



**BLACKHAM**  
Resources Limited

## **BLACKHAM RESOURCES LIMITED**

**ACN 119 887 606**

# **PROSPECTUS**

For a renounceable pro-rata rights issue to raise approximately \$12,310,914 (before costs) at an issue price of 12 cents per New Share with Eligible Shareholders having an Entitlement to subscribe for 2 New Shares for every 7 Shares held (**Entitlement Offer**).

The Entitlement Offer is partially underwritten by Barclay Wells Limited up to \$3.0 million.

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the New Shares being offered under this Prospectus or any other matter relating to the Entitlement Offer, then you should consult your professional adviser.

Investment in the New Shares offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional on the satisfaction of the Offer Conditions. If the Offer Conditions are not satisfied, no Shares will be issued pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

## IMPORTANT NOTICE

### 1. Prospectus

This Prospectus is dated 29 November 2017. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus.

No New Shares will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Blackham Resources Limited (**Blackham** or the **Company**) will apply to ASX within 7 days of the date of this Prospectus for quotation of the New Shares offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of the Company.

In making representations in this Prospectus, regard has been made to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Section 7.9 and 7.10 of this Prospectus.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on the applicable original Entitlement and Acceptance Form which accompanies this Prospectus or the Shortfall application form provided upon invitation by the Company.

### 2. Disclaimer

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the New Securities or the price at which the New Securities will trade on the ASX.

Any references to past performance of the Company are no guarantee of future performance.

### 3. No Representations other than this Prospectus

No person or entity is authorised to give any information or to make any representation in connection with the Entitlement Offer that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

The Entitlement and Acceptance Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Entitlement Offer. Applications can only be submitted on the Entitlement and Acceptance Form that is only available with this Prospectus and the Shortfall application form provided upon invitation by the Company.

### 4. Forward looking information

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

### 5. No cooling off rights apply to this Offer

Cooling off rights do not apply to an investment pursuant to the Entitlement Offer or the Shortfall Offer. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance Form or the Shortfall application form once it has been lodged.

### 6. Offer Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and both the Entitlement Offer and the Shortfall Offer is not to be made in, countries other than Australia and New Zealand.

The New Shares have not been and will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form or a Shortfall application form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia or New Zealand. Shareholders outside Australia (Ineligible Foreign Shareholders) should refer to Section 2.12 of this Prospectus for details of how their Entitlement will be dealt with.

### 7. Rights Trading

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Rights in accordance with the instructions in Section 4.2 of this Prospectus.

Individual applicants are responsible for determining their allocations of Rights and New Shares before trading them. Eligible Shareholders who trade in Rights or New Shares before receiving confirmation of their application do so at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits.

### 8. Prospectus availability

Those investors who receive this Prospectus electronically are advised that the issue of securities under the electronic prospectus is only available to persons receiving the electronic prospectus within Australia. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on [www.blackhamresources.com.au](http://www.blackhamresources.com.au) does not form part of this Prospectus.

### 9. Offer conditional

The Entitlement Offer and the Shortfall Offer under this Prospectus are conditional on the Company:

- a. being entitled to make the initial draw down under the Facility; and
  - b. having issued Shares under the Placement,
- (together the **Offer Conditions**).

If any of the Offer Conditions are not satisfied by the Closing Date then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.

#### **10. Definitions and glossary, financial amounts and time**

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time (such as "WST") are to Perth, Western Australian time, unless otherwise indicated.

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## IMPORTANT DATES

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 by which the Additional Securities (if any) under the Shortfall Offer may be issued	Monday, 8 January 2018

The above dates are indicative only and 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.

## **WHAT YOU NEED TO DO TO APPLY FOR NEW SHARES**

### **Read**

Read this Prospectus in full paying careful attention to the benefits and risks associated with acceptance of the Entitlement Offer and the Shortfall Offer.

### **Consider and Consult**

After reading the Prospectus, consider whether the investment is suitable for you in light of your particular financial position and investment objectives. If necessary please consult with your financial or investment adviser before making an investment decision.

### **Complete Entitlement and Acceptance Form**

If you are an Eligible Shareholder and have decided to take up your Entitlement in full or in part, complete the Entitlement and Acceptance Form accompanying this Prospectus and lodge the form together with your Application Money by **5pm (WST)** on Friday, 15 December 2017.

**If you have any queries concerning the Entitlement Offer or what to do with this Prospectus, please contact:**

Link Market Services Limited  
Information telephone number: 1300 730 659  
Perth office telephone number: 08 9211 6670

**Contact your stockbroker or professional adviser for advice concerning this Entitlement Offer or the Shortfall Offer.**

## Letter from the Non-Executive Chairman

Dear Shareholder

On 24 November 2017 the Company announced its entry into an investment committee approved term sheet with Pacific Road and its related entities which involves (**Funding Arrangement**):

- a placement to Pacific Road of \$7.35 million worth of Shares at the same issue price as the Entitlement Offer (12 cents) (**Placement**);
- a loan facility pursuant to which Pacific Road will lend Blackham \$40 million secured over all of Blackham's assets (**Facility**);
- the issue to Pacific Road of 15 million options to purchase Shares at an exercise price of \$0.144 (**Pacific Road Tranche A Options**);
- the issue to Pacific Road of 84.4 million options to purchase Shares at an exercise price of \$0.144 (**Pacific Road Tranche B Options**), subject to the receipt of Shareholder approval;
- a standby loan facility pursuant to which Pacific Road will lend Blackham \$10 million secured over all of Blackham's assets (**Standby Facility**); and
- if the Company wishes to utilise the full \$10 million Standby Facility, it will be required to firstly gain Shareholder approval for the issue of a further 69.4 million options to Pacific Road to purchase Shares at an exercise price at a 20% premium to the 20 day volume weighted average price of the Company's share (**Pacific Road Tranche C Options**).

The Funding Arrangement is subject to the execution of formal legal documentation and contains various conditions precedent as set out in Blackham's announcement on 24 November 2017. It is expected that formal documentation will be executed and that these conditions will be satisfied before the Closing Date such that Blackham will drawdown the facilities in full and issue the Placement Shares and the Pacific Road Tranche A Options before the Closing Date.

The Company is now offering Eligible Shareholders the opportunity to further participate in the development of Blackham Resources Limited (**Blackham** or the **Company**).

This capital raising will enable the Company to continue to provide additional funds for its Matilda-Wiluna Gold Operation (**Operation**) to enhance production, strengthen and lengthen reserves, complete expansion studies and for general working capital.

The capital raising will be undertaken through a 2-for-7 pro-rata renounceable rights issue (**Entitlement Offer**) to shareholders at 12 cents per New Share.

The Entitlement Offer is partially underwritten by Barclay Wells Limited up to a total of \$3.0m as set out in section 7.4. Pacific Road has agreed to sub-underwrite up to \$2.65 million of the underwriting commitment of Barclay Wells Limited.

All Shareholders with an address in Australia and New Zealand and registered as at 5:00pm (WST) on the Record Date will be entitled to participate in the Entitlement Offer. The closing date for the Entitlement Offer is 5:00pm (WST) on Friday, 15 December 2017.

Eligible Shareholders are also invited to apply for New Shares in excess of their Entitlement.

At the time of lodging this Prospectus, all your Directors have indicated that they will take up part of their Entitlements under the Entitlement Offer to the extent they are able to fund their respective entitlements.

The Company is focused on enhancing production and improving cash flow from current operations through accessing the higher grade ore from the open pit and underground mines. Over the last 12 months Blackham has significantly de-risked both the open pit and underground operations. The significant mine development in the Golden Age underground was completed in early July 2017 and the underground operation is now cash flow positive. Major investment has been made in mining development at both the Galaxy and M4 pit by gaining access to the best ore sources in both pits. The Galaxy mine development is at a point where high grade ore is now accessible. Mine development in the M4 pit is continuing and is expected to be largely completed in December 2017. High grade ore from the main M4 lode will then be accessible over 1.5 kilometres of strike to feed the mill to capacity.

On 30 August 2017, the Company was pleased to announce the successful results of the Wiluna Expansion Preliminary Feasibility Study ('Expansion PFS'). The PFS demonstrated robust economics and improved economies of scale supporting the expansion of the Matilda-Wiluna Operation to 3.3Mtpa.

The Expansion DFS is well advanced and is aimed at monetising a larger portion of its Matilda-Wiluna Gold Resources. The management team have allowed additional time to complete the Expansion DFS due to significant drilling success growing the size of the resources and to allow further work to optimise and de-risked the Expansion opportunity. The Board is focused on achieving steady production and cash generation from existing operations prior to committing to development of the expanded Operation.

On behalf of the Board, I commend the Entitlement Offer to you. Before making your decision to invest, I ask you to carefully read the Prospectus and seek professional advice if required. The Company is at an exciting stage, with gold production growing, reserves on the increase, a progressing Expansion DFS and a new funding arrangement expected to be in place, so the Company has particular pleasure in offering its Shareholders the opportunity to participate in its further development and growth.

Kind regards

Milan Jerkovic  
Non-Executive Chairman

## 1. INVESTMENT OVERVIEW

### 1.1 Overview of the Entitlement Offer

This Section is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
What is the Entitlement Offer?	<p>The Entitlement Offer is 2 New Shares for every 7 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.12 per New Share.</p> <p>The Entitlement Offers seeks to issue up to 102,590,951 New Shares to raise up to approximately \$12.3 million (before costs).</p> <p>Application will be made for the New Shares to be quoted on ASX.</p>	Section 2.1
What is the purpose of the Entitlement Offer?	The Entitlement Offer is being made to provide additional funds to stabilise production, strengthen and lengthen reserves, complete expansion studies and for general working capital.	Section 3.1
Am I an Eligible Shareholder?	<p>The Entitlement offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holder of Shares as at 5:00pm (WST) on the Record Date; and</p> <p>(b) have a registered address in Australia or New Zealand.</p>	Definition of "Eligible Shareholder" and section 2.12
Is there a minimum subscription amount?	No	Section 2.13
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is partially underwritten by Barclay Wells Limited up to \$3.0 million being the equivalent of 25,000,000 New Shares.</p> <p>The underwriting is subject to the terms and conditions set out in section 7.4.</p>	Sections 2.4 and 7.4
What will be the effect of the Entitlement Offer on control of the	<p>The effect of the Entitlement Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shares under the Shortfall that are taken up by the Underwriter.</p> <p>Depending on the take up of the Entitlement Offer</p>	Sections 2.17 and 3.3

Question	Response	Where to find more information
Company?	<p>Pacific Road could end up with 14.6% and 18.8% of the shares of the Company at completion of the Entitlement Offer.</p> <p>If the Company utilises the Standby Facility, Shareholder approval will be required for the issue of Tranche C Options. If Tranche B &amp; C Options are approved, Pacific Road could end up with between 33.3% and 41.3%, respectively, of the shares of the Company on a fully diluted basis.</p>	
How do I apply for New Shares under the Entitlement Offer?	<p>Applications for New Shares can be made by Eligible Shareholders completing the relevant sections of the Entitlement and Acceptance Form accompanying this Prospectus and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement applied for.</p> <p>You may accept all or part of your Entitlement.</p>	Sections 4.2 and 4.3
Can I apply for Additional Securities?	<p>You can apply for Additional Securities. However, Additional Securities will only be available to Eligible Shareholders (other than Directors and related parties) where there is a shortfall between Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. There is no guarantee that you will receive any or all of the Additional Shares you apply for.</p>	Sections 2.10 and 4.3
Can I sell my Entitlements under the Entitlement Offer?	<p>Yes. The Rights are renounceable. This provides Eligible Shareholders who do not wish to subscribe for some or all of their Rights an opportunity to sell those Rights.</p>	Sections 2.8 and 2.9
How will the Shortfall be allocated?	<p>The Shortfall will be dealt with by the Underwriter in accordance with the terms of the Underwriting Agreement. In the event that the Underwriting Agreement is terminated or the Shortfall exceeds the underwritten amount of \$3.0 million, the Directors reserve the right to issue the Shortfall at their discretion within 3 months of the date of this Prospectus.</p>	Sections 2.10 and 7.4
How can I obtain further information?	<p>Contact Link Market Services Ltd Information Line on 1300 730 659 or their Perth Office on +618 9211 6670 (Perth Office) at any time between 8:30am and 5:30pm (WST) Monday to Friday until the Closing Date. For advice, actively consult your broker, accountant or other professional adviser.</p>	

## 1.2 Key Risk Factors

Investors should be aware that subscribing for New Shares in the Company involves a number of risks. The below and other risks set out in section 6 may affect the value of the new securities in the future, and investing in the Company should be considered speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares under this Prospectus.

Risk	Description	Reference in Prospectus
<b>Future capital requirements</b>	<p>The Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities.</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 Blackham. This may 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 and the value of the Company Shares.</p>	Section 6.2(a)
<b>Resource and reserve estimates</b>	<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>	Section 6.2(b)
<b>Exploration, development, production and sale risks</b>	<p>Mining 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 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 Blackham's operating mines, plants, equipment, power stations, borefields, camp and</p>	Section 6.2(c)

Risk	Description	Reference in Prospectus
	<p>processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Blackham's plants, mines, plants, mining equipment, power stations, borefields, camp, and processing facilities are essential for production to be successful.</p> <p>There is no guarantee that Blackham 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>	
<b>Mining approvals</b>	<p>Prior to commencement of any future mining operation that the Company does not currently have approval for in relation to Blackham's open pit resources, underground resources and tailings dams, the Company will be required to ensure it obtains all relevant approvals relating to the future mining operations. There can be no assurances that those approvals will be received or that the conditions within the approvals 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.</p>	Section 6.2(d)
<b>Operating risks</b>	<p>The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.</p>	Section 6.2(e)
<b>Gold price volatility and exchange rates</b>	<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, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.</p>	Section 6.2(f)
<b>Title and tenure risk</b>	<p>Interests in tenements in Australia are governed by State legislation and are evidenced by the granting of</p>	Section 6.2(g)

Risk	Description	Reference in Prospectus
	<p>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. 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.</p> <p>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.</p> <p>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>	
<b>Geotechnical risk</b>	<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. 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 area will be evaluated by Blackham.</p>	Section 6.2(h)
<b>Access risk - Native title and Aboriginal heritage</b>	<p>It is possible that Aboriginal significant or sacred 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 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 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 holders of interests in applicable tenements before commencing activities on affected</p>	Section 6.2(i)

Risk	Description	Reference in Prospectus
	<p>areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.</p>	
<p><b>Environmental risks</b></p>	<p>The operations and proposed activities of the Company are subject to Australian laws and regulation concerning the environment. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result in 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 operations.</p>	<p>Section 6.2(j)</p>
<p><b>Joint venture parties, contractors and agents</b></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 insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or 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 these parties.</p>	<p>Section 6.2(k)</p>
<p><b>Access to Infrastructure</b></p>	<p>The Operation has gas and diesel power stations and permitted water borefields and related infrastructure. Production will require the use of both power and water infrastructure. A disruption to gas, diesel or water supplies to the Operation could have an adverse effect on the Company.</p>	<p>Section 6.2(l)</p>
<p><b>Default Risk</b></p>	<p>As announced by the Company on 24 November 2017, the Company has entered into Funding Arrangements with Pacific Road, details of which are contained in the Letter from the Chairman and sections 2.17, 3.3 and 6.2(m). The Company's repayment obligations to Pacific Road will be secured against the Blackham Group's assets pursuant to a General Security Deed and Mining Tenement Mortgages over the Operation. If the Company is unable to repay Pacific Road as required under the Facility or the Stand-by Loan or if it defaults in its obligations under the Relevant Documents, the Company will be at risk of default proceedings should</p>	<p>Section 6.2(m)</p>

Risk	Description	Reference in Prospectus
	Pacific Road seek to enforce its rights under those Relevant Documents.	
<b>Key personnel</b>	<p>Blackham's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement.</p> <p>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.</p>	Section 6.2(n)

## 2. DETAILS OF THE ENTITLEMENT OFFER

### 2.1 Entitlement Offer

The Company is making a renounceable pro-rata offer of New Shares to Eligible Shareholders of 102,590,951 New Shares on the basis of 2 New Shares for every 7 Shares held at the Record Date at an Offer Price of 12 cents each to raise approximately \$12.3 million before costs (**Entitlement Offer**).

As also noted in Section 2.10, Eligible Shareholders (other than Directors and related parties of the Company) will be able to apply for Additional Securities in excess of their Entitlements under the Shortfall Offer further details of which are contained in section 2.10.

The Entitlement Offer and the Shortfall Offer under this Prospectus are conditional on the Company:

- a) being entitled to make the initial draw down under the Facility; and
- b) having issued Shares under the Placement.

If any of the Offer Conditions are not satisfied by the Closing Date then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.

### 2.2 Fractional Entitlements

Fractional Entitlements of the Entitlement Offer will be rounded down to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements.

### 2.3 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by Eligible Shareholders on the issue of New Shares under this Prospectus.

### 2.4 Underwriting

The Entitlement Offer is partially underwritten by Barclay Wells Limited (**Underwriter**). The Company and the Underwriter have entered into a binding underwriting agreement whereby the Underwriter has agreed to underwrite up to a total of \$3.0 million (**Underwritten Amount**) for 25,000,000 New Shares.

A summary of the Underwriting Agreement (including the circumstances in which it may be terminated) is set out in Section 7.4.

### 2.5 Nominee for foreign holders

The Company has also appointed Barclay Wells Limited as the Company's nominee for foreign shareholders for the purposes of ASX Listing Rule 7.7 for those foreign shareholders who have been deemed ineligible to participate under the Entitlement Offer (**Nominee**).

Pursuant to the arrangement with the Nominee, the Company will transfer to the Nominee the rights that would otherwise be issued to the foreign holders who either accept the offer or are otherwise entitled to acquire such rights under the Entitlement

Offer and the Nominee will then sell those rights and provide the proceeds of those sales (net of expenses) to the Company (or its Share Register). The Company will then distribute to each of those foreign holders their proportion of the proceeds of the sale net of expenses.

## 2.6 Opening and Closing Date

The Entitlement Offer will open for receipt of acceptances on Wednesday, 6 December 2017. The Closing Date for acceptances is 5.00 pm WST on Friday, 15 December 2017.

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.

## 2.7 Purpose of the Entitlement Offer

The Company expects to receive up to \$12.3 million under the Entitlement Offer (before costs) and proposes to use the proceeds as set out in Section 3.

## 2.8 Entitlements under the Entitlement Offer

Eligible Shareholders who are on the Company's Share register at 5:00pm (WST) on the Record Date, being Tuesday, 5 December 2017, will receive rights to acquire 2 New Shares for every 7 Shares held, at the Offer Price of 12 cents per New Share.

A personalised Entitlement and Acceptance Form setting out an Eligible Shareholder's Entitlement to New Shares accompanies this Prospectus.

## 2.9 Renounceable Entitlement Offer – Rights are tradeable

The Entitlement Offer is renounceable. This means that, should you choose not to accept all or part of your Rights, they may be traded on the ASX. If you wish to sell your Rights on the ASX, you should provide instructions to your stockbroker regarding the Rights you wish to sell. Trading of Rights will commence on the ASX on Monday, 4 December 2017 and will cease on Friday, 8 December 2017.

There is no guarantee that you will be able to sell all or any part of your Rights on the ASX or that any particular price will be paid for the Rights sold on the ASX.

## 2.10 Application for Additional Securities and Shortfall Offer

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall (**Shortfall Offer**). The Shortfall Offer is, to the extent that it is made in Australia, a separate offer under this Prospectus and will remain open until the Shortfall Closing Date 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 (ie. additional New Shares) in excess of their Entitlements by completing the relevant section of their Entitlement and Acceptance Form. Other investors may also apply for New Shares under the Shortfall by Completing a Shortfall application form upon invitation by the Company. All New Shares issued under the Shortfall Offer will be issued at the same Offer Price of 12 cents per New Share.

Subject to the terms of the Underwriting Agreement, Additional Securities issued under the Shortfall Offer will be allocated to Eligible Shareholders or to other investors at the

discretion of the Directors. There is no guarantee that an applicant under the Shortfall Offer will be issued any Additional Securities. In the event Eligible Shareholders who apply for Additional Securities are allocated a lesser number of Additional Securities than applied for, or are allocated no Additional Securities, any excess Application Monies will be refunded without interest.

The Directors reserve the right to place the non-underwritten portion of the Shortfall or if the Underwriting Agreement is terminated, all of the Shortfall, at their discretion within 3 months of the date of this Prospectus.

## **2.11 Application required for New Shares**

A detailed explanation of the actions required by Eligible Shareholders to apply for New Shares is set out in Section 4.

## **2.12 Treatment of Overseas Shareholders under the Entitlement Offer**

The Company is of the view that it is unreasonable to make the Entitlement Offer to any Shareholder whose registered address as at the Record Date is outside of Australia or New Zealand having regard to:

- (a) the number of Shareholders outside these jurisdictions;
- (b) the number and value of the New Shares that could be offered outside these jurisdictions; and
- (c) the cost of complying with applicable regulations in jurisdictions outside these jurisdictions.

This Prospectus has not been and will not be registered under the securities laws of jurisdictions outside these jurisdictions. Accordingly, no Entitlement and Acceptance Forms or Shortfall application forms will be sent, and no offers will be made, to Ineligible Foreign Shareholders.

Non-Australian Eligible Shareholders should note that the Entitlement Offer is being conducted in accordance with the laws in force in Australia and the Listing Rules.

The Entitlement Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients of this Prospectus may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia (other than to Eligible Shareholders).

Pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Barclay Wells Limited, to sell the Entitlements to which Ineligible Foreign 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 Foreign 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 Foreign 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 Foreign 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 Foreign Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Foreign 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.

### **2.13 Minimum Subscription**

There is no minimum subscription for the Entitlement Offer.

### **2.14 Applying for quotation of New Shares**

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares to be granted quotation.

The fact that the ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

### **2.15 Issue of New Shares under the Entitlement Offer**

New Shares will only be issued after all Application Monies has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on or about Thursday, 21 December 2017 and normal trading of the New Shares on ASX is expected to commence on or about Friday, 22 December 2017.

All Application Monies received before New Shares are issued will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

If the New Shares are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Monies in full (without interest).

### **2.16 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS, operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESSE, Applicants will not receive a certificate but will receive a statement that sets out the number of New Shares issued to each successful Applicant under this Prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statement do so at their own risk.

## 2.17 Effect of the Entitlement Offer on the Control of the Company

Generally, Eligible Shareholders who take up their Entitlement in full should not have their interest in the Company diluted by the Entitlement Offer (subject to immaterial movements as a result of rounding of Entitlements).

The potential effect of the Entitlement Offer on the control of the Company is as follows:

- If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company.
- If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted.
- The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Shareholders are not entitled to participate in the Entitlement Offer.

The Company has agreed, under the Funding Arrangements, to issue to Pacific Road Shares pursuant to the Placement and the Pacific Road Options. This will not occur before the Record Date and, accordingly, Pacific Road will not participate in the Entitlement Offer as it will have no Shares in the Company as at the Record Date. However, it is expected that the Shares under the Placement and the Tranche A Options will be issued to Pacific Road prior to the Closing Date. The table below sets out Pacific Road's potential relevant interest in Blackham on the basis of Pacific Road's maximum potential relevant interest under the Funding Arrangement after the issue to Pacific Road of the Shares under the Placement, Sub-Underwriting (see section 7.5) and the Pacific Road Options (as set out in section 3.3) and assuming several different scenarios under the Entitlement Offer.

Event	Shares issued to Pacific Road	Total Shares on Issue	Cumulative interest of Pacific Road
Date of the Prospectus	0	359,068,328	0
After the issue of Shares under the Placement	61,250,000	420,318,328	14.6%
After the issue of Shares on the exercise of the Pacific Road Options	76,250,000	435,318,328	17.5%
<b>Completion of the Entitlement Offer</b>			
Fully Subscribed	76,250,000	537,909,279	14.2%

75% Subscribed	98,333,333	534,344,874	18.4%
50% Subscribed	98,333,333	508,697,136	19.3%
0% Subscribed	98,333,333	457,401,661	21.5%

**Note:** The above table does not take into consideration the exercise of any options on issue in the Company (other than the Tranche A Options) or the vesting of performance rights on issue.

## 2.18 Rights attaching to New Shares

The New Shares issued under this Prospectus will be on a fully paid basis and will rank equally in all respects with existing Shares.

A summary of the important rights attaching to the New Shares is contained in Section 5 of this Prospectus.

## 2.19 Risk Factors

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The New Shares should be considered speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares pursuant to this Prospectus.

The key risk factors are set out in Section 1.2 and detailed risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

### 3. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

#### 3.1 Purpose of the Entitlement Offer

The funds raised from the Entitlement Offer will be applied towards the following:

- (a) to provide additional funds to enhance production;
- (b) strengthen and lengthen reserves;
- (c) complete expansion studies;
- (d) general working capital; and
- (e) meeting the costs of the Entitlement Offer.

If fully subscribed, the sources and application of funds raised under both the Funding Arrangement and Entitlement Offer is summarised as follows:

Sources of Funds		\$'M	Use of Funds		\$'M
Senior Loan Facility		40.0	Refinance existing debt		37.3
Private Placement		7.4	Reserve & Exploration Drilling		6.0
Entitlement Offer		12.3	Studies		2.0
			Transaction costs		3.4
			Working capital		11.0
		<b>59.7</b>			<b>59.7</b>

Should only the Underwritten Amount be raised, \$9.3 million will be reduced from the working capital amount. The use of the funds raised from the Entitlement Offer may vary. A further \$10 million in debt is expected to be available up until 30 June 2018, under the Pacific Road Standby Loan, subject to shareholder approval of Tranche B and C options to Pacific Road.

#### 3.2 Effect of the Entitlement Offer

The principal effects of the Entitlement Offer will be to:

- (a) increase the Company's cash reserves by up to \$12.3 million (before taking into account the costs of the Entitlement Offer and prior to the deployment of those funds);
- (b) provide the Company with additional capital for the purposes referred to in Section 3.1; and
- (c) increase the total number of issued Shares (refer to Section 3.3).

Pro forma financial information summarising the effects of the Entitlement Offer is provided in Section 3.4.

### 3.3 Effect of the Entitlement Offer on Capital Structure

Set out below, for illustrative purposes only, is the existing capital structure (as at the date of this Prospectus) together with the impact of the issue of New Shares under the Entitlement Offer (assuming it is fully subscribed).

	Number of Ordinary Shares	Percentage of Total Shares
Existing Issued Capital	359,068,328	100%
New Shares offered pursuant to the Entitlement Offer	102,590,951	22.2%
<b>Total issued Shares post completion of the Entitlement Offer<sup>1</sup></b>	<b>461,659,279<sup>(1)</sup></b>	<b>100%</b>
Maximum Number of Shares which may be issued to Pacific Road	252,133,333 <sup>(2)</sup>	41.3% <sup>(3)</sup>
<b>Total issued Shares post completion of the Entitlement Offer and under the Funding Arrangement<sup>(4)</sup></b>	<b>691,709,279</b>	<b>100%</b>

1. This total does not include any Additional Underwriter Options which may be issued pursuant to the Underwriting Agreement or any Shares issued to Pacific Road under the Placement, on the exercise of the Pacific Road Options and assumes that the Entitlement Offer is fully subscribed.
2. This total assumes the receipt of Shareholder approval for the Company for the issue and exercise of all Pacific Road Options and the exercise of all the Pacific Road Options. The Tranche C Options will only be issued if the \$10 million Standby Facility is fully drawn before 30 June 2018.
3. This assumes that the Entitlement Offer is not fully subscribed and that Shares are only issued under the Underwriting Agreement.
4. This total assumes that no options (other than the Pacific Road Options) are exercised, no performance rights have vested and that no other Shares are issued.

In addition, the Company has on issue the following unlisted Options and performance rights on issue as at the date of this Prospectus.

Options	Expiry Date	Exercise Price	Number
	6 December 2017	0.256	500,000
	14 December 2017	\$0.50	2,000,000
	31 December 2017	\$0.18	16,666,667
	31 December 2017	\$0.256	700,000
	3 February 2018	\$0.30	1,000,000
	8 February 2018	\$0.465	500,000

	20 March 2018	\$0.35	3,000,000
	30 April 2018	\$0.51	300,000
	8 February 2019	\$0.38	175,000
	8 February 2019	\$0.463	175,000
	1 June 2019	\$1.00	1,000,000
	3 July 2019	\$0.91	175,000
	31 December 2019	\$0.57	600,000
	29 February 2020	\$0.308	2,000,000
	31 May 2020	\$0.382	175,000
	31 May 2020	\$0.382	175,000
<b>Total number of unlisted Options as at the date of the Prospectus</b>			<b>29,141,667</b>
<b>Performance Rights</b>	<b>Expiry Date</b>		<b>Number</b>
	31 December 2017		250,000
	31 December 2017		350,000
	31 December 2017		1,500,000
	31 December 2017		1,500,000
<b>Total number of Performance Rights as at the date of the Prospectus</b>			<b>3,600,000</b>

If any of the Company's existing unlisted Options are exercised or Performance Rights vest prior to the Record Date, the Shares issued on such exercise or vesting will be eligible to participate in the Entitlement Offer.

Accordingly, the total issued capital of the Company following the Entitlement Offer (assuming it is fully subscribed) may be more than the number shown in this Section 3.3 above.

### 3.4 Effect of the Entitlement Offer on the Company's Financial Position

Set out below for illustrative purposes is the unaudited consolidated statement of financial position including the effect of the Entitlement Offer, assuming:

- (a) the issue of 102,590,951 New Shares offered pursuant to the Entitlement Offer at \$0.12 to raise approximately \$12.3 million (before costs) has been completed;
- (b) the estimated costs of the Entitlement Offer, including underwriter's fee will be a maximum of approximately 6% of the proceeds, or \$685,456;
- (c) the refinancing of the existing debt facility with a new combination of debt and equity, the Funding Arrangement, as per the Pacific Road announcement dated

24 November 2017 (it is assumed that the Funding Arrangement's \$10m Standby Loan will not be drawn down by the date the Entitlement Offer ends).

- (d) no existing Options are exercised prior to the Record Date; and
- (e) other interim adjustments have been taken into account for the period between 30 September 2017 and the date of this Prospectus.

### Pro-forma Statement of Financial Position

	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<b>Jun-17</b>	<b>Sep-17</b>	<b>Funding</b>	<b>Entitlement</b>	<b>Other interim</b>	<b>Pro Forma</b>
	<b>A\$'000</b>	<b>A\$'000</b>	<b>Arrangement</b>	<b>Offer</b>	<b>adjustments</b>	<b>Balance</b>
			<b>A\$'000</b>	<b>A\$'000</b>	<b>A\$'000</b>	<b>Sheet</b>
						<b>A\$'000</b>
<b>Current assets</b>						
Cash and cash equivalents	18,470	7,205	6,753	11,870	(1,990)	23,838
Gold bullion awaiting settlement	1,191	1,943	-	-	(945)	998
Bank guarantees (restricted cash)	617	617	-	-	(167)	450
Trade and other receivables	1,030	2,168	-	-	476	2,644
Inventories	12,804	10,145	-	-	(634)	9,511
Financial assets	1,278	215	-	-	(215)	-
<b>Total current assets</b>	<b>35,390</b>	<b>22,293</b>	<b>6,753</b>	<b>11,870</b>	<b>(3,475)</b>	<b>37,441</b>
<b>Non-current assets</b>						
Other receivables	350	-	-	-	-	-
Inventories	1,504	1,504	-	-	-	1,504
Plant and equipment	49,922	50,416	-	-	-	50,416
Mine properties - areas in production	87,863	91,557	-	-	634	92,191
Mine properties - areas in development	1,206	2,374	-	-	493	2,867
Exploration and evaluation expenditure	10,662	12,591	-	-	-	12,591
<b>Total non-current assets</b>	<b>151,507</b>	<b>158,442</b>	<b>-</b>	<b>-</b>	<b>1,127</b>	<b>159,569</b>
<b>Total assets</b>	<b>186,897</b>	<b>180,735</b>	<b>6,753</b>	<b>11,870</b>	<b>(2,348)</b>	<b>197,010</b>
<b>Current liabilities</b>						
Trade and other payables	36,015	36,184	-	-	(636)	35,548
Financial liabilities	-	-	-	-	500	500
Interest-bearing liabilities	16,240	14,059	(14,014)	-	337	382
<b>Total current liabilities</b>	<b>52,255</b>	<b>50,243</b>	<b>(14,014)</b>	<b>-</b>	<b>201</b>	<b>36,430</b>
<b>Non-current liabilities</b>						
Interest-bearing liabilities	23,383	23,053	12,416	-	473	35,941
Provisions	24,934	25,102	-	-	-	25,102
<b>Total non-current liabilities</b>	<b>48,317</b>	<b>48,155</b>	<b>12,416</b>	<b>-</b>	<b>473</b>	<b>61,043</b>
<b>Total liabilities</b>	<b>100,572</b>	<b>98,398</b>	<b>(1,598)</b>	<b>-</b>	<b>674</b>	<b>97,474</b>
<b>Net assets</b>	<b>86,325</b>	<b>82,337</b>	<b>8,351</b>	<b>11,870</b>	<b>(3,022)</b>	<b>99,536</b>
<b>Equity</b>						
Issued capital	109,960	111,958	7,130	11,870	606	131,563
Reserves	6,310	6,664	1,222	-	-	7,886
Accumulates losses	(29,945)	(36,285)	-	-	(3,628)	(39,913)
<b>Total equity</b>	<b>86,325</b>	<b>82,337</b>	<b>8,351</b>	<b>11,870</b>	<b>(3,022)</b>	<b>99,536</b>

### 3.5 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales, are:

Highest: \$0.32 on 28 Aug 2017  
 Lowest: \$0.11 on 1 Nov 2017

The volume weighted average sale price on ASX of the Shares during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC (**VWAP**) is \$0.1955. The Offer Price represents a discount of 38.6% to the VWAP over the 3 months.

The latest available market sale price of the Shares on ASX prior to the day of lodgement of this Prospectus with ASIC was \$0.135 on 28 November 2017.

## 4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

### 4.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 2.17 above).

As an Eligible Shareholder you may:

- take up all or part of your Entitlement (refer to Section 4.2 below);
- take up all of your Entitlement and apply for Additional Securities (refer to Section 4.3 below); or
- allow all or part of your Entitlement to lapse (refer to Section 4.4 below); or
- sell all or part of your Rights (refer to Section 2.9 above).

Eligible Shareholders who take no action in respect of their New Shares may receive no benefit and their Entitlement will lapse. Eligible Shareholders may still trade their Rights (refer to Section 2.8 above).

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

Ineligible Foreign Shareholders may not take any of the steps set out in Sections 4.2 to 4.3.

### 4.2 Taking up all or part of your Entitlement

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 (WST) 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:

- 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 in full for 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.
- 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 Applying for Additional Securities

As detailed in Section 2.10 above, 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.

If you wish to subscribe for Additional Securities in addition to your Entitlement, then 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 the Additional Securities (at the Offer Price of \$0.12 for each Additional Share).

If your payment is being made by BPay®:

- 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
- 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 Securities which is covered in full by your Application Monies.

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

Other investors may also apply for New Shares under the Shortfall by completing a Shortfall application form upon invitation by the Company. All New Shares issued under the Shortfall Offer will be issued at the same Offer Price of 12 cents per New Share.

In accordance with ASX Listing Rule 7.12, a buyer under a contract note from a member organisation of ASX on or before the Record Date will be entitled to participate in the Entitlement Offer if a certified copy of the contract note is provided to the Company.

### 4.4 Allow all or part of your Entitlement to lapse

If you do not wish to allow all of your Entitlement to lapse, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps in Section 4.2. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up that part of

your Entitlement. As this is a renounceable offer, your Rights are tradeable. Refer to Section 2.9 for further information in relation to this.

#### 4.5 Enquiries

If you have any questions about your Entitlement, please contact the Company's Share Registry, Link Market Services Limited, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus. For advice on the Entitlement Offer, contact your stockbroker or other professional adviser.

#### 4.6 Privacy

Applicants will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Share Registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- (a) the Share Registry for ongoing administration of the shareholder register;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (c) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the Shares and Options and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988* (Cth).

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal information. Request for access to personal information should be made by writing to or telephoning the Share Registry, the address and contact details for which are given in the Corporate Directory section located at the end of this Prospectus.

## **5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SECURITIES**

### **5.1 Rights attaching to the New Shares**

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including New Shares) are described in the Constitution and regulated by the Corporations Act, Listing Rules and the general law (the **applicable law**).

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

#### **(a) Voting Rights**

Subject to the Constitution of the Company 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 does not have 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, 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, 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, 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 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 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.

## **6. RISKS**

### **6.1 Introduction**

There are a number of factors, both specific to the Company and of a general nature to the business and economic climate which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, its investment returns and the value of the Shares. These risks include, but are not limited to, the risks set out in this Section.

The risks have been separated into Company specific risks (described under Section 6.2) and risks associated with investing in the market generally (described under Section 6.3). The Company's specific risks have been based on an assessment by the Directors of the probability of the risk occurring and the impact of the risk if it is to occur. This assessment was based on the knowledge of the Directors as at the date of this Prospectus and therefore there is no guarantee or assurance that the importance of the different risks referred to below will not change.

Prospective investors should note that this Section is not an exhaustive list of the risks associated with an investment in the Company and it should be considered in conjunction with other information disclosed in this Prospectus. The risk factors may materially affect the financial performance of the Company and the value and/or the market price of the New Shares.

### **6.2 Company Specific Risks**

#### **(a) Future capital requirements**

The Company may need to raise additional equity or debt funds in the future, after this Entitlement Offer is completed, to execute the projects or planned operations of the Company or to expand its operations or projects.

Any additional equity financing will dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities.

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 Blackham. This may 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 and the value of the Company Shares.

#### **(b) Resource and reserve estimates**

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.

**(c) Exploration, development and production and sale risks**

Mining 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 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 Blackham's operating mines, plants, equipment, power stations, borefields, camp and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Blackham's plants, mines, plants, mining equipment, power stations, borefields, camp and processing facilities are essential for production to be successful.

There is no guarantee that Blackham 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.

**(d) Mining approvals**

Prior to commencement of any future mining operation that the Company does not currently have approval for in relation to Blackham's open pit resources, underground resources and tailings dams, the Company will be required to ensure it obtains all relevant approvals relating to the future mining operations. There can be no assurances that those approvals will be received or that the conditions within the approvals 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.

**(e) Operating risks**

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.

**(f) Gold price volatility and exchange rate risk**

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, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

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.

**(g) Title and tenure risk**

Interests in 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. 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.

**(h) 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. 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 Blackham.

**(i) Access risk - Native title and Aboriginal heritage**

It is possible that Aboriginal significant or sacred 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 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 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 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.

**(j) Environmental risks**

The operations and proposed activities of the Company are subject to Australian laws and regulation concerning the environment. It is the Company's intention to conduct its activities consistent with its environmental obligations, including

compliance with all environmental laws. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result in 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 estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(k) **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 insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or 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 these parties.

(l) **Access to Infrastructure**

The Operation has gas and diesel power stations and permitted water borefields and related infrastructure. Production will require the use of both power and water infrastructure. A disruption to gas, diesel or water supplies to the Operation could have an adverse effect on the Company.

(m) **Default Risk**

As announced by the Company on 24 November 2017, the Company has entered into Funding Arrangements with Pacific Road, details of which are contained in the Letter from the Chairman and sections 2.17 and 3.3. The Company's repayment obligations to its secured debt financiers will be secured against the Blackham Group's assets pursuant to the General Security Deed and mortgages over the Operation. If the Company is unable to repay its secured debt financiers as required under the Facility or the Stand-by Loan or if it defaults in its obligations under the Relevant Documents, the Company will be at risk of default proceedings should its secured debt financiers seek to enforce its rights under those Relevant Documents.

(n) **Key personnel**

Blackham's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement.

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.

### 6.3 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) **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.

(c) **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.

(d) **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, participation in any on-market Share buy-back and on the disposal of New Shares.

(e) **Global credit and investment markets**

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

(f) **Counterparty risk**

There is a risk that contracts and other arrangements 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.

The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

(g) **Litigation**

The Company may be subject to litigation and other claims. This could result in negative publicity and additional expenditure.

(h) **Insurance Risks**

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company insures its operations in accordance with industry practice. However in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. 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.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

(i) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been considered in this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Share.

## 7. ADDITIONAL INFORMATION

### 7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of securities where those securities are of a class which have been quoted for 12 months before the date of that prospectus.

### 7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

### 7.3 Taxation

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any New Shares subscribed for under this Prospectus.

The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

### 7.4 Underwriting Agreement

In accordance with the Underwriting Agreement, the Underwriter has agreed to partially underwrite the Entitlements Offer up to a total of \$3.0 million. Under the Underwriting Agreement, the Underwriter must underwrite the lower of \$3.0 million and the difference between the maximum amount that may be raised under the Entitlements Offer and the amount raised under the Entitlements Offer.

Under the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter an underwriting fee of up to 5% of the amounts underwritten;
- (b) pay a placement fee of 5% of any Shortfall Shares placed beyond the Underwritten Amount; and
- (c) issue the Underwriter 2,000,000 Options exercisable at \$0.17 per Share on or before the date which is three years from the date of grant (**Additional Underwriter Options**).

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (Indices fall): the S&P ASX 200 Index is at any time after the Execution Date 20% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (No Listing Approval): the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;

- (No Official Quotation): ASX has advised the Company that it will or may not grant official quotation to the Underwritten Shares on or prior to the Shortfall Notice Deadline Date;
- (Non compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Underwritten Shares;
- (Restriction on issue): the Company is prevented from issuing the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (Takeovers Panel): the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world and the Underwriter believes (on reasonable grounds) that the outbreak or escalation or terrorist act is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the Underwriting Agreement;
- (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence; or (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
- (Termination Events): subject always to, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act, upon the occurrence of any of the following events:
  - (i) (Default): default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
  - (ii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
  - (iii) (Contravention of constitution or Act): a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;

- (iv) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) (Significant change): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (x) (Prescribed Occurrence): a Prescribed Occurrence occurs;
- (xi) (Suspension of debt payments): the Company suspends payment of its debts generally;
- (xii) (Judgment against a Relevant Company): a judgment in an amount is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiii) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in prior announcements [or which relate to the Current Litigation];
- (xiv) (Board and senior management composition): there is a significant change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter, such consent not to be unreasonably withheld except as announced by the Company prior to the date of the Underwriting Agreement;
- (xv) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company except as announced by the Company prior to date of the Underwriting Agreement;

- (xvi) (Timetable): there is a delay in any specified date in the Timetable which is greater than 30 Business Days;
- (xvii) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xviii) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated excluding the issue of any Shares upon the exercise of options issued in the Company or the vesting of performance rights issued in the Company, such options and performance rights having been disclosed to the ASX as at the date of this Agreement, or the issue of securities under the Pacific Road Funding Package, the Lind Facility or under the Entitlement Offer;
- (xx) (Breach of Material Contracts): any of the Contracts is terminated or substantially modified except as announced by the Company prior to the Execution Date (including any contemplated termination or substantial modification announced);
- (xxi) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- (xxii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or (xxiii) (Pacific Road Funding Package) the Company: (A) is not entitled to make an initial draw down under the Loan Facility; and (B) has not issued Shares under the Subscription Agreement, in each case prior to the Closing Date for acceptances under the Entitlement Offer. For the avoidance of doubt this clause does not restrict the Company from varying the Closing Date.

## 7.5 Sub-underwriting agreement

Pacific Road has agreed to sub-underwrite \$2.65 million of the underwriting commitment of the Underwriter. The sub-underwriting commitment is conditional on the Underwriter not terminating the Underwriting Agreement (see Section 7.4 for details of the circumstances in which the Underwriter can terminate the Underwriting Agreement). Pacific Road is entitled to be paid a 3% Sub-Underwriting fee (excluding GST).

## 7.6 Termination of Funding Facilities

Blackham intends to end the following funding facilities on closing of the Pacific Road Capital Funding Arrangement;

- (a) The Australian Special Opportunity Fund funding arrangement announced 31 August 2017; and
- (b) The Orion Mine Finance Facility announced 20 May 2015.

## 7.7 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum

extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Barclay Wells Limited has given, and not before the date of this Prospectus (including any electronic version) withdrawn, its consent to being named in this Prospectus in the form and context in which its name has been included. Barclay Wells Limited makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Barclay Wells Limited. To the maximum extent permitted by law, Barclay Wells Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Pacific Road has given, and not prior to the date of this Prospectus (including any electronic version) withdrawn, its written consent to being named in this Prospectus in the form and context in which its name has been included. Pacific Road makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Pacific Road, other than the reference to its name in the form and context in which it is named. To the maximum extent permitted by law, Pacific Road expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named. Pacific Road has not caused the issue of or in any way authorised this Prospectus and takes no responsibility for the issue of this Prospectus.

Link Market Services Limited has given and, as at the date of this Prospectus, has not withdrawn its written consent to be named as the Company's Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus, apart from compiling the Entitlement and Acceptance Form, providing an Information Hot Line and being named as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of, this Prospectus. Link is entitled to a fee of \$16,730 for the services provided under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Shares pursuant to this Prospectus; or
- the offer of New Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares pursuant to this Prospectus.

## **7.8 Directors' authorisation**

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

## 7.9 Continuous Disclosure and Documents Available for Inspection

The Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

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 will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the Annual Report for the financial year ended on 30 June 2017, being the annual financial report most recently lodged with ASIC by the Company; and
- (b) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC.

Such notices are listed below under the heading "ASX Releases" in Section 7.10.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

## 7.10 ASX Releases

ASX releases of the Company since the date of lodgement of the Company's latest annual report are listed below:

<b>Date lodged</b>	<b>Announcement</b>
26/10/2017	Quarterly Activities & Cashflow Report Sep 2017
01/11/2017	Market Update
03/11/2017	Appendix 3B
06/11/2017	Trading Halt
8/11/2017	Voluntary Suspension
13/11/2017	Voluntary Suspension
20/11/2017	Voluntary Suspension
24/11/2017	New Funding Package
24/11/2017	AGM Presentation

<b>Date lodged</b>	<b>Announcement</b>
24/11/2017	AGM Results
27/11/2017	High Grade Intercepts at Bulletin Mine
27/11/2017	High Grade Intercepts at Bulletin Mine (Revised)

## 7.11 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Shares; or
- (c) the offer of New Shares, other than as ordinary Shareholders,

and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (d) to induce him or her to become, or to qualify him, as a Director; or
- (e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares.

The Directors' and their nominees' current shareholdings and interests in Shares, Options and Performance Rights are as follows:

	<b>Bryan Dixon <sup>(3)</sup></b>	<b>Milan Jerkovic <sup>(4)</sup></b>	<b>Greg Miles</b>
Current Number of Shares	<b>4,690,000</b>	<b>1,280,826</b>	<b>1,012,500</b>
Current percentage holding	<b>1.306%</b>	<b>0.357%</b>	<b>0.282%</b>
Current number of Options	<b>nil</b>	<b>500,000</b>	<b>nil</b>
Entitlement to New Shares under the Entitlement Offer <sup>(1)</sup>	<b>1,172,500</b>	<b>320,206</b>	<b>253,125</b>
Maximum number of Shares following the Entitlement Offer <sup>(2)</sup>	<b>5,862,500</b>	<b>1,601,032</b>	<b>1,265,625</b>
Maximum number of Options following the Entitlement Offer <sup>(1)</sup>	<b>nil</b>	<b>500,000</b>	<b>Nil</b>
Maximum percentage of Shares following the Entitlement Offer <sup>(2)</sup>	<b>1.306%</b>	<b>0.357%</b>	<b>0.282%</b>

1. Assuming Directors do not exercise their Options.
2. Assuming Directors and their nominees take up their full Entitlements under the Entitlement Offer and excluding the issue of Shares under the Placement.
3. Depending on the meeting of a vesting condition surrounding Performance Rights, Mr Dixon may also be entitled to a further 1,500,000 Shares.
4. Depending on the meeting of a vesting condition surrounding Performance Rights, Mr Jerkovic may also be entitled to a further 250,000 Shares.

At the time of lodging this Prospectus, the Directors and their nominees have indicated that they will take up part of their Entitlement under the Entitlement Offer to the extent they are able to fund their Entitlement.

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	2017 Salary and fees (incl superannuation and non- monetary benefits) \$	2017 Share Based Payments \$	2016 Salary and fees (incl superannuation and non- monetary benefits) \$	2016 Share Based Payments \$
Bryan Dixon	367,782	117,595	364,534	511,480
Milan Jerkovic	102,656	79,199	48,558	223,073
Gregory Miles	55,000	nil	43,750	nil

### 7.12 Estimated Costs of the Entitlement Offer

If Entitlement Offer is fully subscribed, the expenses of the Entitlement Offer (exclusive of GST) are estimated to be approximately as follows:

Expenses	\$
Underwriter and Management Fees (maximum)	615,456
Legal	15,000
Printing, postage and share registry	30,000
Other	25,000
<b>Total estimated costs of Entitlement Offer</b>	<b>\$685,456</b>

## **8. DIRECTORS' STATEMENT**

This Prospectus is issued by Blackham Resources Limited ACN 119 887 606. Its issue was authorised by a resolution of Directors and is signed by Bryan Dixon on behalf of all the Directors.

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BRYAN DIXON  
Director

29 November 2017

## 9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

**\$ or AUD** Australian dollar.

**Additional Securities** means New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

**Additional Underwriter Options** has the meaning given to that term in section 7.4.

**Appendix 3B** means the ASX form for the new issue announcement and application for quotation of additional securities and agreement.

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

**Application Money** means money payable by Applicants in respect of their applications for New Shares under the Entitlement Offer.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as applicable).

**ASX Settlement Operating Rules** means ASX Settlement Pty Limited's operating rules.

**Blackham Group** means Blackham and all its subsidiaries.

**Board** means the board of Directors of the Company from time to time.

**Business Day** has the meaning ascribed to it in the Listing Rules.

**Constitution** means the constitution of the Company.

**CHESS** means Clearing House Electronic Subregister System.

**Closing Date** means 5:00pm (WST) on the closing date of the Entitlement Offer being 15 December 2017 (subject to the right of the Directors to change this date without notice).

**Company** or **Blackham** means Blackham Resources Limited ACN 119 887 606.

**Convertible Facility** has the meaning given to that term in the Letter from the Chairman.

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

**Directors** means the directors of the Company in office at the date of this Prospectus.

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

**Entitlement** means an Eligible Shareholder's entitlement to participate in the Entitlement Offer as it appears on the Entitlement and Acceptance Form.

**Entitlement Offer** means the offer to Shareholders at the Record Date of 2 New Share for every 7 Shares held at the Offer Price.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus that sets out the Entitlements of Shareholders to subscribe for New Shares pursuant to the Entitlement Offer.

**Facility** has the meaning given to that term in the Letter from the Chairman.

**Funding Arrangement** has the meaning given to that term in the Letter from the Chairman.

**General Security Deed** has the meaning given to that term in the definition of the term Relevant Documents.

**Ineligible Foreign Shareholder** means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand.

**Listing Rules** means the listing rules of the ASX as amended from time to time.

**Mining Mortgages** has the meaning given to that term in the definition of the term Relevant Documents.

**New Shares** means the Shares to be issued under the Entitlement Offer.

**Offer Conditions** has the meaning given to that term in the "Important Notice" Section.

**Offer Price** means \$0.12 per New Share.

**Opening Date** means the opening date of the Entitlement Offer being Wednesday 6 December 2017 (subject to the right of the Directors to change this date without notice).

**Operation** means the Matilda-Wiluna Gold Operation located in Western Australia and which includes the tenements held by each of Kimba Resources Pty Ltd ACN 106 123 951 and Matilda Operations Pty Ltd ACN 166 954 525, the area the subject of the tenements and the property of the Blackham Group located in this area.

**Option** means an option to subscribe for a Share.

**Optionholder** means a holder of Options.

**Pacific Road** means PRCM Nominees Pty Limited as trustee for Pacific Road Fund II WA Gold Managed Investment Trust.

**Pacific Road Options** each of the Pacific Road Tranche A Options, the Pacific Road Tranche B Options and Pacific Road Tranche C Options mentioned in the Letter from the Chairman.

**Placement** has the meaning given to that term in the Letter from the Chairman.

**Prospectus** means this prospectus.

**Record Date** means 5:00pm WST on Tuesday 5 December 2017 (subject to the right of the Directors to change this date without notice).

**Relevant Documents** means the following agreements between Blackham, its subsidiaries, Pacific Road and Pacific Road's related entities (as applicable):

- (a) the Share Subscription Agreement;
- (b) the Facility Agreement ;

- (c) the General Security Deed (**General Security Deed**);
- (d) the Mining Tenement Mortgage between Kimba Resources Pty Ltd ACN 106 123 951 and Pacific Road ;
- (e) the Mining Tenement Mortgage between Matilda Operations Pty Ltd ACN 166 954 525 and Pacific Road ;  
**(Mining Mortgages)**; and
- (f) the Stand-by Loan Agreement.

**Rights** means the right to subscribe for New Shares held at the Record Date pursuant to the Entitlement Offer.

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

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

**Shareholder** means a holder of Shares.

**Shortfall** or **Shortfall Shares** means those New Shares under the Entitlement Offer not applied for by Eligible Shareholders pursuant to the Prospectus by the Closing Date.

**Underwriter** means Barclay Wells Limited.

**Underwriting Agreement** means the underwriting agreement between the Company and the Underwriter dated 29 November 2017.

References in this Prospectus to Sections are to sections of this Prospectus.

## **10. CORPORATE DIRECTORY**

### **DIRECTORS**

Bryan Dixon (*Managing Director*)  
Milan Jerkovic (*Non-Executive Chairman*)  
Gregory Miles (*Non-Executive Director*)

### **COMPANY SECRETARY**

Mike Robbins

### **REGISTERED OFFICE & CONTACT DETAILS**

Level 2, 38 Richardson Street  
West Perth  
Western Australia 6005  
Telephone: (+61 8) 9322 6418  
Facsimile: (+61 8) 9322 6398  
Email: [info@blackhamresources.com.au](mailto:info@blackhamresources.com.au)

### **WEBSITE**

<http://www.blackhamresources.com.au>

### **UNDERWRITER**

Barclay Wells Limited  
Suite 1, 22 Railway Road  
Subiaco WA 6008  
Telephone: (+61 8) 6380 3333

### **SHARE REGISTRY**

Link Market Services Limited  
Level 12, 250 St Georges Terrace  
Perth WA 6000  
Telephone: (+61 8) 9211 6670



**BLACKHAM**  
Resources Limited  
ABN 18 119 887 606

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 730 659  
From outside Australia: +61 1300 730 659  
ASX Code: BLK  
Website: www.linkmarketservices.com.au

**SRN/HIN:**

**Entitlement Number:**

**Subregister:**

**Number of Eligible Shares held as at the Record Date, 5:00pm (WST) on 5 December 2017:**

**Entitlement to New Shares (on a 2 New Shares for 7 basis):**

**Amount payable on full acceptance at A\$0.12 per Share:**

**Offer Closes 5:00pm (WST): Friday, 15 December 2017**

## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Shares for every 7 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.12 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Offer is being made under the Prospectus dated 29 November 2017. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Blackham Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia).

### PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

#### OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (WST) on Friday, 15 December 2017. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

#### OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (WST) on Friday, 15 December 2017.



**Billers Code:** 737965  
**Ref:**

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form. If you do not take up or sell your rights, you may not receive any value for them. It is important that you decide whether to accept or sell your rights in accordance with the Prospectus.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**



**BLACKHAM**  
Resources Limited  
ABN 18 119 887 606

*Please detach and enclose with payment*



**SRN/HIN:**  
**Entitlement Number:**

**A** Number of New Shares accepted (being not more than your Entitlement shown above)

**B** Number of additional New Shares (Application for more New Shares than your Entitlement. Please enter the number of additional New Shares you wish to apply for)

**C** Total number of New Shares accepted (add Boxes A and B)

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**D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS** – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Blackham Resources Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]	[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]	[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]	[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]	<b>A\$</b>

**E CONTACT DETAILS** – Telephone Number

Telephone Number – After Hours

Contact Name

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# BLACKHAM RESOURCES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Blackham Resources Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.12.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

#### A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

#### B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Blackham Resources Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

#### C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

#### D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Blackham Resources Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Blackham Resources Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

#### E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

### 3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker or if you wish to sell part of your Rights through your stockbroker and accept the balance you should contact your stockbroker and provide details as requested which appear overleaf.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

#### Instructions to your Stockbroker

I/We have accepted	<input type="text"/>
	New Shares as per reverse side
And attach a cheque/bank draft for	<input type="text"/>
	A\$
	being acceptance monies at A\$0.12 per New Share
I/We wish to sell	<input type="text"/>
	Rights to Ordinary Shares

### 4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from your stockbroker.

### 5. OVERSEAS SHAREHOLDERS

The Prospectus and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand or to any person to whom it would not be lawful to issue the Prospectus. By applying for New Shares under this Entitlement and Acceptance Form or by accepting this offer, you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

## 6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

Blackham Resources Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

#### Hand Delivery

Blackham Resources Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (WST) on Friday, 15 December 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Blackham Resources Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Blackham Resources Limited Offer Information Line on 1300 730 659 (within Australia) or +61 1300 730 659 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.**