



**BLACKHAM**  
Resources Limited

29 November 2017

Dear Shareholder

### **PRO-RATA RENOUNCEABLE RIGHTS ISSUE – NOTICE TO SHAREHOLDERS**

This letter is to notify you that on 24 November 2017, Blackham Resources Limited ACN 119 887 606 (**Company**) announced a 2 for 7 pro rata renounceable entitlement issue of up to approximately 102,590,951 fully paid ordinary shares (**New Shares**) at an issue price of \$0.12 per New Share to raise approximately \$12,310,914 before costs (**Entitlement Offer**).

Each eligible shareholder will be entitled to subscribe for two (2) New Shares for every seven (7) Shares held at 5.00pm WST on 5 December 2017 (**Record Date**). This offer will be made pursuant to a prospectus (**Prospectus**) and if you wish to participate in the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.

On the basis that no optionholders of the Company exercise their options before the Record Date, a maximum of approximately 102,590,951 New Shares will be offered under the Entitlement Offer.

#### **Eligibility to the Entitlement Offer**

The Entitlement Offer is only open to shareholders of the Company who are registered shareholders at 5.00pm WST on the Record Date with registered addresses in Australia or New Zealand (**Eligible Shareholders**).

#### **Purpose of Entitlement Offer**

The funds raised from the Offer are planned to be used to stabilise production, strengthen and lengthen reserves, complete expansion studies and for general working capital purposes.



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## Prospectus and Entitlement Offer Details

A copy of the Prospectus was lodged with ASX on 29 November 2017 and is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

Pursuant to the Listing Rules of ASX Limited (**Listing Rules**), the Company is required to provide to you certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Approximately 102,590,951 New Shares will be issued pursuant to the Entitlement Offer (assuming no existing options are exercised).
2. The New Shares to be issued will rank equally in all respects from the date of issue with the existing quoted fully paid ordinary shares.
3. The issue price of the New Shares will be \$0.12 each.
4. The Company will apply for quotation of the New Shares issued pursuant to the Entitlement Offer on the official list of the ASX.
5. The funds raised from the Entitlement Offer are planned to be used to stabilise production, strengthen and lengthen reserves, complete expansion studies and for general working capital purposes.
6. It is anticipated the securities will be entered into uncertificated holdings on 21 December 2017.
7. The total number and class of all securities quoted on ASX following completion of the Entitlement Offer (assuming no existing options are exercised prior to the record date) will be as follows:

Number	Class
359,068,328	Ordinary shares

8. The total number and class of all securities not quoted on the ASX is as follows:

### Options:

Number	Exercise Price	Expiry Date
2,000,000	\$0.500	14 December 2017
1,000,000	\$0.300	3 February 2018
16,666,667	\$0.180	31 December 2017
500,000	\$0.465	8 February 2018
175,000	\$0.38	8 February 2019
175,000	\$0.463	8 February 2019

3,000,000	\$0.35	20 March 2018
175,000	\$0.91	3 July 2019
300,000	\$0.51	30 April 2018
1,000,000	\$1.00	1 June 2019
2,000,000	\$0.308	29 February 2020
700,000	\$0.256	31 December 2017
500,000	\$0.256	6 December 2017
600,000	\$0.57	31 December 2019
175,000	\$0.382	31 May 2020
175,000	\$0.382	31 May 2020

**Performance Rights:**

Number	Expiry Date
1,500,000	31 December 2017
1,500,000	31 December 2017
350,000	31 December 2017
250,000	31 December 2017

9. The Company currently has no dividend policy.
10. No shareholder approval for the Entitlement Offer is required.
11. The Entitlement Offer is **renounceable**. Eligible Shareholders have the right to subscribe for New Shares held at the Record Date pursuant to the Entitlement Offer (**Rights**). If you wish to sell all or part of your Rights on the ASX, you should provide instructions to your stockbroker regarding the Rights you wish to sell on the ASX. Rights trading will commence on 4 December 2017 and end on 8 December 2017.
12. The New Shares will be offered on the basis of two (2) New Shares for every seven (7) Shares held by Eligible Shareholders at 5.00pm WST on 5 December 2017.
13. The Entitlement Offer relates to fully paid ordinary shares in the Company.
14. The **ex date** is 4 December 2017.
15. The **record date** to determine entitlements is 5.00pm WST on 5 December 2017.
16. Each Eligible Shareholder's right to participate in the Entitlement Offer is as it appears on the personalised Entitlement and Acceptance Form (**Entitlement**).

17. Holdings on different registers (or subregisters) will not be aggregated for the purposes of calculating Entitlements.
18. In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.
19. The Company will not be sending an offer under the Entitlement Offer to any shareholders resident outside of Australia and New Zealand (**Ineligible Shareholders**).

This decision has been made pursuant to Listing Rule 7.7.1(a), having regard to each of the following:

- the number of security holders registered outside of Australia and New Zealand;
- the number and value of the securities to be offered to security holders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

However, pursuant to Listing Rule 7.7, the Company has appointed a nominee, Barclay Wells Limited, 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.

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.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The New Shares not taken up will form part of the New Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

20. The closing date for receipt of acceptances is 5.00pm WST 15 December 2017.

21. The Entitlement Offer is partially underwritten by Barclay Wells Limited up to \$3.0 million (being the equivalent of 25,000,000 New Shares) who will receive an underwriting fee of 5% of the amount underwritten and 2,000,000 options with an exercise price of \$0.17 and an expiry date of 3 years from the grant date.
22. The Prospectus for the Entitlement Offer and the accompanying Entitlement and Acceptance Form will be sent to you no later than 6 December 2017. Your Entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.
23. All optionholders have been provided the appropriate notice of their right to participate in the Entitlement Offer upon exercise of their options.
24. The issue date and latest date for entry of the securities into your security holdings is 21 December 2017.
25. Any New Shares under the Entitlement Offer that are not applied for will form part of the shortfall offer. Eligible Shareholders (other than Directors and related parties of the Company) may in addition to taking up their Entitlements in full, apply for additional securities in excess of their Entitlements. Other investors may also apply for New Shares under the shortfall offer by completing a shortfall allocation application form on invitation by the Company.

#### **Actions required for of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your Entitlement pursuant to the Prospectus. To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Link Market Services Limited (**Share Registry**) by no later than 5.00pm WST on 15 December 2017, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5.00pm WST on 15 December 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.12 per New Share).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Should you choose not to accept all or part of your Entitlement, Rights may be traded on the ASX.

- You may wish to subscribe for additional securities in addition to your Entitlement. To subscribe for additional securities under the shortfall offer you should nominate the maximum number of additional securities you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement and additional securities at the issue price of \$0.12.

### Key dates for the Entitlement Offer

Event	Date
Prospectus lodged with ASIC	Following close of trade on Wednesday, 29 November 2017
Prospectus released to ASX	Following close of trade on Wednesday, 29 November 2017
Notification of option holders, who cannot participate in the Entitlement Offer without first exercising their options, about the Entitlement Offer	Thursday, 30 November 2017
Letter to security holders containing the information required by Appendix 3B	Thursday, 30 November 2017
"Ex" date (being the date that Shares start trading without the Entitlements to participate in the Entitlement Offer)	Monday, 4 December 2017
Rights trading starts on a deferred settlement basis	Monday, 4 December 2017
Record Date to determine Entitlements	5.00pm (WST) on Tuesday, 5 December 2017
Opening Date of Entitlement Offer	
Despatch of the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	Wednesday, 6 December 2017
Rights trading ends	Friday, 8 December 2017
Shares quoted on a deferred settlement basis	Monday, 11 December 2017
Last day to extend the Closing Date for the Entitlement Offer	Tuesday, 12 December 2017
Closing Date for acceptances under the Entitlement Offer	5.00pm (WST) on Friday, 15 December 2017
ASX notified of under subscriptions under the Entitlement Offer	Tuesday, 19 December 2017

Issue Date of New Shares and deferred settlement trading of New Shares ends	Thursday, 21 December 2017
Trading of New Shares expected to commence	Friday, 22 December 2017
Holding statements despatched	Friday, 22 December 2017
Shortfall offer closing date	Thursday 4 January 2018
Last day to issue share under shortfall offer	Monday, 8 January 2018

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

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please do not hesitate to contact your stockbroker or professional adviser or Link Market Services Limited on 08-9211 6670.

Yours sincerely

Mike Robbins  
Company Secretary  
Blackham Resources Limited