the support of tier 1, international institutions who are participating in the Tranche 1 Placement and intending to participate in the Tranche 2 Placement, indicating their backing and endorsement of Blackham's expansion and growth strategy, and the renewed management team.

In addition to the Tranche 1 Placement, Tranche 2 Placement and Offer, the Company intends to pursue an indicative, non-binding term sheet it has executed with Mercuria, a large, European based trading group, for a A\$40m project loan facility. The Company is seeking to agree terms and obtain final credit approval from the potential lender in the coming months.

Assuming shareholders approve Tranche 2 and the Company successfully concludes the project loan facility negotiations, the total funding package of \$92m will enable the Company to progress its operating strategy to complement its existing free milling capacity to include the Stage 1 sulphide concentrate production and target an expanded production rate of 100-120,000oz per annum from early 2021¹.

The Company boasts a significant geological endowment with over 6.4 million ounces of combined free milling and sulphide mineralisation within its existing Mineral Resource². To extract maximum value from these Mineral Resources, the Company's goal is to reach +250,000oz per annum gold production with the optionality to process both styles of free-milling and sulphide mineralisation often seen within the same deposit.³

To deliver this operating strategy and take advantage of the existing infrastructure, the Company intends to carefully apply capital in a staged approach. The first step, contributed to by the Tranche 1 Placement, Tranche 2 Placement and Offer, includes securing the required funding to execute Stage 1 of the expansion plan. This step is intended to increase gold production to a level of approximately 100-120koz p.a.⁴.

The new funds are intended to advance Stage 1 of the expansion plan and the following Company programs:

¹ Refer to the Company's announcement to ASX dated 3 February 2020.

² Refer to the Company's announcement to ASX dated 27 September 2019.

³ Refer to the Company's announcement to ASX dated 3 February 2020.

⁴ Refer to the Company's announcement to ASX dated 3 February 2020.

- Construction of a sulphide processing plant and associated infrastructure and mine development;
- drilling programme to expand reserves and resources;
- retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility;
- feasibility work associated with Stage 2 Expansion to target +250,000 oz. of annual gold production⁵;
- ongoing regional and brownfields exploration program; and
- improvement of working capital position.

Should the Company not secure additional project loan facility funding, or if the Tranche 2 Placement is not approved by Shareholders, the use of funds will be amended accordingly (refer to Section 2.6).

This Offer is fully jointly underwritten by DELPHI Unternehmensberatung AG (**Delphi**), the Company's major shareholder, and SPARTA AG which is a related entity of Delphi (**SPARTA**). The Directors believe that the Underwriters' underwriting of the Offer is important for the Company advancing its strategic goals for the benefit of all Shareholders. However, Shareholders should be aware that by acting as an underwriter, Delphi may further increase its shareholding in the Company above 20%, which has implications for control of the Company, and shareholders are directed to Section 3.2 to consider the potential implications. In addition, the Directors have included a top-up facility that permits shareholders to apply for Additional Shares in priority to the Underwriters, should they wish to do so.

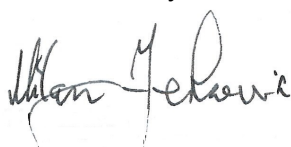
The Underwriters' enthusiasm has been matched by the confirmation of strong demand for marketable gold concentrates intended to be produced from the Stage 1 Expansion. The Underwriters' support for, and confidence in, the Company's plans for the Stage 1 Expansion underpins the Company's ability to deliver strong production, strong cash flow and sustained profitability for its Shareholders.

Further information about the Company and its operations is contained in publicly available documents lodged by the Company with the ASIC and ASX. This Prospectus should be read in conjunction with this material.

An investment in Shares in the Company is subject to a range of material risks which may impact the value of Shares. An overview of these risks is contained in Section 5 of this Prospectus. Before making your decision to invest, I ask that you carefully read the Prospectus and seek professional advice if required.

Your Board looks forward to your continued support.

Yours faithfully



Milan Jerkovic
Executive Chairman

⁵ Refer to the Company's announcement to ASX dated 3 February 2020.

1. INVESTMENT OVERVIEW

Topic	Summary	More Information
What is the Offer and what are its key terms?	The Offer is a fully underwritten, non-renounceable pro rata entitlement issue of four (4) New Shares for every nine (9) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.01 (one cent) per New Share to raise up to approximately \$26,151,300 before costs.	See Section 2.1.
Is the Offer underwritten?	<p>The Offer is fully underwritten by the Underwriters.</p> <p>Following completion of the Tranche 1 Placement, Delphi, being one of the Underwriters along with its related party Sparta, hold 19.9% of the Company's issued Shares.</p> <p>If Delphi is issued any Shortfall Shares pursuant to its obligations under the underwriting agreement, it is likely to increase its shareholding in the Company above 20%, which is regarded as a threshold for the transfer of "control" of the Company.</p> <p>This will occur under an exception to the rules under the Corporations Act which normally require a party increasing its shareholding to 20% or above to make a takeover offer to other shareholders, which would normally be made at a premium to the current market price of the Company's Shares.</p>	See Sections 2.14, 3.2 and 7.2.
What are the Placements?	<p>On 26 February 2020 the Company announced a placement of Shares to sophisticated and institutional investors, in two tranches as follows:</p> <ul style="list-style-type: none"> \$11,678,000 placement to sophisticated and professional investors using the Company's placement capacities without shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A; and \$14,322,000 placement to sophisticated and professional investors in excess of the Company's placement capacities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, and which is therefore subject to Shareholder approval. 	See Section 2.1.
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise up to approximately \$26,151,300 (before costs).</p> <p>The Company's intention is that the Offer proceeds will be supplemented by the amount of:</p> <ul style="list-style-type: none"> \$11,678,000 raised by the Tranche 1 Placement; and \$14,322,000 raised by the Tranche 2 Placement, which is subject to Shareholder approval. <p>The Company also intends to pursue an indicative, non-binding term sheet it has executed with Mercuria for a A\$40m project loan facility.</p> <p>Proceeds from the Offer, together with the Tranche 1 Placement, Tranche 2 Placement (if approved by shareholders), and proceeds from the project loan facility (if obtained), are intended to be used for:</p> <ul style="list-style-type: none"> construction of a sulphide processing plant and 	See Sections 2.1 and 2.6.

Topic	Summary	More Information
	<p>associated infrastructure and mine development;</p> <ul style="list-style-type: none"> • a drilling programme to expand reserves and resources; • retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility; • feasibility work associated with Stage 2 Expansion to target +250,000 oz. of annual gold production;⁶ • ongoing regional and brownfields exploration program; and • improvement of working capital position. 	
What will Offer funds be used for if the Tranche 2 Placement is not approved and additional project loan facility funding is not received?	<p>The Tranche 1 Placement, combined with this Offer, totalling \$37,828,000, will allow the Company to significantly advance its Stage 1 Expansion plans, despite any short-term inability to secure project loan finance and receive Shareholder approval for the Tranche 2 Placement.</p> <p>In the event of the Tranche 2 Placement not being approved by Shareholders, or should the Company not be successful in obtaining up to \$40m in additional project loan facility funding, the use of funds from the Offer and Tranche 1 Placement will be reduced in the following areas:</p> <ul style="list-style-type: none"> • a drilling programme to expand reserves and resources; • feasibility work associated with Stage 2 Expansion to target +250,000 oz. of annual gold production;⁷ • ongoing regional and brownfields exploration program; and • improvement of working capital position. 	See Sections 2.6, 2.7 and 3.4.
What are the key risks of investing in the Company?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.</p> <p>Set out below is an overview of certain risks that the Company and Shareholders are exposed to.</p> <ul style="list-style-type: none"> • Potential for significant dilution <p>Upon implementation of the Offer, the Company will issue:</p> <ol style="list-style-type: none"> up to approximately 2,615,130,039 New Shares under the Offer (subject to rounding and assuming no existing Options are exercised prior to the Record Date); a maximum of 2,615,130,039 New Shares to the Underwriters. <p>The capital structure upon completion of the Offers is set</p>	See Section 5.

⁶ Refer to the Company's announcement dated 3 February 2020.

⁷ Refer to the Company's announcement dated 3 February 2020.

Topic	Summary	More Information
	<p>out in Section 3.1.</p> <p>The issue of the New Shares will dilute the interests of existing Shareholders (to the extent that an existing shareholder does not take up their Rights). There is also a risk that Shareholders will be further diluted as a result of future capital raisings.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the date of this Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> <ul style="list-style-type: none"> <p>Resource and Reserve estimates</p> <p>Resource and reserve estimates are inherently prone to variability. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.</p> <p>Exploration, development, production and sale risks</p> <p>Mineral exploration and development are high risk undertakings. The tenements of the Company are at various stages of exploration, development and production.</p> <p>There can be no assurance that exploration of the mining tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic mineral reserves and, even if identified, there is no guarantee that they can be economically exploited. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.</p> <p>Production relies on the continued operation and performance of Company's operating mines, plants, equipment, power stations, borefields, camps, tailings dams and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental and heritage considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Company's mines, plant, mining equipment, power stations, borefields, camps, tailings dams and processing facilities are essential for production to be successful.</p> <p>The Company is currently in plans to proceed with its Stage 1 Expansion and as such is exposed to normal risks and uncertainties, such as its Stage 1 Expansion failing to perform as expected, having higher than</p> 	

Topic	Summary	More Information
	<p>expected operating costs, having lower than expected customer revenues, potential equipment breakdown, failures and operational errors. There is no guarantee that the Company will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.</p> <ul style="list-style-type: none"> Proceeds of Offer may not provide sufficient funding for Stage 1 Expansion As noted in Section 2.6, the Company's plan is to implement the Stage 1 Expansion with the proceeds of this Offer together with the proceeds of a (now completed) Tranche 1 Placement, the yet to be completed Tranche 2 Placement, and a yet to be completed project loan financing. If the Tranche 2 Placement does not complete because it does not obtain the required shareholder approval, or if sufficient project loan finance cannot be raised because of adverse market conditions or other reasons, the funds raised under this Offer may not be sufficient to execute the Stage 1 Expansion. If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone the Company's Stage 1 Expansion and/or reduce the scope of its operations. This is likely to have an adverse effect on the Company's ability to achieve its strategic goals, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares. Mining approvals The Company has all relevant approvals to conduct its current operations. Prior to the commencement of any future new mining operations, the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions on which the approvals are given are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic. Operating risks The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining and maintaining mining productivity rates; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tailings dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of labour, contractors, consumables, spare parts and plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by 	

	<p>increasing costs or delaying activities.</p> <ul style="list-style-type: none"> Gold price volatility and exchange rates risk <p>Any revenue the Company derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold or gold concentrates, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors. In addition, the market for gold concentrates is different to the market for gold bullion and market dynamics may mean that the prices paid for concentrates may not always move in the same way as gold prices.</p> <p>Fluctuations in exchange rates between currencies in which the Company operate, invest, report, incur costs, purchase capital equipment or derive revenue may cause fluctuations in the Company's financial results that are not necessarily related to the Company's underlying operations.</p> Title and tenure risk <p>Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While the Company (including through its wholly-owned subsidiaries, Kimba and Matilda Operations) has good title to its tenements, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments. The Company's tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement. The Company cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event the Company is unable to renew any of its tenements beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.</p> Geotechnical risk <p>Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body or delay the delivery of ore to the processing plant. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.</p> <p>Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding areas will be evaluated by the Company.</p> Access risk - Native title and Aboriginal and 	
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	<p>Historical heritage</p> <p>It is possible that significant or sacred Aboriginal and historical sites found within tenements held by the Company now, and obtained in the future, may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners and other stakeholders to explore for, and extract, resources.</p> <p>The Company must comply with Aboriginal heritage legislation, requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. It is possible that tenements may not be available for exploration or mining due to Aboriginal heritage issues (whether in respect of registered sites or not).</p> <p>Under Western Australian and Commonwealth legislation the Company may need to obtain the consent of the traditional owners or holders of interests in applicable tenements before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.</p> <ul style="list-style-type: none"> <p>Environmental risks</p> <p>The operations and proposed activities of the Company are subject to Australian environmental laws and regulations. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws applicable to it. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result from complying with the Company's environmental obligations.</p> <p>There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of its operations.</p> <p>The Company recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the best estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.</p> <p>Joint venture parties, contractors and agents</p> <p>The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure by any of these parties.</p> 	
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	<ul style="list-style-type: none"> Access to infrastructure <p>The Operation has existing installed infrastructure. Production will require the use of that infrastructure. A disruption could have an adverse effect on the Company.</p> Future capital requirements <p>Whilst the Offer is expected to position the Company well, the Company may require further financing for exploration and development of its existing projects (including the Stage 1 Expansion), and may require further funding for the future expansion plans the subject of feasibility studies currently being planned, in addition to amounts raised under the Offer. The Tranche 2 Placement is subject to Shareholder approval, which may or may not be given, and if not, this is likely to have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares. Any additional equity financing that the Company may undertake in the future, including the Tranche 2 Placement, may dilute existing shareholdings.</p> <p>The Company intends to raise project loan financing to support its planned Stage 1 Expansion, however the Company's ability to do so may or may not be realised and, if realised, may involve restrictions on financing and operating activities. If additional project loan finance is not available to the Company, this is likely to have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.</p> <p>There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such financing will be acceptable to the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.</p> Default risk <p>The Company has secured financing facilities including a loan and working capital facility, which represent the Company's only remaining material debt obligations and are secured against the Group's assets. The Company's other interest bearing liabilities are immaterial and relate to equipment financing leases.</p> <p>Part of the funds raised under the Placements and Offer will be allocated to repaying the Company's secured financing facilities.</p> <p>The Company's loan and working capital facilities are secured against the Group's assets pursuant to a general security deed and mining tenement mortgages.</p> <p>If the Company is unable to repay its secured debts, it will default in its obligations under these agreements. The Company would then be at risk of default proceedings.</p> <p>The Company's wholly owned subsidiaries have mining tenement mortgages and other security arrangements in favour of Franco-Nevada to secure future royalty obligations owed to Franco-Nevada. If those entities are</p> 	
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	<p>unable to pay Franco-Nevada, or if they otherwise default in their obligations under the relevant documents with Franco-Nevada, the Company will be at risk of Franco-Nevada seeking to commence default proceedings and enforcing its rights under those relevant documents.</p> <ul style="list-style-type: none"> Going concern risk <p>As disclosed in the 31 December 2019 financial statements, the consolidated entity had net current liabilities of \$13.3m, which includes the lease liability of \$6.7m (relating to Right of Use Assets). Despite the net current liability position as at 31 December 2019, the Group had positive net cash inflows from operating activities of \$7.3m for the six months and had net assets of \$98.2m at that date. Therefore, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors:</p> <ul style="list-style-type: none"> (a) The Company has secured a total of \$11.7m via the Tranche 1 Placement as announced to the ASX on 26 February 2020⁸. In addition, the Company expects to receive \$26.2m following completion of the Offer given it is fully underwritten. Those funds exceed short term debt repayments and working capital commitments (included in those capital raisings' use of funds), as well as enabling the Group to commence activities relating to the Stage 1 Expansion⁹; (b) The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds to meet short-term debt repayments and working capital commitments, will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable; and (c) The Company has executed an indicative non-binding term sheet for a project loan facility totalling \$40m¹⁰. This transaction is not critical to maintain the going concern assumption, however it furthers the Company's ability to complete the transition to sulphide gold concentrate production via the Stage 1 Expansion. <p>Accordingly, the Directors believe that it is reasonably foreseeable that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the 31 December 2019 Half-Year Financial Report.</p> Key personnel <p>The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors.</p> <p>The Company's inability to recruit additional appropriately skilled and qualified personnel to replace any key personnel who may leave the Company at some point in the future could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.</p> 	
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Topic	Summary	More Information
	<ul style="list-style-type: none"> Force majeure The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions. Climate change There are a number of climate-related factors that may affect the Company's business or its assets, including the its tenements. For instance: <ul style="list-style-type: none"> (a) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and (b) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy. Litigation The Company may be subject to litigation and other claims with its suppliers. Such claims are usually dealt with and resolved in the normal course, but should any claims not be resolved any dispute or litigation in relation to this or any other matter in which the Company may in the future become involved could result in significant disruption, potential liability and additional expenditure. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 5 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus. 	
What is the effect of the Offer on the capital structure of the Company?	The maximum number of Shares that may be issued under the Offer is approximately 2,615,130,039 Shares which will represent approximately 31% ¹¹ of the enlarged issued share capital of the Company following the Offer.	See Section 3.1.

⁸ Refer to the Company's announcement to ASX dated 26 February 2020.

⁹ Refer to the Company's announcement to ASX dated 3 February 2020.

¹⁰ Refer to the Company's announcement to ASX dated 26 February 2020.

¹¹ This excludes and Shares to be issued under the Tranche 2 Placement, which is subject to Shareholder approval.

Topic	Summary	More Information
Is the Offer subject to a minimum subscription?	No.	See Section 2.3.
Who can participate in the Offer?	Eligible Shareholders on the Share Register may participate in the Offer, being certain Shareholders on the Record Date with a registered address in Australia, New Zealand, the United Kingdom, Germany, Switzerland, Canada and the United States of America.	See Section 2.13.
How do I accept my Entitlement?	All Eligible Shareholders are entitled to participate in the Offer. If you wish to accept all or part of your Entitlement, you must complete your Entitlement and Acceptance Form that accompanies this Prospectus and send it to the Share Registry together with payment by cheque, bank draft or money order or follow the instructions to pay via BPAY®.	See Section 4.1.
Can I apply for Additional Shares?	Eligible Shareholders (other than Directors and related parties) may also apply for Additional Shares regardless of the size of their present holding. However, there may be few or no Additional Shares available for issue depending on the level of take up of Entitlements by Eligible Shareholders. There is no guarantee that you will receive any or all of the Additional Shares you apply for.	See Section 4.4.
How will the Additional Shares be allocated?	The Company reserves the right to scale back any applications for Additional Shares in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Offer and the Record Date, as well as when the application was made.	See Section 4.4.
Can I sell or transfer my Entitlement under the Offer?	No, as the Offer is non-renounceable, you cannot sell or transfer any of your Entitlement. There will be no trading of Entitlements on ASX.	See Section 2.5.
How can I obtain further information?	Contact the Link Market Services Information Line on 1300 131 543 (from within Australia) or +61 1300 131 543 (from outside Australia) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday until the Closing Date. For advice, actively consult your broker, accountant or other professional adviser.	Corporate Directory.
Company contact	You can contact the Company on +61 8 9322 6418.	Corporate Directory.

2. DETAILS OF OFFER

2.1 The Offer

This Offer is a non-renounceable pro rata entitlement issue of four (4) New Shares for every nine (9) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.01 (one cent) per New Share to raise up to approximately \$26,151,300 before costs.

The Company currently has on issue:

- (a) 5,884,042,587 Shares;
- (b) 673,638,562 listed Options; and
- (c) 189,818,368 unlisted Options.

In addition, the Company will, subject to obtaining Shareholder approval, issue 1,432,200,000 Shares pursuant to the Tranche 2 Placement.

The holders of existing Options will not be entitled to participate in the Offer without first exercising their Options.

Refer to Section 3.1 for a summary of the change in capital structure from the Placements and the Offer.

Assuming no Options are exercised before the Record Date, approximately 2,615,130,039 New Shares may be issued under the Offer (subject to rounding).

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

All New Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 6 for details of the rights attaching to Shares.

2.2 Placement

On 26 February 2020 the Company announced a placement of Shares to sophisticated and institutional investors, in two tranches as follows:

- (a) \$11,678,000 placement to sophisticated and professional investors using the Company's placement capacities without shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (**Tranche 1 Placement**).
- (b) \$14,322,000 placement to sophisticated and professional investors in excess of the Company's placement capacities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, therefore requiring shareholder approval (**Tranche 2 Placement**). A General Meeting of the Company is planned to be held on or about 6 April 2020 to obtain Shareholder approval for the issue of these Shares.

The Shares for the Tranche 1 Placement were issued prior to the Record Date and will carry an Entitlement to participate in the Offer.

Refer to Section 3.1 for a summary of the change in capital structure from the Placements and the Offer.

2.3 Minimum Subscription

The Offer is not subject to a minimum subscription condition.

2.4 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise up to approximately \$26,151,300 pursuant to the Offer; and
- (b) ensure that the on-sale of the Additional Shares and Shortfall Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

2.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, your Entitlement will lapse.

2.6 Funding Allocation

Completion of the:

- (a) Tranche 1 Placement resulted in an increase in cash on hand of \$11,678,000 (before costs);
- (b) Offer will result in an increase in cash on hand of up to \$26,151,300 (before associated costs, assuming that no Options are exercised, prior to the Record Date); and
- (c) Tranche 2 Placement, which is subject to Shareholder approval, will (if shareholder approval is obtained) result in an increase in cash on hand of up to \$14,322,000 (before associated costs, assuming that no Options are exercised, prior to the date of the Tranche 2 Placement).

Additionally, the Company continues to pursue project loan funding for up to \$40,000,000.

The following table shows the expected use of funds *if the maximum funding amount from these initiatives is reached*, which would amount to a total of funds raised of \$92,151,300.

Use of funds, assuming all fund raising initiatives are successful	A\$m	%
Commencement of the Stage 1 Expansion:		

Sulphide Processing Plant	25	
Wiluna Tailings Retreatment Infrastructure	5	
Underground Mine Establish. & Infrastructure	6	
Pre-production Mining Activities	26	
Less net cash inflows before financing requirements	-9	
Net Operations' Expansions Requirements	53	58%
Drilling programme to expand reserves and resources	9	10%
Retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility	12	13%
Feasibility work associated with Stage 2 Expansion	2	2%
Ongoing regional and brownfields exploration program	8	9%
Improvement of working capital position	5	5%
Expenses relating to capital raising activities	3	3%
Total Uses of Funds	92	100%

This use of funds has been determined by the Company using a gold price of A\$2,050/oz in its economic modelling. A significant change in the gold price would warrant a change in the Company's forecasted revenues and expenditure profile, which would impact the Company's funding requirements.¹²

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors (including the risk factors outlined in Section 5), actual expenditure levels may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

2.7 Alternative Funding Allocation Scenarios

The Company's plan is to implement the Stage 1 Expansion with the proceeds of this Offer together with the proceeds of a (now completed) Tranche 1 Placement, the yet to be completed Tranche 2 Placement, and a yet to be completed project loan financing.

If the Tranche 2 Placement does not complete because it does not obtain the required shareholder approval, or if sufficient project loan finance cannot be raised because of adverse market conditions or other reasons, the funds raised under this Offer may not be sufficient to execute the Stage 1 Expansion. If the Company is unable to obtain additional funding as required, the Company may be required to delay or seek alternative funding for the Company's Stage 1 Expansion and/or reduce the scope of its operations.

This information set out in this Section 2.7 provides information on the Company's proposed used of funds in the event of:

¹² Refer to the Company's announcement dated 27 September 2019.

- (a) the Tranche 2 Placement not being approved by shareholders; and/or
- (b) the Company not obtaining project loan funding of \$40,000,000.

The following table shows the expected use of funds *assuming that the Tranche 2 Placement is approved by Shareholders, however project loan finance of \$40 million is not obtained by the Company:*

Use of funds, assuming successful Tranche 2 placement and no project loan finance	A\$m	%
Commencement of the Stage 1 Expansion:		
Sulphide Processing Plant	25	
Wiluna Tailings Retreatment Infrastructure	0	
Underground Mine Establish. & Infrastructure	6	
Pre-production Mining Activities	10	
Less net cash inflows before financing requirements	-9	
Net Operations' Expansions Requirements	32	62%
Drilling programme to expand reserves and resources	0	0%
Retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility	12	23%
Feasibility work associated with Stage 2 Expansion	0	0%
Ongoing regional and brownfields exploration program	0	0%
Improvement of working capital position	5	10%
Expenses relating to capital raising activities	3	6%
Total Uses of Funds	52	100%

The following table shows the expected use of funds *assuming that the Tranche 2 Placement is not approved by Shareholders, however project loan finance of \$40 million is obtained by the Company:*

Use of funds, assuming no Tranche 2 placement and successful project loan financing	A\$m	%
Commencement of the Stage 1 Expansion:		
Sulphide Processing Plant	25	
Wiluna Tailings Retreatment Infrastructure	5	
Underground Mine Establish. & Infrastructure	6	
Pre-production Mining Activities	26	
Less net cash inflows before financing requirements	-9	
Net Operations' Expansions Requirements	53	68%
Drilling programme to expand reserves and resources	3	4%
Retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility	12	15%
Feasibility work associated with Stage 2 Expansion	2	3%

Ongoing regional and brownfields exploration program	0	0%
Improvement of working capital position	5	6%
Expenses relating to capital raising activities	3	4%
Total Uses of Funds	78	100%

The following table shows the expected use of funds *assuming that the Tranche 2 Placement is not approved by Shareholders, and that project loan finance of \$40 million is not obtained by the Company:*

Use of funds, assuming no Tranche 2 placement and no project loan finance	A\$m	%
Commencement of the Stage 1 Expansion:		
Sulphide Processing Plant	25	
Wiluna Tailings Retreatment Infrastructure	0	
Underground Mine Establish. & Infrastructure	6	
Pre-production Mining Activities	0	
Less net cash inflows before financing requirements	-9	
Net Operations' Expansions Requirements	22	58%
Drilling programme to expand reserves and resources	0	0%
Retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility	12	32%
Feasibility work associated with Stage 2 Expansion	0	0%
Ongoing regional and brownfields exploration program	0	0%
Improvement of working capital position	1	3%
Expenses relating to capital raising activities	3	8%
Total Uses of Funds	38	100%

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors (including the risk factors outlined in Section 5), actual expenditure levels may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

2.8 CHESS

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for shareholders who elect to hold shares on the CHESS sub-register) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number

(for shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issue sponsored sub-register). Updated holding statements will also be sent to each shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

2.9 Official Quotation

Within 7 days after the date of this Prospectus, the Company will apply to ASX for the New Shares being offered by this Prospectus to be granted Official Quotation.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.10 Application Monies held on trust

Application Monies will be held in trust for Applicants until the allotment of the New Shares. Any interest that accrues will be retained by the Company.

2.11 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.12 Risk factors of an investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business of the Company. Section 5 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

2.13 Overseas applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia, New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America (to investors as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (US Accredited Investors)).

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any

other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together relevant persons). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Germany

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (Prospectus Directive), as amended and implemented in Member States of the European Economic Area, from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in Germany except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the relevant Member State:

- (a) to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, MiFID II) and the MiFID II Delegated Regulation (EU) 2017/565;
- (b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- (c) to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has

requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;

- (e) to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1) of the Prospectus Directive) subject to obtaining the prior consent of the Company; or
- (f) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares will result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of the New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This Prospectus is personal to the recipient and not for general circulation in Switzerland.

United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America. The securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States of America except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In particular, this document may only be distributed by the Company in the United States of America to institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act of 1933.

Canada (British Columbia, Ontario and Quebec provinces) Notice

This document constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (Provinces) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission: Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that,

if this document contains a misrepresentation, a purchaser who purchases the Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations: Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada: Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Additional Warning Statement: Currency Exchange Risk

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand, United Kingdom, Germany, Switzerland, Canada or the United States of America currency. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand, United Kingdom, Germany, Switzerland, Canada or the United States of America currency. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand, United Kingdom, Germany, Switzerland, Canada or the United States of America currency, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars, in the United Kingdom in pound sterling, in Germany in euro, in Switzerland in Swiss francs, in Canada in Canadian dollars or in the United States of America in United States dollars.

Additional Warning Statement: Trading on Financial Product Market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America.

2.14 Underwriting

The Offer is fully underwritten by Delphi and Sparta. The Underwriting Agreement is summarised at Section 7.2.

2.15 Shortfall and Top-Up Facility

Under the Top-Up Facility Shareholders are entitled to apply for a greater number of shares than they are entitled to. The Company will endeavour to issue those Shareholders with any Shares on a pro rata basis under the Top-Up Facility.

Any New Shares under the Offer that are not applied for by Eligible Shareholders, or issued to Shareholders under the Top-Up Facility, will form the Shortfall Shares.

Shortfall Shares will be issued to the Underwriters.

In the event that there are any Shortfall Shares remaining after allocation to the Underwriters (for any reason), the remaining Shortfall Shares may be placed at the discretion of the Directors within 1 week of the Closing Date, to unrelated sophisticated investors and professional investors (**Shortfall Placement**).

To the extent that it is commercially practicable and taking into account the Company's requirement for funds, the Directors will endeavour to allot the Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Shares to a single or small number of investors. In any event, the Company will endeavour to ensure that with the exception of the Underwriter, no subscriber will be permitted to acquire Shortfall Shares under the Shortfall Placement to the extent that such acquisition would result in that subscriber acquiring a Relevant Interest in issued Voting Shares in the Company that increases their, or someone else's, Voting Power in the Company either: (i) from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90% (on a post Offer and post Shortfall Placement basis).

2.16 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

2.17 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2019 is contained in the Annual Report which is available on the Company's website at www.blackhamresources.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the year ended 30 June 2019 are detailed in Section 7.1.

Copies of these documents are available free of charge from the Company or the Company's website: www.blackhamresources.com.au. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.18 Paper copies of prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Entitlement and Acceptance Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Link Market Services Information Line on 1300 131 543 (from within Australia) or +61 1300 131 543 (from outside Australia) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday until the Closing Date.

2.19 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Link Market Services Information Line on 1300 131 543 (from within Australia) or +61 1300 131 543 (from outside Australia) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday until the Closing Date.

3. EFFECT OF THE OFFER

3.1 Capital Structure

Following the issue of New Shares under the Offer, the Company's share capital structure will be impacted as follows (on an undiluted basis):

	Securities	Funds Raised
Shares on issue prior to Tranche 1 Placement ¹	4,716,242,587	
Tranche 1 Placement Shares	1,167,800,000	A\$11,678,000
Shares currently on issue	5,884,042,587	
Offer Shares	2,615,130,039	\$26,151,300
Shares on issue post Offer	8,499,172,626	
Tranche 2 Placement Shares	1,432,200,000	\$14,322,000
Shares on issue following the Tranche 1 Placement, Tranche 2 Placement and Offer	9,931,372,626	\$52,151,300

Note: There are also:

- (a) 673,638,562 quoted options exercisable at \$0.03 and expiring on 12 October 2020;
- (b) 16,762,108 unquoted options with a zero exercise price, however vesting conditions measured over a 3 year period ending 31 December 2020, expiring on 31 December 2021;
- (c) 98,856,260 unquoted options with a zero exercise price, however vesting conditions measured over a 3 year period ending 30 June 2022, expiring on 30 June 2023; and
- (d) 72,000,000 unquoted options exercisable at \$0.08 and expiring on 13 February 2024.

3.2 Dilution and effect of Underwriter Agreement

If Eligible Shareholders do not take up their full Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.

The proportional interests of any ineligible Shareholders will be diluted because those ineligible Shareholders are not entitled to participate in the Offer.

Assuming no existing Options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is 2,615,130,039. This equates to approximately 30.77% of all the issued Shares

in the Company following the completion of the Offer (assuming that no Options are exercised prior to that date, and prior to the issue of any Shares to be issued under the Tranche 2 Placement which is subject to Shareholder approval).

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no rights would lapse or revert to the Underwriters or the Shortfall Placement.

If any Eligible Shareholders do not take up their full Entitlements, the Underwriters would acquire a Relevant Interest in issued Voting Shares in the Company that increases their Voting Power in the Company above 20%.

As the Offer is fully underwritten, Shareholders should note that if they do not participate in the Offer, their holdings will be diluted by up to a maximum of approximately 30.77% (as compared to their holdings and number of Shares on issue as at the Record Date).

If Delphi is issued any Shortfall Shares pursuant to its obligations under the Underwriting Agreement, it is likely to increase its shareholding in the Company above 20%, which is regarded as a threshold for the transfer of “control” of the Company.

In the event that there is a 100% shortfall and the Underwriters are required to subscribe for all of the Entitlements not taken up by Shareholders, the Relevant Interest of Delphi, which is a related party of Sparta, will be approximately 43%. The Underwriters are not related parties of the Company.

The Underwriters’ Relevant Interest and changes under several scenarios, assuming that the Tranche 2 Placement is approved, are set out in the table below:

Event	Shares held by Underwriters ¹³	Voting Power of Underwriters
Date of Prospectus	1,176,695,921	19.9%
Completion of Offer and Tranche 2 Placement		
Fully subscribed	1,699,671,886	19.9%
75% subscribed	2,222,710,404	22%
50% subscribed	2,745,748,923	28%
25% subscribed	3,268,787,441	33%

The Underwriters’ Relevant Interest and changes under several scenarios, assuming that the Tranche 2 Placement is not approved, are set out in the table below:

¹³ Delphi currently holds 1,176,695,921 Shares giving it Voting Power of 19.9%.

Event	Shares held by Underwriters	Voting Power of Underwriters
Date of Prospectus	1,176,695,921	19.9%
Completion of Offer		
Fully subscribed	1,699,671,886	19.9%
75% subscribed	2,222,710,404	26%
50% subscribed	2,745,748,923	32%
25% subscribed	3,268,787,441	38%

This analysis does not take into account any sub-underwriting commitments that are received by the Underwriters or the impact of any Shortfall Placement.

The number of Shares held by the Underwriters and their Voting Power in the tables above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up their Entitlements under the Offer. The underwriting obligation and therefore Voting Power of the Underwriters will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by Shareholders.

The Voting Power of the Underwriters will also be reduced to the extent that sub-underwriters take up any Shares.

3.3 Takeover prohibition

Pursuant to section 615 of the Corporations Act, the Company has appointed a nominee, JRP Securities Pty Ltd, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company has obtained ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

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

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

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

Shareholders resident in Australia, New Zealand, the United Kingdom, Germany, Switzerland, Canada and the United States of America holding Shares on behalf of persons who are resident overseas are responsible for

ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	Percentage of Shares
Delphi	1,176,695,921	19.9%
Maple Rock Capital Partners Inc	348,527,000	5.9%

Based on the information known as at the date of this Prospectus, on the assumption that Eligible Shareholders take up their full Entitlements under the Offer, as at the Closing Date the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	Percentage of Shares
Delphi	1,699,671,886	19.9%
Maple Rock Capital Partners Inc	503,427,888	5.9%

3.4 Pro-forma statement of financial position

Set out below are the Company's Consolidated Statement of Financial Position as at 30 June 2019 (audited), 31 December 2019 (unaudited) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 31 December 2019 (unaudited) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report for the year ended 30 June 2019.

The Pro-Forma Statement of Financial Position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2019 and the completion of the Offer except for:

- (a) completion of the Tranche 1 Placement to raise \$11,678,000 (before costs);
- (b) at full subscription of the Offer, the issue of 2,615,130,039 New Shares at \$0.01 (one cent) each (subject to rounding and assuming that no Options are exercised before the Record Date) to raise up to \$26,151,300 (before associated costs);
- (c) Completion of the Tranche 2 Placement to raise \$14,322,000 (before costs);

(d) project loan finance proceeds inflow of \$40,000,000; and

(e) estimated costs of the Offer and the Placements of \$3,017,967.

The accounting policies adopted in the preparation of the pro forma Statement of Financial Position are consistent with the accounting policies adopted and described in the Company's Financial Report for the year ended 30 June 2019 and should be read in conjunction with that Financial Report.

	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	Jun-19	Dec-19	Placement Tranche #1	Offer	Pro Forma BS (Post Tranche 1 & Offer) Dec-19	Placement Tranche #2	Debt Funding	Pro Forma Balance Sheet Dec-19
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Current assets								
Cash and cash equivalents	693	659	4,798	18,379	23,837	13,491	40,000	77,328
Gold bullion awaiting settlement	2,939	4,460	-	-	4,460	-	-	4,460
Bank guarantees (restricted cash)	566	566	-	-	566	-	-	566
Trade and other receivables	2,428	6,113	-	-	6,113	-	-	6,113
Inventories	16,308	17,943	-	-	17,943	-	-	17,943
Financial assets	10	262	-	-	262	-	-	262
Total current assets	22,944	30,003	4,798	18,379	53,180	13,491	40,000	106,672
Non-current assets								
Right of use asset	-	13,225	-	-	13,225	-	-	13,225
Inventories	-	-	-	-	-	-	-	-
Plant and equipment	45,166	49,731	-	-	49,731	-	-	49,731
Mine properties - areas in production	69,780	70,964	-	-	70,964	-	-	70,964
Mine properties - areas in development	3,581	4,333	-	-	4,333	-	-	4,333
Exploration and evaluation expenditure	5,209	5,662	-	-	5,662	-	-	5,662
Total non-current assets	123,736	143,915	-	-	143,915	-	-	143,915
Total assets	146,680	173,918	4,798	18,379	197,095	13,491	40,000	250,587
Current liabilities								
Trade and other payables	41,375	30,337	(6,202)	-	24,135	-	-	24,135
Provisions	1,342	1,324	-	-	1,324	-	-	1,324
Interest-bearing liabilities	11,933	4,959	-	(4,798)	161	-	10,000	10,161
Lease liability related to Right of Use Assets	-	6,702	-	-	6,702	-	-	6,702
Financial liabilities	4,478	-	-	-	-	-	-	-
Total current liabilities	59,128	43,322	(6,202)	(4,798)	32,322	-	10,000	42,322
Non-current liabilities								
Interest-bearing liabilities	207	108	-	-	108	-	30,000	30,108
Lease liability related to Right of Use Assets	-	6,950	-	-	6,950	-	-	6,950
Provisions	25,168	25,332	-	-	25,332	-	-	25,332
Total non-current liabilities	25,375	32,390	-	-	32,390	-	30,000	62,390
Total liabilities	84,503	75,712	(6,202)	(4,798)	64,712	-	40,000	104,712
Net assets	62,177	98,206	11,000	23,177	132,384	13,491	-	145,875
Equity								
Issued capital	175,285	186,844	11,000	24,634	222,479	13,491	-	235,970
Reserves	5,647	6,121	-	-	6,121	-	-	6,121
Accumulates losses	(118,755)	(94,759)	-	(1,457)	(96,216)	-	-	(96,216)
Total equity	62,177	98,206	11,000	23,177	132,384	13,491	-	145,875

4. ACTION REQUIRED BY APPLICANTS

4.1 Entitlements

Your entitlement to participate in the Offer will be determined on the Record Date. The number of New Shares that Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

If you do not accept your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may either:

- (a) take up all or part of your Entitlement in accordance with this Prospectus; or
- (b) decline to exercise all or part of your Entitlement and allow it to lapse.

If you are an Eligible Shareholder and wish to accept all or part of your Entitlement:

- (c) carefully read this Prospectus in its entirety;
- (d) consider the risks associated with an investment in the Company (refer to Section 5) in light of your personal circumstances;
- (e) complete the relevant personalised Entitlement and Acceptance Form, including the number of New Shares you wish to accept, in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form; and
- (f) return the completed Entitlement and Acceptance Form together with the Application Monies (calculated at \$0.01 (one cent) per New Share accepted) in accordance with Section 4.2, so that it is received by no later than 5.00pm (AEDT) on the Closing Date.

To the extent you do not accept all or part of your Entitlement, it will lapse. As the Offer is non-renounceable, your Entitlement is not be tradeable on ASX or otherwise transferable or able to be sold.

Shareholders who do not take up their Entitlement in full will not receive any payment or value for any part of the Entitlement they do not take up. Shareholders who do not take up their Entitlement in full will have their proportionate interest in the Company diluted.

4.2 How to Apply

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

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

- (a) By attaching to your completed Entitlement and Acceptance Form a cheque, bank or money order in Australian currency for the amount of your Application Monies to "Blackham Resources Limited" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay for in full the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form).

Alternatively, your Application will not be accepted.

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

4.3 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

4.4 Applying for Additional Shares

As detailed in Section 2.15 above, Eligible Shareholders (other than Directors, related parties of the Company, and the Underwriters) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement and the Additional Shares (at the Offer Price of \$0.01 for each Additional Share).

If your payment is being made by BPAY®:

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

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in the Company's discretion, in which case excess Application Monies will be refunded without interest.

When determining the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Offer and the Record Date, as well as when the application was made.

4.5 Shortfall Placement

Other investors may also apply for New Shares under the Shortfall Placement by completing a shortfall application form upon invitation by the Company. All New Shares issued under the Shortfall Placement will be issued at \$0.01 per New Share (see Section 2.15 for further details).

5. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to take up their entitlement include, but are not limited to, the risks in this Section 5. Each of the risks set out below, if they eventuate, could have a material adverse impact on the Company's business and prospects, financial condition, results of operation, cash flows and on the value of the Company's Shares.

5.1 Company Specific Risks

(a) Potential for significant dilution

Upon implementation of the Offer, the Company will issue:

- (i) up to approximately 2,615,130,039 New Shares under the Offer (subject to rounding and assuming no existing Options are exercised or prior to the Record Date); and
- (ii) a maximum of 2,615,130,039 New Shares to the Underwriters.

The capital structure upon completion of the Offer is set out in Section 3.1.

In particular, Shareholders should carefully consider Section 3.2 which explains that the Underwriters could by virtue of taking up Shortfall Shares increase their Relevant Interest in the Company above 20%, which means that the Underwriters could increase their position to a level commonly regarded as a control position, without paying a premium for control that might otherwise apply if the Underwriters were required to make a takeover offer.

The issue of the New Shares will dilute the interests of existing Shareholders. There is also a risk that Shareholders will be further diluted as a result of future capital raisings required in order to fund working capital and development requirements of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the date of this Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Resource and reserve estimates

The Company has made estimates of its resources and reserves based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. However, resource and reserve estimates are inherently prone to variability and there is no guarantee they will prove to be accurate. They involve expressions of judgement with regard to the presence and quality of mineralisation and the ability to extract and process the mineralisation economically. These judgments are based on a variety of matters such as drilling results, past experience, knowledge and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and reduce the estimated amount of gold mineral resources and ore reserves available for production and expansion plans.

(c) Exploration, development and production and sale risks

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

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

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

The Company is currently in plans to proceed with its Stage 1 Expansion and as such is exposed to normal risks and uncertainties, such as its Stage 1 Expansion failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, potential equipment breakdown, failures and operational errors. There is no guarantee that the Company will be able to successfully transport any or all future recovered concentrates to commercially viable markets or sell the concentrates to customers to achieve commercial returns.

- (d) Proceeds of Offer may not provide sufficient funding for Stage 1 Expansion

As noted in Section 2.6, the Company's plan is to implement the Stage 1 Expansion with the proceeds of this Offer together with the proceeds of a (now completed) Tranche 1 Placement, the yet to be completed Tranche 2 Placement, and a yet to be completed project loan financing. If the Tranche 2 Placement does not complete because it does not obtain the required shareholder approval, or if sufficient project loan finance cannot be raised because of adverse market conditions or other reasons, the funds raised under this Offer may not be sufficient to execute the Stage 1 Expansion. If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone the Company's Stage 1 Expansion and/or reduce the scope of its operations. This is likely to have an adverse effect on the Company's ability to achieve its strategic goals, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

- (e) Mining approvals

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

- (f) Operating risks

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining and maintaining mining productivity rates; difficulties in commissioning and operating plant and equipment; unforeseen increases in capital or operating costs; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tails dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, labour and contractors, spare parts and plant and equipment. In particular, the implementation of the Stage 1 Expansion and ramp up to steady state concentrate production may be delayed or may not occur as planned by the Company. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.

- (g) Gold price volatility and exchange rate risk

Any revenue the Company derives from the sale of gold or gold concentrates is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand

fluctuations for gold or gold concentrates, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors. In addition, the market for gold concentrates is different to the market for gold dore and market dynamics may mean that the prices paid for concentrates may not always move in the same way as gold prices.

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

(h) Title and tenure risk

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

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

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

(i) Geotechnical risk

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

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

(j) Access risk - Native title and Aboriginal and historical heritage

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

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

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

(k) Environmental risks

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

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

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

(l) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service

providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure of these parties.

(m) Access to infrastructure

The Operation has existing installed infrastructure. Production will require the use of that infrastructure. A disruption could have an adverse effect on the Company.

(n) Future capital requirements

Whilst the Offer is expected to position the Company well, the Company may require further financing for exploration and development of its existing projects (including the Stage 1 Expansion), and may require further funding for the future expansion plans the subject of feasibility studies currently being planned, in addition to amounts raised under the Offer. The Tranche 2 Placement is subject to Shareholder approval, which may or may not be given, and if not, this is likely to have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares. Any additional equity financing that the Company may undertake in the future, including the Tranche 2 Placement, may dilute existing shareholdings.

The Company intends to raise project loan financing to support its planned Stage 1 Expansion, however the Company's ability to do so may or may not be realised and, if realised, may involve restrictions on financing and operating activities. If additional project loan finance is not available to the Company, this is likely to have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

There can be no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such financing will be acceptable to the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals, including the Stage 1 Expansion, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

(o) Default Risk

The Company has secured financing facilities including a loan and working capital facility, which represent the Company's only remaining material debt obligations and are secured against the Group's assets. The Company's other interest bearing liabilities are immaterial and relate to equipment financing leases.

Part of the funds raised under the Placements and Offer will be allocated to repaying the Company's secured financing facilities.

The Company's loan and working capital facilities are secured against the Group's assets pursuant to a general security deed and mining tenement mortgages.

If the Company is unable to repay its secured debts, it will default in its obligations under these agreements. The Company would then be at risk of default proceedings.

The Company's wholly owned subsidiaries have mining tenement mortgages and other security arrangements in favour of Franco-Nevada to secure future royalty obligations owed to Franco-Nevada. If those entities are unable to pay Franco-Nevada, or if they otherwise default in their obligations under the relevant documents with Franco-Nevada, the Company will be at risk of Franco-Nevada seeking to commence default proceedings and enforcing its rights under those relevant documents.

(p) Going concern risk

As disclosed in the 31 December 2019 financial statements, the consolidated entity had net current liabilities of \$13.3m, which includes the lease liability of \$6.7m (relating to Right of Use Assets). Despite the net current liability position as at 31 December 2019, the Group had positive net cash inflows from operating activities of \$7.3m for the six months and had net assets of \$98.2m at that date. Therefore, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors:

- (i) The Company has secured a total of \$11.7m via the Tranche 1 Placement as announced to the ASX on 26 February 2020¹⁴. In addition, the Company expects to receive \$26.2m following completion of the Offer given it is fully underwritten. Those funds exceed short term debt repayments and working capital commitments (included in those capital raisings' use of funds), as well as enabling the Group to commence activities relating to the Stage 1 Expansion¹⁵;
- (ii) The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds to meet short-term debt repayments and working capital commitments, will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable; and
- (iii) The Company has executed an indicative non-binding term sheet for a project loan facility totalling \$40m¹⁶. This transaction is not critical to maintain the going concern assumption, however it furthers the Company's ability to complete the transition to sulphide gold concentrate production via the Stage 1 Expansion.

¹⁴ Refer to the Company's announcement to ASX dated 26 February 2020.

¹⁵ Refer to the Company's announcement to ASX dated 3 February 2020.

¹⁶ Refer to the Company's announcement to ASX dated 26 February 2020.

Accordingly, the Directors believe that it is reasonably foreseeable that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the 31 December 2019 Half-Year Financial Report.

(q) Key personnel

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

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

(r) Litigation

The Company may be subject to litigation and other claims with its suppliers. Such claims are usually dealt with and resolved in the normal course, but should any claims not be resolved any dispute or litigation in relation to this or any other matter in which the Company may in the future become involved could result in significant disruption, potential liability and additional expenditure.

(s) Customer and off-take risk

The Company expects to generate revenue from the sale of concentrates to customers under off-take and other agreements. There is potential that the Company's chosen offtake customers may default on their contractual obligations and the Company does not receive payments for the sale of its concentrates, particularly if a customer becomes insolvent or fails to provide payment in accordance with its obligations.

(t) Insurance and uninsured risks

The Company's operations are subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or potentially others, delays in mining, monetary losses and possible legal liability. Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The occurrence of an event that is not covered, or fully covered, by insurance could have

a material adverse effect on the business, financial condition and results of the Company.

5.2 General Risks

(a) Share price fluctuations

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

(b) Liquidity risk

There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia for mining and exploration companies are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(c) Economic factors

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of the Company's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(d) Changes in laws and government policy

Changes to government regulations, law (including taxation and royalties) and policies, both domestically and internationally, under which the Company operates may adversely impact the Company's activities, planned projects and the financial performance of the Company. The Western Australian State government proposed an increase to gold royalty rates. Whilst the increase was not implemented, there is a risk that royalty rates may increase in the future which would impact the Company's profit margins. Other countries may in the future change laws or regulations that may inhibit the Company's ability to export gold concentrates to those countries and if so the Company's

ability to market and sell its gold concentrates may be adversely affected.

(e) Taxation

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

(f) Global credit and investment markets

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

(g) Counterparty risk

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

(h) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions.

(i) Climate change

There are a number of climate-related factors that may affect the Company's business or its assets, including the its tenements. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

6. RIGHTS ATTACHING TO SHARES

6.1 General rights

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

6.2 Rights attaching to Shares

(a) Voting Rights

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

(b) Dividends

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

(c) Winding up

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution (being a resolution passed by not less than 75% of the votes validly cast at a general meeting), divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company and may for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders of the Company.

(d) Transfer of Shares

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

Operating Rules, the ASX Clear Operating Rules or under the Constitution.

(e) Calls on Shares

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

(f) Further Increases in Capital

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

(g) Variation of Rights Attaching to Shares

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

(h) General Meeting

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

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Offer:
- (i) the annual financial report of the Company for the financial year ended 30 June 2019 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 27 September 2019:

Description of announcement	Date
Amendment to Timetable - Non Renounceable Entitlement Offer	5 March 2020
Notice of General Meeting	4 March 2020
Appendix 2A and Cleansing Notice	4 March 2020
Sales Contract with Trafigura for Wiluna Gold Concentrate	2 March 2020
Half Year Financial Report and Appendix 4D	28 February 2020
Capital Raising Presentation	26 February 2020
Proposed issue of Securities - BLK	26 February 2020
Proposed issue of Securities - BLK	26 February 2020
Equity funding secured for expansion and growth	26 February 2020
Exceptional High-Grades from Wiluna Sulphides Project	21 February 2020
Trading Halt	21 February 2020
Wiluna Operations Update	12 February 2020
Company Presentation	3 February 2020
Wiluna High-Grade Reserve Extension Drilling Update	7 January 2020
Quarterly Activities Report	16 January 2020
Expiry of Unlisted Options	7 January 2020

Operations Update	4 December 2019
Change of ASX Classification	4 December 2019
Appointment of Operations Director	4 December 2019
Results of Annual General Meeting	28 November 2019
Ceasing to be a substantial holder	26 November 2019
Change in substantial holding	26 November 2019
London International Roadshow Presentation	19 November 2019
Drilling High-Grade Extensions to Free-Milling Targets	13 November 2019
Change in substantial holding	12 November 2019
Appendix 5B	30 October 2019
Notice of Annual General Meeting	29 October 2019
Change in substantial holding from MLD	25 October 2019
Appendix 3B, Appendix 3Y and Cleansing Notice	24 October 2019
Change in substantial holding	18 October 2019
Share Purchase Plan Offer Closed	16 October 2019
Wiluna West Joint Venture Agreement	15 October 2019
Company Presentation – Amended	14 October 2019
GWR: Gold Joint Venture agreement with Blackham Resources	14 October 2019
Company Presentation	14 October 2019
Quarterly Activities Report	14 October 2019
Appendix 3B and Change of Director Interests Notice	9 October 2019
Lake Way Transaction Completed	8 October 2019
Change in substantial holding	3 October 2019
Extension of Share Purchase Plan	1 October 2019
Change in substantial holding	1 October 2019
2019 Corporate Governance Statement and Appendix 4G	27 September 2019

7.2 Underwriting Agreement

The Company and the Underwriters have entered into an Underwriting Agreement under which:

- (a) Sparta has agreed to underwrite the Offer up to a maximum of A\$8,000,000 by applying for up to 800,000,000 New Shares at A\$0.01, which have not been taken up by Shareholders in the Offer or the Top-Up Facility (**First Underwritten Shares**);
- (b) Delphi has agreed to underwrite the Offer up to a maximum of A\$18,151,300 by applying for up to 1,815,130,039 New Shares at A\$0.01 which have not been taken up by Shareholders in the Offer or the Top-Up Facility (**Second Underwritten Shares**).

In the event of the New Shares, which have not been taken up by Shareholders in the Offer or the Top-Up Facility being less than 1,600,000,000 New Shares, Sparta and Delphi shall apply for the First Underwritten Shares and Second Underwritten Shares respectively in equal proportions.

In the event of the number of New Shares which have not been taken up by Shareholders in the Offer or the Top-Up Facility being greater than 1,600,000,000 Rights Shares, Sparta will apply for 800,000,000 of the First Underwritten Shares and Delphi will apply for the remaining Shares.

The Company has agreed to pay:

- (a) Sparta a fee of A\$256,542 at the time of its subscription for the First Underwritten Shares, and any remaining portion of the fee (if any) within 30 days of the close of the Offer; and
- (b) Delphi a fee of A\$582,071 at the time of its subscription for the Second Underwritten Shares, and any remaining portion of the fee (if any) within 30 days of the close of the Offer.

The Underwriting Agreement contains the following other key terms:

- (a) The Underwriters may terminate the Underwriting Agreement by written notice after having given 7 days' notice to the Company in any circumstances where:
 - (i) the spot "ask" A\$ gold price as quoted by The Perth Mint is at any time after the date of the Underwriting Agreement, 17.5% (seventeen point five per cent) or more below its price as at the close of business on the business day before the date of the Underwriting Agreement;
 - (ii) each of the Underwriters separately concludes that fulfilling its obligations in relation to underwriting the Offer or pursuant to the Underwriting Agreement could give rise to a breach by the Underwriters of the Corporations Act or other legislation, and first provides detailed written explanation to the Company of the details of and reasons for that conclusion;
 - (iii) ASX does not give approval for the First Underwritten Shares and Second Underwritten Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
 - (iv) any of the following events occurs in respect of the Company:

- (A) a receiver, receiver and manager, liquidator, provisional liquidator, administrator or trustee is appointed in respect of the Company or any of its assets or anyone else is appointed who (whether or not as agent for the Company) is in possession, or has control, of any of the Company's assets for the purpose of enforcing a charge;
 - (B) an application is made to court or a resolution is passed or an order is made for the winding up or dissolution of the Company;
 - (C) the Company proposes or takes any steps to implement a scheme of arrangement or other compromise or arrangement with its creditors or any class of them; or
 - (D) the Company is declared or taken under any applicable law to be insolvent or the Company's board of directors resolves that it is, or is likely to become at some future time, insolvent.
- (b) Representations and warranties are given by the Company under the Underwriting Agreement which are considered usual for agreements of this nature.
 - (c) Other terms and conditions which are considered usual for underwriting agreements of this nature.

Neither of the Underwriters are related parties of the Company.

7.3 Lead Manager Agreement

In accordance with the Lead Manager Agreement, Arlington and Ironbridge have agreed to act as exclusive lead managers and capital finders for the purpose of the Tranche 1 Placement, Tranche 2 Placement and the Offer.

The Lead Manager Agreement is for a term of 3 months from the date of its signing or 30 days from written notice by either party to the other.

Under the Lead Manager Agreement, Arlington and Ironbridge:

- (a) must, inter alia, introduce investors to the Company on a best efforts basis with a view to them participating in the Tranche 1 Placement, the Tranche 2 Placement and the Offer; and
- (b) have a first right of refusal to raise further funding for the Company for a period starting from 12 months after the completion of the Tranche 1 Placement, the Tranche 2 Placement and the Offer.

In consideration for the provision of the services, the Company must pay Arlington a fee of 5% and Ironbridge a fee of 0.5% of the value of the gross funds raised under the Tranche 1 Placement, Tranche 2 Placement and from

parties introduced by Arlington and Ironbridge under the Placements who participate in the Offer, except for any funds received from Delphi.

Under the Lead Manager Agreement, Arlington and Ironbridge may appoint third parties for the performance of the services. In the event that such agents raise any funds under the Tranche 1 Placement, Tranche 2 Placement or the Offer, the Company must pay Arlington and Ironbridge a fee of 5.5% of the gross funds introduced by those agents and which are accepted by the Company. Such fee shall be split by payment of 5% to the respective agent and 0.5% to Arlington and Ironbridge as a management fee.

Under the Lead Manager Agreement, the Company must indemnify Arlington and Ironbridge (including their associates, subsidiaries and their respective directors, members, officers, trustees, employees and agents) against any and all actions, claims, losses (other than loss of profit or consequential losses), liabilities, damages, costs, charges and expenses which it or they may suffer or incur arising under the Lead Manager Agreement, Arlington and Ironbridge's role in connection with the Lead Manager Agreement, or any breach by the Company of the Lead Manager Agreement, save to the extent arising from the negligence, fraud, wilful default or breach of the terms of the Lead Manager agreement by the indemnified parties.

The aggregate liability of Arlington and Ironbridge under the Lead Manager Agreement is limited to the fees invoiced and received by Arlington and Ironbridge's under the Lead Manager Agreement.

The Lead Manager Agreement contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination and confidential information.

Neither Arlington nor Ironbridge are related parties of the Company.

7.4 Emerald JRP Agreement

In accordance with the Emerald JRP Agreement, Emerald and JRP have agreed to act as advisers for the purposes of the Tranche 1 Placement, Tranche 2 Placement and the Offer.

Under the Emerald JRP Agreement, Emerald and JRP have agreed to, inter alia:

- (a) work with Company and its legal advisors in providing strategic and market related advice in relation to the Offer;
- (b) assist with managing and facilitating the Offer;
- (c) assist in the development of documents and corporate presentations in relation to the Offer; and
- (d) participate in any meetings in relation to the Offer.

In consideration for the provision of the services, the Company must pay Emerald the following fees, part of which must be remitted to JRP as the holder of an Australian Financial Services Licence:

- (a) 1% on all funds raised under the Placements, except for funds raised by Arlington and Ironbridge;
- (b) 1% on all funds raised under the Offer;
- (c) 4% on any funds directly raised by Emerald or JRP for the Placements; and
- (d) 4% on any funds raised from parties introduced by Emerald or JRP under the Tranche 1 Placement who participate in the Offer.

Neither Emerald nor JRP is a related party of the Company.

Under the Emerald JRP Agreement, the Company must indemnify Emerald and JRP (including their associates, subsidiaries and their respective directors, members, officers, trustees, employees and agents) against any and all actions, claims, losses (other than loss of profit or consequential losses), liabilities, damages, costs, charges and expenses which they may suffer or incur arising under the Emerald JRP Agreement, Emerald and JRP's role in connection with the Emerald JRP Agreement, or any breach by the Company of the Emerald JRP Agreement, save to the extent arising from the negligence, fraud, wilful default or breach of the terms of the Emerald JRP Agreement by the indemnified parties.

The aggregate liability of Emerald and JRP under the Emerald JRP Agreement is limited to the fees invoiced and received by Emerald and JRP under the Emerald JRP Agreement.

The Emerald JRP Agreement contains other terms and conditions considered standard for an agreement of its nature.

7.5 Interests of Directors

No Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus and as follows.

7.6 Director Holdings

The Directors and their related entities have the following interests in Shares as at the date of this Prospectus:

Director	Shares held	Options held
Mr Milan Jerkovic, Executive Chairman	79,218,771	25,924,095
Mr Neil Meadows, Executive Director	Nil	15,923,077
Mr Greg Fitzgerald, Non-Executive Director	Nil	Nil
Mr Anthony James, Non-Executive Director	Nil	Nil

At the date of this Prospectus, all Directors intend to accept all of their Entitlement, subject to their financial position prior to the Closing Date. Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, and assuming that no Options are exercised prior to the Record Date, the Directors and their related entities will have the following interests in Shares as at the Closing Date:

Director	Shares held	Options held
Mr Milan Jerkovic, Executive Chairman	114,427,113	25,924,095
Mr Neil Meadows, Executive Director	Nil	15,923,077
Mr Greg Fitzgerald, Non-Executive Director	Nil	Nil
Mr Anthony James, Non-Executive Director	Nil	Nil

Xavier Group Pty Ltd, an entity related to Milan Jerkovic and of which Milan Jerkovic is an officer, has been paid (or will be paid) the following amounts in the 2 years prior to the date of this Prospectus for consulting services. These consulting services were provided on normal commercial terms and at market rates.

Period	Amount
From 1 July 2019 up to the date of this Prospectus	\$234,756
Year ended 30 June 2019	\$176,030
Year ended 30 June 2018	\$324,000

7.7 Remuneration of Directors

The Directors have received the following remuneration in respect of the financial years ended 30 June 2019 and 30 June 2018.

Director	2019 Salary and fees (incl superannuation and nonmonetary benefits) \$	2019 Share Based Payments \$	2018 Salary and fees (incl superannuation and nonmonetary benefits) \$	2018 Share Based Payments \$
Mr Milan Jerkovic, Executive Chairman	510,110	50,514	378,990	(69,477)
Mr Neil Meadows, Executive Director	31,504	-	-	-
Mr Greg William Fitzgerald, Non-Executive Director	85,002	-	36,950	-
Mr Anthony James, Non-Executive Director	85,001	-	1,961	-

7.8 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:

- (d) Eaton Hall has acted as the Australian lawyers to the Company for the Offer. In respect of this work the Company will pay Eaton Hall approximately \$50,000. During the two years before the date of this Prospectus, Eaton Hall has provided the Company with legal services and was paid approximately \$3,800 for these services;
- (e) JRP Securities Pty Ltd will act as the Company's nominee for foreign Shareholders pursuant to section 615 of the Corporations Act. The fees for this service are included in the Emerald Agreement. During the two years before the date of this Prospectus, JRP Securities Pty Ltd has not provided the Company with any other services; and
- (f) Link Market Services Limited conducts the Company's share registry functions and will provide administrative services in respect to the

proposed Applications pursuant to this Prospectus. Link Market Services Limited will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST (if any) payable by the Company in respect of those amounts.

7.9 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

7.10 Expenses of Offer

The total expenses of the Offer payable by the Company are:

Expense	Amount (\$)
Lead manager and other adviser fees	505,919 ¹⁷
Underwriter fees	838,614
Legal expenses	50,000
Printing, postage, share registry	47,068
Other (incl. ASIC & ASX fees)	37,891
Total	1,479,492

7.11 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

- (a) Highest: \$0.014 (one point four cents) on 8 January 2020; and
- (b) Lowest: \$0.009 (zero point nine of a cent) on 28 February 2020, 2 March 2020, 3 March 2020 and 4 March 2020.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.09 (zero point nine of a cent) per Share on 4 March 2020.

¹⁷ This amount assumes that all investors introduced to the Tranche 1 Placement pursuant to the Arlington Agreement participate in the Offer, and that all investors introduced to the Tranche 1 Placement pursuant to the Emerald JRP Agreement participate in the Offer. In addition to this amount, an amount of \$1,202,829 is payable by the Company under the Arlington Agreement for services performed in respect of the Placements, and an amount of \$161,852 is payable by the Company under the Emerald JRP Agreement for services performed in respect of the Placements.

7.12 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

7.13 Litigation and Claims

So far as the Directors are aware the Company is not engaged in any civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions or other legal proceedings of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned.

7.14 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

Sparta and Delphi have given their written consent to being named as the Underwriters in respect to the Offer. Sparta and Delphi have not withdrawn their consent prior to the lodgement of this Prospectus with ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

RSM Australia Partners has given its written consent to being named as auditor to the Company. RSM Australia Partners has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Eaton Hall has given its written consent to being named as Australian legal advisor to the Company. Eaton Hall has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

JRP Securities Pty Ltd has given its written consent to being named as the Company's corporate adviser. JRP Securities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Arlington Group Asset Management Limited has given its written consent to being named as the Company's joint lead manager. Arlington Group Asset

Management Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Ironbridge Capital Partners LLP has given its written consent to being named as the Company's joint lead manager. Ironbridge Capital Partners LLP has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Emerald Capital Australia Pty Ltd has given its written consent to being named as the Company's corporate adviser. Emerald Capital Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

7.15 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Entitlement and Acceptance Form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

7.16 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 3, 1 Altona Street, West Perth, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 7.14.

7.17 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

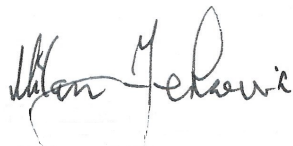
7.18 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

8. AUTHORISATION

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in black ink, appearing to read 'Milan Jerkovic', written over a faint circular stamp.

Mr Milan Jerkovic
Executive Chairman
5 March 2020

9. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Additional Shares means New Shares applied for by an Applicant in excess of its Entitlement.

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

Application means a valid application for Shares under the Offer made pursuant to an Entitlement and Acceptance Form.

Application Monies means Application monies for Shares under the Offer received and banked by the Company.

Arlington means Arlington Group Asset Management Limited (United Kingdom company registration number 02359077).

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

Board means the board of Directors as at the date of this Prospectus.

CHESS means Clearing House Electronic Subregister System.

Closing Date means the closing date of the Offer detailed in the Indicative Timetable.

Company means Blackham Resources Limited (ACN 119 887 606).

Constitution means the constitution of the Company.

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

Delphi means DELPHI Unternehmensberatung a corporation registered with the District Court of Mannheim and with registration number HRB 705381.

Directors means the directors of the Company.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.blackhamresources.com.au.

Eligible Shareholder means an eligible person in accordance with Section 2.13 who:

- (a) is a Shareholder at 7.00pm (AEDT) on the Record Date; and
- (b) has a registered address in Australia, New Zealand, the United Kingdom, Germany, Switzerland, Canada or the United States of America (to the extent

such persons are an investor as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (US Accredited Investors)) as recorded with the Share Registry as at the Record Date.

Emerald means Emerald Capital Australia Pty Ltd.

Emerald JRP Agreement means the agreement between the Company, Emerald and JRP dated 2 March 2020.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form attached to this Prospectus.

Franco-Nevada means Franco-Nevada Australia Pty Ltd (ACN 128 617 078).

General Meeting means a general meeting of Shareholders.

Group means the Company and all of its subsidiaries.

GST means Goods and Services Tax.

Indicative Timetable means the indicative timetable for the Offer on page 7 of this Prospectus.

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

Ironbridge means Ironbridge Capital Partners LLP.

JRP means JRP Securities Pty Ltd.

Kimba means Kimba Resources Pty Ltd ACN 106 123 951, a wholly-owned subsidiary of the Company.

Lead Manager Agreement means the agreement between the Company, Arlington and Ironbridge dated 31 January 2020.

Listing Rules means the listing rules of the ASX.

Matilda Operations means Matilda Operations Pty Ltd (ACN 166 954 525), a wholly-owned subsidiary of the Company.

Mercuria means Mercuria Europe Trading Limited.

New Share means a Share offered pursuant to the Offer.

Offer means the non-renounceable pro rata entitlement issue by the Company, pursuant to this Prospectus, of four (4) New Share for every nine (9) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.01 (one cent) per New Share.

Offer Price means \$0.01 (one cent) per New Share.

Official Quotation or **Quotation** means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable.

Operation means the Wiluna Gold Operation located in Western Australia which includes the tenements held by each of Kimba and Matilda Operations, the area the subject of the tenements and the property of the Group located in this area.

Option means an option to purchase a Share in accordance with its terms.

Placements means the Tranche 1 Placement and Tranche 2 Placement.

Placement Shares means the Shares to be issued pursuant to the Placements.

Prospectus means this prospectus dated 5 March 2020.

Record Date means the date referred to as such in the Indicative Timetable.

Related Bodies Corporate means a body corporate that is deemed by the Corporations Act to be related to the principal entity.

Relevant Interest has the meaning given to that term in the Corporations Act.

Section means a section of this Prospectus.

Share Registry means Link Market Services Limited (ACN 008 894 488).

Shareholder means any person holding Shares.

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

Shortfall Shares means those New Shares not validly applied for by Eligible Shareholders under the Offer or the Top-Up Facility by the Closing Date.

Shortfall Placement has the meaning given in Section 2.15.

Sparta means SPARTA AG, a corporation registered with the District Court Hamburg and with registration number 58870.

Stage 1 Expansion means the Company's initial low capital intensity plan to transition to sulphide concentrate production (refer to ASX announcement dated 3 February 2020).

Stage 2 Expansion means the plan to increase the Company's production.

Top-Up Facility means the placement of Shares to Shareholders in excess of their Entitlement under the Offer.

Top-Up Facility Shares means any Shares issued under the Top-Up Facility.

Tranche 1 Placement means the completed issue by the Company of 1,167,800,000 Shares to sophisticated and/or professional investors, as detailed in the Company's announcement dated 26 February 2020.

Tranche 2 Placement means the proposed issue by the Company of 1,432,200,000 Shares to sophisticated and/or professional investors, which is subject to shareholder approval at a general meeting proposed to be held on 6 April 2020.

Underwriters means Delphi and Sparta.

Underwriting means the issue of Shortfall Shares to the Underwriter in accordance with the Underwriting Agreement.

Underwriting Agreement means the underwriting agreement between the Company and the Underwriters dated 19 February 2020.

Voting Power has the meaning given to that term in the Corporations Act.

Voting Shares has the meaning given to that term in the Corporations Act.

ENTITLEMENT AND ACCEPTANCE FORM
