BLACKHAM RESOURCES LIMITED

ACN 119 887 606

PROSPECTUS

For a renounceable pro-rata entitlement issue of 5 New Shares for every 4 Shares held by Eligible Shareholders at the Record Date at an issue price of $0.015 per New Share (**Offer Price**), together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued, to raise up to approximately $25.8 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten, with Hartleys Limited (**Hartleys**) and Morgans Corporate Limited (**Morgans**) acting as the joint lead managers (together, the **Joint Lead Managers**) and Hartleys acting as the arranger of the underwriting.

This Prospectus also contains the Other Offers described in Section 2.1.

IMPORTANT NOTICE

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

Investment in the Offer Securities 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This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the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 in this document 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.

IMPORTANT NOTICE

1. Prospectus

This Prospectus is dated 20 March 2019. 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 Offer Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

The Company will apply to ASX within 7 days of the date of this Prospectus for quotation of the Offer Securities offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares or the New Options 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 Sections 7.11 and 7.12 of this Prospectus.

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 for Offer Securities offered pursuant to this Prospectus, including for any Additional Securities, can only be submitted on the applicable original Application Form which accompanies this Prospectus.

Applications for the Top-Up Placement, Lead Manager Offer, Hartleys Offer and the Shortfall Offer can only be submitted by invitation from 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 the risk 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 Offer Securities or the price at which the Offer Securities will trade on the ASX.

Any references to past performance of the Company is 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 Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of 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 the Entitlement Offer

Cooling off rights do not apply to an investment pursuant to the Entitlement Offer. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance 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 and New Options in any jurisdiction outside Australia. This Prospectus is not to be distributed in, and the Offers are not to be made in, countries other than Australia, New Zealand and Panama (**Relevant Jurisdictions**).

The New Shares and New Options 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 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 the Relevant Jurisdictions. Ineligible Foreign Shareholders should refer to Section 2.17 of this Prospectus for details of how their Entitlement will be dealt with.

Panama

The Offer Securities have not been registered with, and are not under the supervision of, the Superintendence of the Securities Market. The Company is offering the Offer Securities in Panama only to its Shareholders with a registered address in Panama. The Offer Securities are not being offered to the public in Panama.

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 and New Options before trading them. Eligible Shareholders who trade in Rights or New Shares and New Options 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 does not form part of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9. **Minimum Subscription Amount**

The Entitlement Offer under this Prospectus is conditional on the Company receiving subscriptions for the minimum subscription amount of $25 million, including by the subscription for New Shares by Sub-Underwriters (**Minimum Subscription Amount**). Binding sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

If the Minimum Subscription Amount is not satisfied by the Settlement Date then the Company will not proceed with the Entitlement 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 are to Perth, Western Australian time.

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IMPORTANT DATES

Event	Date[1]
Announcement of the intended terms of the Entitlement Offer	Wednesday, 20 March 2019
Prospectus lodged with ASIC and ASX Entitlement Offer announcement lodged with ASX Lodgement of Appendix 3B Notice sent to Optionholders	Post market close on Wednesday, 20 March 2019
Notice sent to Shareholders	Friday, 22 March 2019
"Ex" date (being the date that Shares start trading without the Entitlements to participate in the Entitlement Offer)	Monday, 25 March 2019
Rights trading starts on a deferred settlement basis	Monday, 25 March 2019
Record Date to determine Entitlements	7:00pm (Sydney time) on Tuesday, 26 March 2019
Opening Date of Entitlement Offer, Top-Up Placement[3], Lead Manager Offer[3] and Hartleys Offer[3]	Thursday, 28 March 2019
Despatch of the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	
Rights trading ends	Monday, 1 April 2019
New Shares quoted on a deferred settlement basis	Tuesday, 2 April 2019
Last day to extend the Closing Date of the Entitlement Offer	Wednesday, 3 April 2019
Closing Date for acceptances under the Entitlement Offer, Lead Manager Offer[3] and Hartleys Offer[3]	5:00pm (Sydney time) on Monday, 8 April 2019
ASX announcement update on Applications received	Tuesday, 9 April 2019
ASX notified of under subscriptions under the Entitlement Offer	Thursday, 11 April 2019
Settlement Date for sub-underwriting	Monday, 15 April 2019
Issue Date of Offer Securities under the Entitlement Offer Deferred settlement trading of New Shares ends	
Trading of New Shares and New Options expected to commence	Tuesday, 16 April 2019
Transaction confirmation statements despatched	Wednesday, 17 April 2019
Closing date of Top-Up Placement[2,3]	5:00pm (Sydney time) on 29 April 2019
Issue date for the Top-Up Placement[2,3], Lead Manager Offer[3] and Hartleys Offer[3]	Prior to 12 July 2019
Last day by which the securities (if any) under the Shortfall Offer may be issued	Friday, 7 July 2019 (being 3 months after the Closing Date)

Notes:

1. 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, the Top-Up Placement, the Lead Manager Offer and Hartleys Offer at any time without prior notice. If withdrawn, all Application Monies for New Shares and New Options which have not been issued will be refunded (without interest) as soon as practicable.

2. The Top-Up Placement is conditional on the Shortfall being less than 50%.

3. This Offer is subject to the Company having sufficient placement capacity or obtaining Shareholder approval for the issue of New Shares and New Options where capacity is insufficient. To the extent that the Company has insufficient placement capacity to issue all of the New Shares and New Options subscribed for under Offer, the Company will issue such number of New Shares and New Options that it has placement capacity for and will seek

Shareholder approval for the issue of the balance of the New Shares and New Options subscribed for. Accordingly, the New Shares and New Options subscribed for under the Offer may be issued in two tranches. A notice of meeting will be sent to Shareholders in due course.

WHAT YOU NEED TO DO TO APPLY FOR NEW SHARES AND NEW OPTIONS

Read

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

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 5.00pm (Sydney time) on Monday, 8 April 2019.

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
If calling from within Australia: 1300 330 255
If calling from outside Australia: +61 1300 330 255

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

Letter from the Chairman

Dear Shareholder

On 20 March 2019, the Company announced its intention to raise up to approximately $25.8 million (before costs) via a pro-rata renounceable entitlement issue of 5 New Shares for every 4 Shares held by Eligible Shareholders at the Record Date at an issue price of $0.015 per New Share (**Offer Price**), together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued (**Entitlement Offer**).

The Entitlement Offer is fully underwritten, with Hartleys and Morgans acting as the joint lead managers and Hartleys acting as the arranger of the underwriting for the Entitlement Offer. Various parties, including a number of high quality institutional and professional investors, together with key stakeholders MACA Limited (**MACA**) and Lind Asset Management XIV LLC (**Lind**), have agreed to sub-underwrite the entire Entitlement Offer in their respective proportions of the sub-underwriting commitment.

MACA and Lind have also agreed to a conditional standstill of certain amounts owing to them until 30 April 2019 (and continuing to 30 June 2019 in the case of Lind) (other than in respect of those funds raised under the Entitlement Offer that will be used to pay amounts owed to MACA and repay amounts owed to Lind as set out in Section 3.1) including (to 30 April 2019 in respect of both Lind and MACA) in respect of enforcement rights arising as a result of any events of default by the Company under its respective arrangements with the Company. Further details are set out in Section 7.7.

The funds raised from the Entitlement Offer are expected to be applied towards:

- operational improvements to the existing Matilda-Wiluna Gold Operation (**Operation**) aimed at increasing production and margins;
- Expansion DFS on the Operation, including drilling and negotiation of offtake and funding arrangements;
- Resource and Reserve drilling on high priority targets;
- payment of amounts owed to MACA and repayment of amounts owed to Lind;
- ongoing working capital; and
- costs of the Entitlement Offer.

The Company notes strong demand for marketable gold concentrates at present. The Company is in discussions with various smelters and traders for both gold concentrate offtake and financing for the proposed Stage 1 Expansion of its Operation, and will continue these discussions. In addition, the Company has engaged in initial discussions with a number of credible strategic investors regarding both financing and/or business combinations, and will continue to progress these discussions. The Company has not received any written proposals from these strategic investors as yet and, whilst discussions will continue, formal proposals may or may not be forth coming.

All Eligible Shareholders registered as at 7:00pm (Sydney time) on the Record Date will be entitled to participate in the Entitlement Offer. The Closing Date for the Entitlement Offer is 5:00pm (Sydney time) on Monday, 8 April 2019.

Eligible Shareholders are also invited to apply for New Shares and New Options in excess of their Entitlement (**Additional Securities**).

At the time of lodging this Prospectus, all of the Directors who hold Shares in the Company and are entitled to participate have indicated that they will take up their Entitlements under the Entitlement Offer to the extent they are able to fund their respective Entitlements. In addition to taking up all of my Entitlements, I have personally committed to sub-underwrite up to $1,000,000 of the Entitlement Offer (see Section 7.8 for the terms of my sub-underwriting commitment).

On behalf of the Board, I recommend the Entitlement Offer to you. An investment in Shares in the Company is subject to a range of material risks which may impact the value of Shares. An overview of these risks is contained in Section 6 of this Prospectus. Before making your decision to invest, I ask you to carefully read the Prospectus and seek professional advice if required.

Your Board looks forward to your continued support.

Kind regards

Milan Jerkovic
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 Offer Securities 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?	The Entitlement Offer is 5 New Shares for every 4 Shares held by Eligible Shareholders on the Record Date at the Offer Price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued. The Entitlement Offer seeks to issue up to approximately 1,720,917,084 New Shares and 573,639,028 New Options (subject to rounding and based on the number of Shares on issue as at the date of this Prospectus) to raise up to approximately $25.8 million (before costs). Application will be made for the New Shares and the New Options (subject to compliance with ASX's standard requirements) to be quoted on ASX.	Section 2.1
What is the purpose of the Entitlement Offer?	The Entitlement Offer is being made to raise funds to allow the Company to fund: • operational improvements to the existing Matilda-Wiluna Gold Operation (**Operation**) aimed at increasing production and margins; • Expansion DFS on the Operation, including drilling and negotiation of offtake and funding arrangements; • Resource and Reserve drilling on high priority targets; • payment of amounts owed to MACA and repayment of amounts owed to Lind; • ongoing working capital; and • costs of the Entitlement Offer.	Section 3.1
Am I an Eligible Shareholder?	The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who: (a) are the registered holder of Shares as at 7:00pm (Sydney time) on the Record Date; and (b) have a registered address within the Relevant Jurisdictions.	Definition of "Eligible Shareholder" and section 2.17

Question	Response	Where to find more information
Is there a minimum subscription amount?	Yes – there is a Minimum Subscription Amount under the Entitlement Offer of $25 million, including sub-underwriting commitments. Sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer. If the Minimum Subscription Amount is not raised by the Settlement Date then the Company will not proceed with the Entitlement Offer and the Shortfall Offer and will repay all Application Monies received without interest.	Section 2.2
Is the Entitlement Offer underwritten?	The Entitlement Offer is fully underwritten, with Hartleys and Morgans acting as the joint lead managers and Hartleys acting as the arranger of the underwriting. Various parties, including a number of high quality institutional and professional investors, together with key stakeholders MACA and Lind, have agreed to sub-underwrite the entire Entitlement Offer in their respective proportions of the sub-underwriting commitment. MACA and Lind have also agreed to a conditional standstill of certain amounts owing to them until 30 April 2019 (and continuing to 30 June 2019 in the case of Lind) (other than in respect of those funds raised under the Entitlement Offer that will be used to pay amounts owed to MACA and repay amounts owed to Lind as set out in Section 3.1) including (to 30 April 2019 in respect of both Lind and MACA) in respect of enforcement rights arising as a result of any events of default by the Company under its respective arrangements with the Company. Further details are set out in Section 7.7. In addition, the Company's Chairman, Milan Jerkovic, has committed to sub-underwrite up to $1,000,000 of the Entitlement Offer (see Section 7.8 for the terms of Mr Jerkovic's sub-underwriting commitment). The underwriting is subject to the terms and conditions set out in Section 7.4.	Sections 2.5, 3.1, 7.4, 7.7 and 7.8
What will be the effect of the Entitlement Offer on control of the Company?	The effect of the Entitlement Offer on the control of the Company will vary with the level of Entitlements and Additional Securities taken up by Eligible Shareholders under the Entitlement Offer and the number of New Shares that are taken up by various Sub-Underwriters in the event that Eligible Shareholders do not take up their full Entitlements. There is no Shareholder or Sub-Underwriter whose interest would exceed 19.9% on the completion of the Entitlement Offer.	Sections 2.21 and 3.3
How do I apply for New	Applications for New Shares and New Options can be made by Eligible Shareholders completing the relevant	Sections 4.2 and 4.3

Question	Response	Where to find more information
Shares and New Options under the Entitlement Offer?	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 Entitlements applied for. You may accept all or part of your Entitlement.	
Can I apply for Additional Securities?	Eligible Shareholders (other than Directors and related parties) may also apply for Additional Securities regardless of the size of their present holding. However, there may be few or no Additional Securities available for issue depending on the level of take up of Entitlements by Eligible Shareholders. There is no guarantee that you will receive any or all of the Additional Securities you apply for.	Sections 2.11 and 4.3
How will the Additional Securities be allocated?	The Company, together with the Joint Lead Managers, reserve the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Joint Lead Managers may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought additional Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.	Sections 2.11 and 7.4
Can I sell my Entitlements under the Entitlement Offer?	Yes. The Rights are renounceable. This provides Eligible Shareholders who do not wish to subscribe for some or all of their Rights to have an opportunity to sell those Rights.	Sections 2.9 and 2.10
What is the Shortfall Offer?	Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date. The issue price for each New Share to be issued under the Shortfall Offer will be $0.015, being the price at which New Shares have been offered under the Entitlement Offer. The Directors reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 2.11).	Section 2.12
What are the Other Offers?	This Prospectus also contains: (a) in the event that the Shortfall from the Entitlement	Section 2.1

Question	Response	Where to find more information
	Offer is less than 50%, an offer to Sub-Underwriters of up to 333,333,333 New Shares at an issue price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued and otherwise on the same terms as the Entitlement Offer (**Top-Up Placement**); (b) an offer of 100,000,000 New Options to the Joint Lead Managers (and/or their nominees) as part consideration for services provided in connection with the Entitlement Offer (**Lead Manager Offer**); and (c) an offer of 5,000,000 New Shares to Hartleys (and/or its nominee) as part consideration for services provided as arranger of the underwriting (**Hartleys Offer**), (together the **Other Offers**).	
How can I obtain further information?	Contact the Link Market Services Information Line on 1300 330 255 (from within Australia) or +61 1300 330 255 (from outside Australia) 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.	

1.2 Key Risk Factors

Investors should be aware that subscribing for Offer Securities 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 Offer Securities under this Prospectus.

Risk	Description	Reference in Prospectus
Potential for significant dilution	Upon implementation of the Offers, the Company will issue: (a) up to approximately 1,720,917,084 New Shares and 573,639,028 New Options under the Entitlement Offer (subject to rounding and assuming no existing Options are exercised or the Convertible Note is converted prior to the Record Date); (b) 100,000,000 New Options to the Joint Lead Managers (and/or their nominees) under the	Sections 6.2(a) and 3.3

Risk	Description	Reference in Prospectus
	Lead Manager Offer; (c) 5,000,000 New Shares to Hartleys under the Hartleys Offer; and (d) a maximum of 333,333,333 New Shares and 111,111,111 New Options to Sub-Underwriters under the Top-Up Placement (assuming that the Shortfall from the Entitlement Offer is less than 50% and those Entitlements not accepted by Shareholders are placed under the Shortfall Offer or to Sub-Underwriters). The capital structure upon completion of the Offers is set out in Section 3.3. The issue of the New Shares and New Options will dilute the interests of existing Shareholders (assuming exercise of the New Options). There is also a risk that Shareholders will be further diluted as a result of future capital raisings required in order to fund working capital requirements of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the date of this Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.	
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.	Section 6.2(b)
Exploration, development, production and sale risks	Mineral exploration and development are high risk undertakings. The tenements of the Company are at various stages of exploration, development and production. There can be no assurance that exploration of the mining tenements, or any other tenements that may be acquired in the future, will result in the discovery of economic mineral reserves and, even if identified, there is no guarantee that they can be economically	Section 6.2(c)

Risk	Description	Reference in Prospectus
	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 Company's operating mines, plants, equipment, power stations, borefields, camps, tailings dams and processing facilities. Mining and development operations can be hampered by force majeure circumstances, environmental and heritage considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Company's mines, plant, mining equipment, power stations, borefields, camps, tailings dams and processing facilities are essential for production to be successful. There is no guarantee that the Company will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.	
Mining approvals	The Company has all relevant approvals to conduct its current operations. Prior to the commencement of any future new mining operations, the Company will be required to ensure it obtains all relevant approvals. Where the Company is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions on which the approvals are given are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomic.	Section 6.2(d)
Operating risks	The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining and maintaining mining productivity rates; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tailings dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of labour, contractors, consumables, spare parts and plant and equipment. Such changes may have an adverse effect on the operations and production ability of the Company by increasing costs or delaying activities.	Section 6.2(e)
Gold price volatility and exchange rates 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	Section 6.2(f)

Risk	Description	Reference in Prospectus
	factors include supply and demand fluctuations for gold or gold concentrates, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.	
Title and tenure risk	Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While the Company (including through its wholly-owned subsidiaries, Kimba and Matilda Operations) has good title to its tenements, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments. The Company's 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.	Section 6.2(g)
Geotechnical risk	Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body or delay the delivery of ore to the processing plant. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic. Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding areas will be evaluated by the Company.	Section 6.2(h)
Access risk - Native title and Aboriginal and historical heritage	It is possible that significant or sacred Aboriginal and historical sites found within tenements held by the Company now, and obtained in the future, may preclude exploration and mining activities and the Company may also experience delays with respect to obtaining permission from the traditional owners and other	Section 6.2(i)

Risk	Description	Reference in Prospectus
	stakeholders to explore for, and extract, resources. The Company must comply with Aboriginal heritage legislation, requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. It is possible that tenements may not be available for exploration or mining due to Aboriginal heritage issues (whether in respect of registered sites or not). Under Western Australian and Commonwealth legislation the Company may need to obtain the consent of the traditional owners or holders of interests in applicable tenements before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.	
Environmental risks	The operations and proposed activities of the Company are subject to Australian environmental laws and regulations. It is the Company's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws applicable to it. The ability of the Company to operate, develop and explore projects may be delayed and limited by environmental considerations and significant costs may result from complying with the Company's environmental obligations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of its operations.	Section 6.2(j)
Joint venture parties, contractors and agents	The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party; or the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure by any of these parties.	Section 6.2(k)
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.	Section 6.2(l)

Risk	Description	Reference in Prospectus
Future capital requirements	Whilst the Entitlement Offer is expected to position the Company well, the Company may require further financing for exploration and development of its existing projects, and will require funding for the expansion plans the subject of the proposed Expansion DFS, in addition to amounts raised under the Entitlement Offer. Any additional equity financing that the Company may undertake in the future may 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 the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals, including the expansion the subject of the proposed Expansion DFS, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.	Section 6.2(m)
Default risk	The MACA Loan and the Lind Funding Agreement now represent the Company's only remaining material debt obligations. The Company's other obligations are immaterial and relate to equipment financing leases. Part of the funds raised under the Entitlement Offer will be allocated to repaying the Company's debts. The MACA Loan is fully secured and is repayable monthly from March 2019, as detailed in the Company's ASX announcement dated 15 January 2018. In addition to the MACA Loan, trade payables owing to MACA for mining services provided to the Company are also secured against the Group's assets. The Lind Funding Agreement is also fully secured. As announced on 25 September 2018, from 14 February 2019 the Company is required to commence repaying amounts owed to Lind under the Lind Funding Agreement through instalments of 1/12th of the face value (as adjusted in accordance with the Lind Funding Agreement) upon receipt of repayment notices from Lind. The repayments can be made at the Company's election in cash or Shares. The Company's repayment obligations to Lind and MACA Mining (a subsidiary of MACA) respectively are secured against the Blackham Group's assets pursuant to separate general security deeds and mining tenement mortgages held by Lind and MACA Mining respectively over the tenements held by Matilda Operations and Kimba (wholly-owned subsidiaries of the Company) in respect of the Operation. If the Company is unable to repay Lind and/or MACA Mining as required under the Lind Funding Agreement	Section 6.2(n)

Risk	Description	Reference in Prospectus
	or the MACA Loan (as applicable) or pay the trade payables owing to MACA it will default in its obligations under these agreements. The Company would then be at risk of default proceedings should Lind, MACA Mining or MACA seek to enforce its rights under those relevant agreements. Part of the funds raised under the Entitlement Offer will be used to pay amounts owed to MACA and repay amounts owed to Lind as set out in Section 3.1. In this regard, MACA and Lind have also agreed to a conditional standstill until 30 April 2019 (and continuing to 30 June 2019 in the case of Lind) of certain amounts owing to them (other than in respect of those funds raised under the Entitlement Offer that will be used to pay amounts owed to MACA and repay amounts owed to Lind) including (to 30 April 2019 in respect of both Lind and MACA) in respect of enforcement rights arising as a result of their respective arrangements with the Company. Further details are set out in Section 7.7. Kimba and Matilda Operations have mining tenement mortgages and other security arrangements in favour of Franco-Nevada to secure future royalty obligations owed to Franco-Nevada. If Kimba or Matilda Operations is unable to pay Franco-Nevada, or if they otherwise default in their obligations under the relevant documents with Franco-Nevada, the Company will be at risk of Franco-Nevada seeking to commence default proceedings and enforcing its rights under those relevant documents.	
Going concern risk	The Company's interim financial report for the half year ended 31 December 2018 includes a note regarding the basis of preparation of the financial statements on a going concern basis, despite its net current liability position. The report notes that: "*The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.* *In the six months to 31 December 2018 the consolidated entity incurred a loss of $10.3m, despite the positive net cash inflows from operating activities of $7.9m. As at that date, the consolidated entity had net current liabilities of $29.7m. Notwithstanding those amounts, the Group had net assets of $96.2m.* *There would be inherent uncertainties regarding the Group's ability to continue as a going concern if the Group did not:* *1. achieve its forecasted production quantities; and*	Section 6.2(o)

Risk	Description	Reference in Prospectus
	2. *fund a forecasted short-term working capital deficiency during a time of significant mine development of open pit mining locations, whilst concurrently making debt repayment to its financiers."* Notwithstanding the going concern note, the interim financial report notes that: *"Despite this, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors:* • *Subsequent to the half-year end, the Company signed an agreement with corporate advisors to effect a solution to its funding requirements, with the expectation that sufficient additional funding will be secured in the June 2019 Quarter. Part of the new funding proceeds received will provide the Group with adequate funding to meet its short-term working capital deficiency; and* • *The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds received, will generate sufficient cash inflows to meet the repayment of trade debts when they become due and payable.* *Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.* *The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.*"	
Key personnel	The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including subcontractors. The Company's inability to recruit additional appropriately skilled and qualified personnel to replace any key personnel who may leave the Company at some point in the future could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.	Section 6.2(p)

Risk	Description	Reference in Prospectus
Litigation	The Company may be subject to litigation and other claims. The Company is reserving its rights and considering its options in relation to the Pacific Road Capital funding arrangement announced on 24 November 2017, which did not progress. Any litigation in relation to this or any other matter in which the Company may in the future become involved could result in negative publicity, potential liability and additional expenditure.	Section 6.2(q)

2. DETAILS OF THE OFFERS

2.1 The Offers

The Company is making separate offers pursuant to this Prospectus. The purpose of the Offers and the use of funds raised pursuant to the Offers are set out in Section 3.

The Entitlement Offer

The Company is making a renounceable pro-rata entitlement offer of 5 New Shares for every 4 Shares held by Eligible Shareholders at the Record Date at the Offer Price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued, to raise up to approximately $25.8 million (before costs) (**Entitlement Offer**).

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no existing Options are exercised or the Convertible Note is converted prior to the Record Date), up to approximately 1,720,917,084 New Shares and 573,639,028 New Options will be issued pursuant to the Entitlement Offer. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 117,886,684 Options on issue, of which 75,200,000 Options are capable of being exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 3.3 of this Prospectus for information on the exercise price and expiry date of the Options currently on issue.

The holder of the Convertible Note will not be entitled to participate in the Entitlement Offer without first converting the Convertible Note. The Directors believe that Lind, the Convertible Note holder, will not convert the Convertible Note prior to the Record Date.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.1.

Eligible Shareholders (other than Directors and related parties) will be able to apply for Additional Securities in excess of their Entitlements, further details of which are contained in Section 2.11.

The Other Offers

This Prospectus also contains:

(a) in the event that the Shortfall from the Entitlement Offer is less than 50%, then, at the election of the Joint Lead Managers, an offer to Sub-Underwriters of up to 333,333,333 New Shares at an issue price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued and otherwise on the same terms as the Entitlement Offer (**Top-Up Placement**);

(b) an offer of 100,000,000 New Options to the Joint Lead Managers (and/or their nominees) as part consideration for services provided in connection with the Entitlement Offer (**Lead Manager Offer**); and

(c) an offer of 5,000,000 New Shares to Hartleys (and/or its nominee) as part consideration for services provided as arranger of the underwriting (**Hartleys Offer**),

(together the **Other Offers**).

Further details of the Other Offers are set out in Sections 2.14, 2.15 and 2.16.

2.2 Minimum Subscription Amount

The Entitlement Offer

The Minimum Subscription Amount for the Entitlement Offer is $25 million including the subscription for New Shares and New Options by Sub-Underwriters. The Entitlement Offer, the Shortfall Offer and the Top-Up Placement are conditional on the Company receiving subscriptions for the Minimum Subscription Amount. However, sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

If the Minimum Subscription Amount is not raised then the Company will not proceed with the Entitlement Offer, the Shortfall Offer and the Top-Up Placement and will repay all Application Monies received without interest.

The Other Offers

There is no minimum subscription for the Lead Manager Offer and the Hartleys Offer.

2.3 Fractional Entitlements

Fractional Entitlements of the Entitlement Offer will be rounded down to the nearest whole number of New Shares and New Options.

2.4 Brokerage and Stamp Duty Costs

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

2.5 Underwriting

The Entitlement Offer is fully underwritten. Binding and irrevocable sub-underwriting commitments have been received for the maximum amount that may be raised under the Entitlement Offer.

Under the terms of the Lead Manager Mandate, Hartleys and Morgans have agreed to act as joint lead managers. In addition, the Company has entered into the Underwriting Agreement with Hartleys pursuant to which Hartleys will act as the arranger of the underwriting for the Entitlement Offer.

A summary of the Joint Lead Manager Mandate is set out in Section 7.5 and a summary of the Underwriting Agreement (including the circumstances in which it may be terminated) is set out in Section 7.4.

2.6 Nominee for Ineligible Foreign Shareholders

The Company has appointed Hartleys as the Company's nominee for foreign Shareholders for the purposes of Listing Rule 7.7 (**Nominee**) for Ineligible Foreign Shareholders.

Pursuant to the arrangement with Hartleys, the Company will transfer to Hartleys (or its nominee) the Rights that would otherwise be issued to the Ineligible Foreign Shareholders who accept the Entitlement Offer or are otherwise entitled to acquire such Rights under the Entitlement Offer and Hartleys will then sell (or procure the sale of) those Rights and provide the proceeds of those sales (net of expenses) to the Company (or its Share Registry). The Company will then distribute to each of those Ineligible Foreign Shareholders their proportion of the proceeds of the sale net of expenses, if any. See section 2.17 for further details on the treatment of Ineligible Foreign Shareholders under the Entitlement Offer.

2.7 Opening and Closing Dates

The Entitlement Offer, Top-Up Placement, Lead Manager Offer and Hartleys Offer will open for receipt of acceptances on Thursday, 28 March 2019.

The Closing Date for acceptances under the Entitlement Offer, Lead Manager Offer and Hartleys Offer is 5.00pm (Sydney time) on Monday, 8 April 2019. The Closing Date for acceptances under the Top-Up Placement is 5.00pm (Sydney time) on 29 April 2019.

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 the relevant Application Form, or to delay or withdraw the Entitlement Offer, Top-Up Placement, Lead Manager Offer or Hartleys 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.

2.8 Purpose of the Entitlement Offer

The Company expects to receive up to approximately $25.8 million under the Entitlement Offer (before costs) and proposes to use the proceeds as set out in Section 3.1.

2.9 Entitlements under the Entitlement Offer

Eligible Shareholders who are on the Company's Share register at 7:00pm (Sydney time) on the Record Date, will receive the entitlement to acquire 5 New Shares for every 4 Shares held at Record Date, at the Offer Price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued.

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

2.10 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, 25 March 2019 and will cease on Monday, 1 April 2019.

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.

2.11 Application for Additional Securities

Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to their Entitlement, apply for Additional Securities, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that an Applicant for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for, if so allocated. If a lesser number of Additional Securities is allocated to an Applicant than applied for, excess Application Monies will be refunded without interest to the Applicant. The Company, together with the Joint Lead Managers, reserve the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company, together with the Joint Lead Managers, may take into account a number of factors, including the size of an Applicant’s shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company (before and after both the announcement of the Entitlement Offer and the Record Date), as well as when the application for Additional Securities was made.

No Additional Securities will be issued to an Applicant under this Prospectus if the issue of Additional Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

2.12 Shortfall Offer

The Directors reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 2.11) (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date. Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. The issue price for each New Share to be issued under the Shortfall Offer will be $0.015, being the price at which New Shares have been offered under the Entitlement Offer.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

No Offer Securities will be issued to an applicant under the Shortfall Offer if the issue of Offer Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

2.13 Application required for Offer Securities

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

2.14 Top-Up Placement

The Company has agreed that, in the event that the Shortfall from the Entitlement Offer is less than 50%, then, at the election of the Joint Lead Managers, the Company will offer to Sub-Underwriters up to 333,333,333 New Shares at an issue price of $0.015 per New Share, together with 1 free attaching New Option (exercisable at $0.03 on or before 12 October 2020) for every 3 New Shares issued, and otherwise on the same terms as the Entitlement Offer.

Milan Jerkovic, the Chairman, is a Sub-Underwriter. Mr Jerkovic will not participate in the Top-Up Placement. Other than Mr Jerkovic, none of the Sub-Underwriters are related parties of the Company.

A maximum of 333,333,333 New Shares and 111,111,111 New Options can be offered pursuant to the Top-Up Placement, which could raise up to approximately $5 million (before costs). All proceeds from the Top-Up Placement will be used in accordance with Section 3.2.

Only Sub-Underwriters (other than Mr Jerkovic) directed by the Joint Lead Managers should complete the Top-Up Placement Application Form.

The Top-Up Placement is conditional on the Shortfall being less than 50% of the Entitlements offered under the Entitlement Offer.

To the extent that the Company has insufficient placement capacity to issue all of the New Shares and New Options subscribed for under the Top-Up Placement, the Company will issue such number of New Shares and New Options that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Shares and New Options subscribed for. Accordingly, the New Shares and New Options subscribed for under the Top-Up Placement may be issued in two tranches.

No Offer Securities will be issued to an applicant under the Top-Up Placement if the issue of Offer Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

2.15 Lead Manager Offer

The Lead Manager Offer is an offer to Hartleys and Morgans (and/or their nominees) only.

Only each of Hartleys and Morgans (and/or their nominees) may apply for New Options under the Lead Manager Offer.

A personalised Lead Manager Application Form will be issued to each of Hartleys and Morgans together with a copy of this Prospectus. The number of New Options to be offered to each of Hartleys and Morgans (and/or their nominees) will be outlined in the Lead Manager Offer Application Form provided by the Company. The Company will only provide the Lead Manager Offer Application Form to Hartleys and Morgans (and/or their nominees).

In order to apply for the issue of New Options under the Lead Manager Offer, Hartleys and Morgans (and/or their nominees) must complete and return the personalised Lead Manager Offer Application Form to:

Company Secretary
Blackham Resources Limited
Level 3, 1 Altona Street
West Perth WA 6005

by no later than 5:00pm (Sydney time) on Monday, 8 April 2019. If the Lead Manager Offer Application Form is not returned by this time and date, then the Lead Manager Offer, with respect to that applicant, will lapse.

To the extent that the Company has insufficient placement capacity to issue all of the New Options subscribed for under the Joint Lead Manager Offer, the Company will issue such number of New Options that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Options subscribed for. Accordingly, the New Options subscribed for under the Lead Manager Offer may be issued in two tranches. If Shareholder approval is not obtained, the Company will issue to the Joint Lead Managers the maximum number of New Options that the Company is permitted to issue under its placement capacity and will pay the Joint Lead Managers an amount equivalent to the value of the balance of the New Options that would otherwise have been issued to the Joint Lead Managers.

2.16 **Hartleys Offer**

The Hartleys Offer is an offer to Hartleys (and/or its nominee) only.

Only Hartleys (and/or its nominee) may apply for New Shares under the Hartleys Offer.

A personalised Hartleys Offer Application Form will be issued to Hartleys together with a copy of this Prospectus. The number of New Shares to be offered to Hartleys (and/or its nominee) will be outlined in the Hartleys Offer Application Form provided by the Company. The Company will only provide the Hartleys Offer Application Form to Hartleys (and/or its nominee).

In order to apply for the issue of New Shares under the Hartleys Offer, Hartleys (and/or its nominee) must complete and return the personalised Hartleys Offer Application Form to:

Company Secretary
Blackham Resources Limited
Level 3, 1 Altona Street
West Perth WA 6005

by no later than 5:00pm (Sydney time) on Monday, 8 April 2019. If the Hartleys Offer Application Form is not returned by this time and date, then the Hartleys Offer will lapse.

To the extent that the Company has insufficient placement capacity to issue all of the New Shares subscribed for under the Hartleys Offer, the Company will issue such number of New Shares that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Shares subscribed for. Accordingly, the New Shares subscribed for under the Hartleys Offer may be issued in two tranches. If Shareholder approval is not obtained, the Company will issue to Hartleys the maximum number of New Shares that the Company is permitted to issue under its placement capacity and will pay Hartleys an amount equivalent to the value of the balance of the New Shares that would otherwise have been issued to Hartleys.

2.17 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 the Relevant Jurisdictions (**Ineligible Foreign Shareholder**) having regard to:

(a) the number of Shareholders outside these jurisdictions;

(b) the number and value of the Offer Securities 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 of the Relevant Jurisdictions. Accordingly, no Entitlement and Acceptance Forms or Shortfall Application Forms will be sent, and no offers will be made, to Ineligible Foreign Shareholders. This Prospectus is sent to those Shareholders for information only.

Ineligible Foreign Shareholders with registered addresses outside of the Relevant Jurisdictions 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 and New Options.

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 with registered addresses within the Relevant Jurisdictions).

As mentioned in Section 2.6, pursuant to Listing Rule 7.7, the Company has appointed a Nominee, Hartleys, to sell the Rights 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 Rights may be sold and the manner of any such sale.

The net proceeds of the sale of these Rights, if any, will then be forwarded by the Company as soon as practicable to the Ineligible Foreign Shareholders, in proportion to their share of such Rights (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 Rights, Ineligible Foreign Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

The Company will pay Hartleys a brokerage fee of 1.5% on the sale of any Rights for these services together with for all reasonable disbursements and expenses incurred by Hartleys.

Neither the Company nor the Nominee will be subject to any liability for a failure to sell the Rights or to sell them at a particular price. If, in the reasonable opinion of the Nominee, there is no viable market for the Rights of the Ineligible Foreign Shareholders, or a surplus over the expenses of the sale cannot be obtained the Rights that would have been offered to the Ineligible Foreign Shareholders, then those Rights will be allowed to lapse. The New Shares and New Options not taken up will form part of the New Shares and New Options to be taken up by the Sub-Underwriters or failing that the Shortfall Offer.

2.18 Applying for quotation of New Shares and New Options

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 Company will also apply to the ASX within 7 days after the date of this Prospectus for the New Options to be granted quotation. The quotation of the New Options is conditional on the Company being able to satisfy the ASX's quotation requirements, being, amongst other things, that there will be at least 100,000 New Options on issue held by at least 50 holders. In the event that the New Options are not accepted for quotation, they will be unlisted options.

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

2.19 Issue of Offer Securities under the Entitlement Offer

New Shares and New Options will only be issued after all Application Monies have been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be issued on or about Monday, 15 April 2019 and normal trading of the New Shares and New Options on ASX is expected to commence on or about Tuesday, 16 April 2019.

All Application Monies received before New Shares and New Options are issued will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares and New Options 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 3 months after the date of this Prospectus, the Company will refund all Application Monies in full (without interest).

2.20 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 CHESS, applicants will not receive a certificate but will receive a statement that sets out the number of New Shares and New Options 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 or New Options before they receive their statement do so at their own risk.

2.21 Effect of the Entitlement Offer on the control of the Company

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

» There is no Shareholder or Sub-Underwriter who would on the completion of the Entitlement Offer have an interest in Shares which would exceed 19.9% of the total Shares.

The summary above does not take into account the exercise of any other Options or Convertible Note on issue nor exercise of any of the New Options issued under this Prospectus. This will dilute the interests of Eligible Shareholders.

MACA and Lind have agreed to sub-underwrite up to $7.5 million and $2.5 million of the Entitlement Offer (respectively) through the conversion to equity of amounts owed by the Company.

In addition, as announced by the Company on 25 September 2018, the Company entered into the Lind Funding Agreement, for up to $23 million in total capital. The initial funding commitment of $7.5 million was provided as a secured Convertible Note. 50 million Shares were issued to Lind on execution of the Lind Funding Agreement. The value of those Shares on the date of issue (being $2.25 million) was offset against the face value of the Convertible Note at that time (being $9.0 million including interest). Further, from 14 February 2019 the Company is required to commence repaying amounts owed to Lind under the Lind Funding Agreement through instalments of 1/12th of the face value of the Convertible Note (as adjusted in accordance with the Lind Funding Agreement) upon receipt of repayment notices from Lind. The repayments can be made at the Company's election in cash or Shares.

As at the date of this Prospectus, MACA does not hold a relevant interest in the Company's Shares. If MACA takes up its full sub-underwriting commitment (see Section 7.7), MACA's potential relevant interest in the Company's Shares on completion of the Entitlement Offer will be 16.14%. Upon the exercise of the New Options issued to it under the sub-underwriting (assuming that no other Options or New Options are exercised and the Convertible Note is not converted) MACA's relevant interest would increase to a maximum of 20.4%.

MACA has given the Company an undertaking that it will not exercise any New Options if the issue of Shares on exercise of those New Options would contravene the takeover prohibition in section 606 of the Corporations Act.

As at the date of this Prospectus, Lind holds a relevant interest in 1.7% of the Company's Shares. Lind's maximum potential relevant interest in the Company's Shares on completion of the Entitlement Offer is 9.0%, assuming that:

» it takes up its full Entitlement;

» its takes up its full sub-underwriting commitment (see Section 7.7); and

» the exercise of the New Options issued to it under the sub-underwriting (assuming that no other Options or New Options are exercised and the Convertible Note is not converted).

The voting power of MACA and Lind will also be reduced to the extent that New Shares are issued under the Top-Up Placement and Hartleys Offer and upon Shares being issued on exercise of New Options.

If the Company elects to repay amounts owed to Lind under the Lind Funding Agreement by way of issuing Shares, the relevant interest of Lind in the Shares of the Company will increase further.

2.22 Dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 55.6% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holdings as at the Record Date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	200,000,000	14.53%	250,000,000	200,000,000	6.46%
Shareholder 2	100,000,000	7.26%	125,000,000	100,000,000	3.23%
Shareholder 3	50,000,000	3.63%	62,500,000	50,000,000	1.61%
Shareholder 4	10,000,000	0.73%	12,500,000	10,000,000	0.32%
Shareholder 5	5,000,000	0.36%	6,250,000	5,000,000	0.16%
Total Shares on issue	**1,376,733,667**			**3,097,650,751**	

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on assumption that those Entitlements not accepted are placed under the Shortfall Offer or to Sub-Underwriters.
2. This only shows the dilution effect of the New Shares being offered under the Entitlements Offer. Further dilution will occur:
    a. as a result of the New Shares being issued to Hartleys under the Hartleys Offer;
    b. if New Options issued under the Entitlement Offer or the Lead Manager Offer are exercised; and
    c. if additional New Shares (and Shares on exercise of New Options) are issued under the Top-Up Placement.

2.23 Rights attaching to New Shares and New Options

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 and liabilities attaching to the New Shares is contained in Section 5.1 of this Prospectus.

The terms of the New Options are set out in Section 5.2 of this Prospectus. Subject to the satisfaction of ASX requirements, the New Options will be quoted. Shares issued upon exercise of the New Options will rank equally with existing Shares on issue as at the date of this Prospectus.

2.24 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 Offer Securities 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 Offer Securities 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 OFFERS

3.1 Purpose

The purpose of the Entitlement Offer is to raise up to approximately $25.8 million (before costs). If fully subscribed, the application of funds raised under the Entitlement Offer is summarised as follows:

Use of funds	Full subscription $'million	%
Operational improvements to the existing Operation aimed at increasing production and margins	2.0	7.75%
Expansion DFS, including drilling and negotiation of offtake and funding agreements	4.0	15.50%
Resource and Reserve drilling of high priority targets	4.0	15.50%
Payment of amounts owed to MACA and repayment of amounts owed to Lind[1]	10.0	38.76%
Ongoing working capital[3]	4.0	15.50%
Expenses of the Entitlement Offer[2]	1.8	6.99%
Total[4]	**25.8**	**100%**

Notes:

1. If MACA and/or Lind take up a portion of their respective sub-underwriting commitments, amounts owed to them will reduce by the corresponding amount, with funds raised under the Entitlement Offer also reducing by that amount. See Section 7.7 for details of the sub-underwriting agreements.
2. Refer to Section 7.14 for further details relating to the estimated expenses of the Entitlement Offer.
3. The Company will allocate a portion of general working capital amounts, together with existing cash and bullion balances, towards a further reduction of amounts owed to MACA, and other creditors generally, to normalise trade payables.
4. The total amount of the use of funds raised may vary as a result of rounding of fractional Entitlements.

Should only the Minimum Subscription Amount be raised, $752,000 will be reduced from the general working capital amount and $48,000 from expenses of the Entitlement Offer.

In the event that the Shortfall from the Entitlement Offer is less than 50%, the Company, at the election of the Joint Lead Managers, will be required to issue up to a further 333,333,333 New Shares at an issue price of $0.015 per New Share, together with 111,111,111 free attaching New Options, to the Sub-Underwriters, to raise up to approximately a further $5 million under the Top-Up Placement. Assuming that $5 million is raised under the Top-Up Placement, the additional funds raised will be applied towards:

Use of funds	Maximum subscription $' million	%
Additional working capital	4.7	93.50%

Expenses of the Top-Up Placement[1]	0.3	6.50%
Total	**5.0**	**100%**

Note:

1. Includes the Joint Lead Managers' management fee which will be approximately 6% of the proceeds of the Top-Up Placement (being $300,000). See Sections 7.5 and 0 for further details.

The above tables are a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including mining and exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The exact application of the funds raised from the Entitlement Offer and the Top-Up Placement may vary at the Directors' discretion.

3.2 Effect of the Entitlement Offer

The principal effects of the Entitlement Offer on the financial position of the Company will be to:

(a) increase the Company's cash reserves by up to $15.8 million immediately after completion of the Entitlement Offer, assuming:

   (i) that those Entitlements not accepted by Shareholders are placed under the Shortfall Offer or to Sub-Underwriters;

   (ii) MACA and Lind take up the full extent of their sub-underwriting commitments, with a corresponding reduction of $10 million (in aggregate) in the amount of trade payables and debt owed by the Company to MACA and Lind (see Section 3.5 for further details);

   (iii) before taking into account the costs of the Entitlement Offer; and

   (iv) 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 number of Shares on issue from 1,376,733,677 as at the date of this Prospectus to 3,097,650,751 Shares and increase the number of Options on issue from 117,886,684 as at the date of this Prospectus to 691,525,712 Options following completion of the Entitlement Offer[1].

Note:

1. This does not include the New Shares and New Options to be issued pursuant to the Top-Up Placement, Joint Lead Manager Offer and Hartleys Offer. Details of the Company's indicative capital structure on completion of all Offers is set out in Section 3.3 below.

Pro forma financial information summarising the effects of the Entitlement Offer is provided in Section 3.5.

3.3 Effect of the Offers 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 and New Options under the Entitlement Offer (assuming that those Entitlements not accepted by Shareholders (if any) are placed under the Shortfall Offer or to Sub-Underwriters), Lead Manager Offer and Top-Up Placement.

	Number of Ordinary Shares	Percentage of Total Shares
Existing Issued Capital	1,376,733,667	40.07%
New Shares offered pursuant to the Entitlement Offer[1]	1,720,917,084	50.09%
Sub-total[1]	**3,097,650,751**	
New Shares offered pursuant to the Hartleys Offer[2,3,4]	5,000,000	0.15%
Sub-total	**3,102,560,751**	
New Shares issued pursuant to the Top-Up Offer[3,5]	333,333,333	9.70%
Total Shares	**3,435,984,084**	**100.00%**

Notes:

1. Subject to rounding of fractional Entitlements.
2. The Company has agreed to issue 5,000,000 Shares to Hartleys as a fee under the Underwriting Agreement.
3. Each of these Offers is subject to the Company having sufficient placement capacity or obtaining Shareholder approval for the issue of New Shares where capacity is insufficient. To the extent that the Company has insufficient placement capacity to issue all of the New Shares subscribed for under the relevant Offer, the Company will issue such number of New Shares that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Shares subscribed for. Accordingly, the New Shares subscribed for under these Offer may be issued in two tranches. A notice of meeting will be sent to Shareholders in due course.
4. If Shareholder approval is not obtained, the Company will:
   a. issue the maximum number of New Shares and New Options that the Company is permitted to issue under its placement capacity; and
   b. in respect of the balance that the Company is not permitted to issue under its placement capacity, pay an amount equal to the 5 trading day volume weighted average price of the price of the relevant Security for each Security that would otherwise have been issued.
5. The Top-Up Placement is conditional on the Shortfall being less than 50% of the Entitlements offered under the Entitlement Offer.

The Company has on issue as at the date of this Prospectus, or offered to issue under this Prospectus, the following Options:

Unquoted Options currently on issue			
Options	**Expiry Date**	**Exercise Price**	**Number**
	1 June 2019	$1.00	1,000,000
	31 December 2019	$0.57	200,000
	29 February 2020	$0.308	2,000,000[1]
	31 December 2021	$Nil	42,686,684[2]

	13 February 2024	$0.08	72,000,000[1]
Total as at the date of the Prospectus			**117,886,684**
New Options to be issued pursuant to the Entitlement Offer, Lead Manager Offer and Top-Up Placement			
Options	**Expiry Date**	**Exercise Price**	**Number**
Entitlement Offer[3]	12 October 2020	$0.03	573,639,028
Lead Manager Offer[3,4,5]	12 October 2020	$0.03	100,000,000
Top-Up Placement[3,4,6]	12 October 2020	$0.03	111,111,111
Total post completion of the Offers			**902,636,823**

Notes:

1. Under the terms of these Options, the exercise price will be reduced in accordance with the formula set out in the Listing Rules as a result of the Entitlement Offer.
2. Zero Exercise Price Options (ZEPOs) with vesting conditions measured over a 3 year period ending 31 December 2020).
3. The New Options are to be issued on the terms and conditions set out in Section 5.2.
4. Each of these Offers is subject to the Company having sufficient placement capacity or obtaining Shareholder approval for the issue of New Options where capacity is insufficient. To the extent that the Company has insufficient placement capacity to issue all of the New Options subscribed for under the relevant Offer, the Company will issue such number of New Options that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Options subscribed for. Accordingly, the New Options subscribed for under these Offer may be issued in two tranches. A notice of meeting will be sent to Shareholders in due course.
5. If Shareholder approval is not obtained, the Company will:
    a. issue the maximum number of New Options that the Company is permitted to issue under its placement capacity; and
    b. in respect of the balance that the Company is not permitted to issue under its placement capacity, pay an amount equal to the 5 trading day volume weighted average price of the price of the relevant Security for each Security that would otherwise have been issued.
6. The Top-Up Placement is conditional on the Shortfall being less than 50% of the Entitlements offered under the Entitlement Offer.

The Company has issued the following Convertible Note as at the date of this Prospectus.

	Class	**Number**
Convertible Note	1	1[1]

Notes:

1. The Convertible Note has a face value of $9,000,000 (including interest) and can be repaid at the Company's election in cash or Shares calculated at a repayment price of the lesser of $0.08 per Share and 90% of the 5 day VWAP during a specified period. The Term of the Convertible Note is the period commencing from 26 September 2018 and ending on the later of: (i) 13 February 2021 or if there is an event of default or the Company's market capitalisation is less than $32,500,000, 25 September 2020; or (ii) 30 calendar days after the Company has fulfilled all of its obligations in respect of the Convertible Note. Further details of the terms of the Convertible Note are set out in the Company's ASX announcement on 25 September 2018. As detailed in Sections 2.21 and 7.7, Lind has agreed to sub-underwrite up to $2.5 million of the Entitlement Offer through the conversion to equity of amounts owed by the Company. The Company has agreed under the Letter Deed with Lind to repay to Lind an amount of $2,500,000 in satisfaction of debt owed by the Company out of the funds raised from the Entitlement Offer. If Lind takes up a portion of its sub-underwriting commitment, the amounts owed to Lind will reduce by the corresponding amount, with funds raised under the Entitlement Offer also reducing by that amount.

If any of the Company's existing Options are exercised or the Convertible Note is converted prior to the Record Date, the Shares issued on such exercise or conversion 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.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,734,203,685 Shares[1] and on completion of the Entitlement Offer (assuming all Entitlements are accepted and no Options are exercised and that the Convertible Note is not converted, in each case prior to the Record Date) would be 3,097,650,751 Shares[2].

Notes:

1. Assumes that the Convertible Note is converted in accordance with the Lind Funding Agreement by reference to a repayment price based on a 5 day VWAP of $0.024.
2. This does not include New Shares and New Options to be issued under the Top-Up Placement, the Joint Lead Manager Offer or the Hartleys Offer. The capital structure on a fully diluted basis upon the issue of securities under all Offers will, on the same assumptions as are set out above, be 4,578,204,241.

No Shares on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Details of substantial holders

Based on publicly available information as at 20 March 2019, no person which (together with their associates) have a relevant interest in 5% or more of the Shares.

3.5 Effect of the Entitlement Offer on the Company's financial position

Set out below for illustrative purposes is the auditor reviewed consolidated statement of financial position as at 31 December 2018, the unaudited consolidated statement of financial position as at 28 February 2019 and a pro-forma unaudited consolidated statement of financial position as at 28 February 2019.

The pro-forma unaudited consolidated statement of financial position has been prepared, assuming:

(a) the issue of 1,720,917,084 New Shares offered pursuant to the Entitlement Offer;

(b) the Company raises approximately $15.8 million in cash (before costs) assuming that the Sub-Underwriters in paragraph (c) below take up their sub-underwriting commitments in full;

(c) these Sub-Underwriters of the Entitlement Offer will convert amounts owed to them by the Company to Shares:

Entity	Issued in New Shares by way of sub-underwriting[1]
MACA	$7.5 million
Lind	$2.5 million

Note:

1. The actual number of New Shares issued by way of sub-underwriting may vary depending on the take up of Entitlements by Eligible Shareholders.

(d) the estimated costs of the Entitlement Offer being $1,800,000, including Hartleys' lead manager fee which will be approximately 6% of the proceeds of the amount actually underwritten;

(e) the issue of 100,000,000 New Options to the Joint Lead Managers under the Lead Manager Offer;

(f) the issue of 5,000,000 New Shares to Hartleys under the Hartleys Offer;

(g) the Top-Up Placement is not undertaken;

(h) no existing Options are exercised and the Convertible Note is not converted prior to the Record Date; and

(i) other interim material adjustments have been taken into account for the period between 31 December 2018 and the date of this Prospectus.

The accounting policies upon which the pro-forma statement of financial position are based are contained in the audited financial report for the year ended 30 June 2018.

Pro-forma Statement of Financial Position

	Reviewed Dec-18 A$'000	*Unaudited* Feb-19 A$'000	*Unaudited* Capital Raising A$'000	*Unaudited* Pro Forma Balance Sheet Feb-19 A$'000
Current assets				
Cash and cash equivalents	1,513	1,156	14,015	15,171
Gold bullion awaiting settlement	4,722	2,640	-	2,640
Bank guarantees (restricted cash)	566	566	-	566
Trade and other receivables	5,181	3,225	-	3,225
Inventories	11,949	15,638	-	15,638
Financial assets	14	19	-	19
Total current assets	**23,945**	**23,244**	**14,015**	**37,259**
Non-current assets				
Inventories	1,504	1,504	-	1,504
Plant and equipment	57,683	59,604	-	59,604
Mine properties - areas in production	73,675	75,561	-	75,561
Mine properties - areas in development	5,056	5,056	-	5,056
Exploration and evaluation expenditure	18,205	19,178	-	19,178
Total non-current assets	**156,123**	**160,903**	**-**	**160,903**
Total assets	**180,068**	**184,147**	**14,015**	**198,162**
Current liabilities				
Trade and other payables	33,355	36,638	(7,500)	29,138
Provisions	986	995	-	995
Interest-bearing liabilities	15,007	17,451	(1,050)	16,401
Financial liabilities	4,270	3,067	-	3,067
Total current liabilities	**53,618**	**58,151**	**(8,550)**	**49,601**
Non-current liabilities				
Interest-bearing liabilities	3,770	2,306	-	2,306
Provisions	26,452	26,577	-	26,577
Total non-current liabilities	**30,222**	**28,883**	**-**	**28,883**
Total liabilities	**83,840**	**87,034**	**(8,550)**	**78,484**
Net assets	**96,228**	**97,113**	**22,565**	**119,678**
Equity				
Issued capital	147,694	148,676	24,576	173,252
Reserves	5,752	7,049	(561)	6,488
Accumulates losses	(57,218)	(58,612)	(1,450)	(60,062)
Total equity	**96,228**	**97,113**	**22,565**	**119,678**

Notes:

1. The reduction in Trade and other payables as a result of the Entitlement Offer includes the reduction of payable to MACA as a result of its $7.5m sub-underwriting commitment.
2. The reduction in current Interest bearing liabilities a result of the Entitlement Offer is the reduction of the debt owed to Lind as a result of its $2.5m sub-underwriting commitment. The Company and Lind have further agreed under the Letter Deed that Lind will no longer have an obligation to pay the Company for the collateral shares issued to Lind as security pursuant to the terms of the Lind Funding Agreement. The effect of this has been included in the Capital Raising adjustments.

In addition to the Entitlement Offer, Joint Lead Manager Offer and Hartleys Offer, a maximum of 333,333,333 New Shares and 111,111,111 New Options can be offered pursuant to the Top-Up Placement, which could raise up to a further approximately $5 million. The Company has agreed to pay the Joint Lead Managers a 6% distribution fee on the value of any New Shares issued under the Top-Up Placement (equivalent to $300,000). Accordingly, after expenses of the Top-Up Placement (see Section 7.14) the effect of the Top-Up Placement could be top increase the cash reserves by a maximum additional amount of $4,675,000.

3.6 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

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:	$0.060 on 30 January 2019
Lowest:	$0.025 on 4 March 2019

The latest available market sale price of the Shares on ASX prior to the day of lodgement of this Prospectus with ASIC was $0.027 on 12 March 2019.

The Company's Shares have been in voluntary suspension since 15 March 2019. An application was made to the ASX to recommence trading effective on the date of lodgement of this Prospectus.

4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

4.1 What Eligible Shareholders may do

Your Entitlement (being the number of New Shares and New Options to which you are entitled) 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 2.22 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);
- 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 2.10 above).

Eligible Shareholders who take no action in respect of their Entitlement may receive no benefit and their Entitlement will lapse. Eligible Shareholders may still trade their Rights (refer to Section 2.9 above).

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of securities. Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

In accordance with 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.

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 (Sydney time) 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 for in full the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

» 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.

The New Options are free attaching.

4.3 Applying for Additional Securities

As detailed in Section 2.11 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 $0.015 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 the Company's discretion, in which case excess Application Monies will be refunded without interest (see Section 2.11 for further details).

4.4 Shortfall Offer

Other investors may also apply for New Shares and New Options 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 $0.015 per New Share (see Section 2.12 for further details).

4.5 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 and New Options 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 2.10 for further information in relation to this.

4.6 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 Offers, contact your stockbroker or other professional adviser.

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

(b) **Dividends**

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

(c) **Winding up**

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

(d) **Transfer of Shares**

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

(e) **Calls on Shares**

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

(f) **Further Increases in Capital**

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

(g) **Variation of Rights Attaching to Shares**

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

(h) **General Meeting**

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

5.2 New Options

The terms of the New Options are set out below. In the event that the New Options are not accepted for quotation by the ASX, they will be unquoted options.

(a) Each New Option entitles the holder to subscribe for 1 Share at the exercise price of $0.03.

(b) Subject to paragraph (c) below, the New Options are exercisable at any time up to 5.00pm (Perth time) on 12 October 2020 by completing an exercise form and delivering it together with the payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company. Any New Options not exercised by that time will lapse.

(c) A New Option holder may exercise only some of that holder's New Options, which does not affect that holder's right to exercise the remainder of their New Options by the deadline in paragraph (b) above.

(d) Subject to ASX's quotation requirements including that there is at least 50 holders of New Options under these terms and conditions, the Company will apply to the ASX for official quotation of the New Options. The Company gives no assurances that such quotation will be granted.

(e) Subject at all times to the Corporations Act, the Listing Rules and the Company's Constitution, the New Options are freely transferable.

(f) All Shares issued upon exercise of the New Options will, from the date they are issued, rank equally in all respects with the Company's then issued Shares. The Company will apply for official quotation to ASX of all Shares issued upon exercise of the New Options.

(g) New Option holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the New Options without first exercising the New Options.

(h) A New Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the New Option can be exercised.

(i) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior the New Option, the rights of New Option holders, including the number of New Options or the exercise price of the New Options or both will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(j) New Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to New Option holders in the manner provided by the Company's Constitution for the giving of notices to Shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to New Option holders.

(k) Notwithstanding these terms and conditions, the New Options may only be issued or exercised within the limitations imposed by the Corporations Act and the Listing Rules.

6. RISKS

6.1 Introduction

The Company is a gold mining and exploration company that owns 100% of the Operation located in the Northern Goldfields of Western Australia.

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 its Shares. These risks include, but are not limited to, the risks set out in this Section 6.

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. Investors should consider that an investment in the Company is speculative.

6.2 Company Specific Risks

(a) Potential for significant dilution

Upon implementation of the Offers, the Company will issue:

(i) up to approximately 1,720,917,084 New Shares and 573,639,028 New Options under the Entitlement Offer (subject to rounding and assuming no existing Options are exercised or the Convertible Note is converted prior to the Record Date);

(ii) 100,000,000 New Options to the Joint Lead Managers (and/or their nominees) under the Lead Manager Offer;

(iii) 5,000,000 New Shares to Hartleys under the Hartleys Offer; and

(iv) a maximum of 333,333,333 New Shares and 111,111,111 New Options to Sub-Underwriters under the Top-Up Placement (assuming the Shortfall is less than 50% and those Entitlements not accepted by Shareholders are placed under the Shortfall Offer or to Sub-Underwriters).

The capital structure upon completion of the Offers is set out in Section 3.3.

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

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

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

(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**

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

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

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

There is no guarantee that the Company will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.

(d) **Mining approvals**

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

(e) **Operating risks**

The operations of the Company may be affected by various factors, including operational and technical difficulties encountered in mining and maintaining mining productivity rates; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall); delays in construction of tails dam wall lifts; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, labour and contractors, spare parts and plant and equipment. 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 or gold concentrates is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold or gold concentrates, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

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

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

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

(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 or delay the delivery of ore to the processing plant. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

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

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

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

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

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

(j) **Environmental risks**

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

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

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

(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 the insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by the Company for any activities. The Company may not be able to meet forecast production, or to complete planned exploration, appraisal and development programmes if there is a failure of these parties.

(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) **Future capital requirements**

Whilst the Entitlement Offer is expected to position the Company well, the Company may require further financing for exploration and development of its existing projects, and will require funding for the expansion plans the subject of the proposed Expansion DFS, in addition to amounts raised under the Entitlement Offer. Any additional equity financing that the Company may undertake in the future may 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 the Company. This may have an adverse effect on the Company's ability to achieve its strategic goals, including the expansion the subject of the proposed Expansion DFS, and have a negative effect on the Company's financial results, liquidity position and the value of the Shares.

(n) **Default Risk**

The MACA Loan and the Lind Funding Agreement now represent the Company's only remaining material debt obligations. The Company's other obligations are immaterial and relate to equipment financing leases.

Part of the funds raised under the Entitlement Offer will be allocated to repaying the Company’s debts.

The MACA Loan is fully secured and is repayable monthly from March 2019, as detailed in the Company's ASX announcement dated 15 January 2018. In addition to the MACA Loan, trade payables owing to MACA for mining services provided to the Company are also secured against the Group’s assets.

The Lind Funding Agreement is also fully secured. As announced on 25 September 2018, from 14 February 2019 the Company is required to commence repaying amounts owed to Lind under the Lind Funding Agreement through instalments of 1/12th of the face value (as adjusted in accordance with the Lind Funding Agreement) upon receipt of repayment notices from Lind. The repayments can be made at the Company's election in cash or Shares.

The Company’s repayment obligations to Lind and MACA Mining (a subsidiary of MACA) respectively are secured against the Blackham Group’s assets pursuant to separate general security deeds and mining tenement mortgages held by Lind and MACA Mining respectively over the tenements held by Matilda Operations and Kimba (wholly-owned subsidiaries of the Company) in respect of the Operation.

If the Company is unable to repay Lind and/or MACA Mining as required under the Lind Funding Agreement or the MACA Loan (as applicable) or pay the trade payables owing to MACA it will default in its obligations under these agreements. The Company would then be at risk of default proceedings should Lind, MACA Mining or MACA seek to enforce its rights under those relevant agreements.

Part of the funds raised under the Entitlement Offer will be used to pay amounts owed to MACA and repay amounts owed to Lind as set out in Section 3.1. In this regard, MACA and Lind have also agreed to a conditional standstill until 30 April 2019 (and continuing to 30 June 2019 in the case of Lind) of certain amounts owing to them (other than in respect of those funds raised under the Entitlement Offer that will be used to pay amounts owed to MACA and repay amounts owed to Lind) including (to 30 April 2019 in respect of both Lind and MACA) in respect of enforcement rights arising as a result of their respective arrangements with the Company. Further details are set out in Section 7.7.

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

(o) **Going concern risk**

The Company's interim financial report for the half year ended 31 December 2018 includes a note regarding the basis of preparation of the financial statement on a going concern basis, despite its net current liability position. The report notes that:

> "*The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.*
>
> *In the six months to 31 December 2018 the consolidated entity incurred a loss of $10.3m, despite the positive net cash inflows from operating activities of $7.9m. As at that date, the consolidated entity had net current liabilities of $29.7m. Notwithstanding those amounts, the Group had net assets of $96.2m.*
>
> *There would be inherent uncertainties regarding the Group's ability to continue as a going concern if the Group did not:*
>
> 1. *achieve its forecasted production quantities; and*
>
> 2. *fund a forecasted short-term working capital deficiency during a time of significant mine development of open pit mining locations, whilst concurrently making debt repayment to its financiers.*"

Notwithstanding the going concern note, the interim financial report notes that:

"Despite this, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors:

- *Subsequent to the half-year end, the Company signed an agreement with corporate advisors to effect a solution to its funding requirements, with the expectation that sufficient additional funding will be secured in the June 2019 Quarter. Part of the new funding proceeds received will provide the Group with adequate funding to meet its short-term working capital deficiency; and*

- *The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds received, will generate sufficient cash inflows to meet the repayment of trade debts when they become due and payable.*

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern."

(p) **Key personnel**

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

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

(q) **Litigation**

The Company may be subject to litigation and other claims. The Company is reserving its rights and considering its options in relation to the Pacific Road Capital funding arrangement announced on 24 November 2017, which did not progress. Any litigation in relation to this or any other matter in which the Company may in the future become involved could result in negative publicity, potential liability and additional expenditure.

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) **Liquidity risk**

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

(c) **Economic factors**

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

(d) **Changes in laws and government policy**

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

(e) **Taxation**

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

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

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

(g) **Counterparty risk**

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

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

(h) **Insurance Risks**

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities arising 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 fully (or partially) 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 by the Company that has not been considered in this Prospectus. Although the Company is not at the date of this Prospectus 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 its Shares.

(j) **Risks associated with investment**

Prospective investors should be aware that the market price of the Shares may be influenced by many unpredictable factors and that subscribing for New Shares involves various risks. The value of the Company's securities on the ASX may rise and fall depending on a range of factors, some of which are beyond the control of the Company.

The New Shares and New Options being offered under this Prospectus are considered highly speculative due to the present stage of the Company's operations. This Prospectus carries no guarantee with respect to the return of capital or price at which the New Shares and New Options will trade.

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 (or options to acquire such 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 acquisition and/or disposal of Offer Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Offer Securities from a taxation viewpoint as well as generally.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any Offer Securities subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Directors recommend that all potential investors consult their own professional tax advisers.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Offer Securities under this Prospectus.

7.4 Underwriting Agreement

In accordance with the Underwriting Agreement, Hartleys has agreed to act as arranger of the underwriting for the Entitlement Offer.

Under the Underwriting Agreement, Hartleys must procure subscriptions (by appointing Sub-Underwriters) for the difference between the amount underwritten and the amount raised under the Entitlement Offer.

Should a Sub-Underwriter appointed by Hartleys default on its binding and irrevocable sub-underwriting commitment, Hartleys may assign responsibility for enforcing any claims against such Sub-Underwriters to the Company. In these circumstances, the Company (rather than Hartleys) will have to enforce the sub-underwriting commitments directly against the relevant Sub-Underwriters.

Under the Underwriting Agreement, the Company has agreed to:

(a) pay Hartleys a lead manager fee of up to 6% of the amounts underwritten;

(b) issue to Hartleys (or its nominee) 5,000,000 New Shares and 100,000,000 New Options.

Hartleys will direct that 50,000,000 of the 100,000,000 New Options are issued to Morgans.

In addition, the Company will pay certain costs of Hartleys incurred in relation to the Entitlement Offer, including external legal expenses, reasonable out of pocket expenses, travel expenses and any stamp duty, transfer taxes, withholding taxes or similar taxes payable in respect of the Underwriting Agreement or the Entitlement Offer.

The Company and Hartleys have also agreed that if the Shortfall is less than 860,458,542 New Shares (being 50% of the New Shares offered under the Entitlement Offer), the Company will grant Hartleys (on behalf of itself and Morgans) the right (at Hartleys' election) to act as lead arranger to the Top-Up Placement. See Section 2.14 for further details of the Top-Up Placement. Hartleys will receive a 6% fee on the value of any New Shares issued pursuant to the Top-Up Placement.

No Offer Securities will be issued to an applicant under the Top-Up Placement if the issue of Offer Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

To the extent that the Company has insufficient placement capacity to issue all of the New Shares and New Options subscribed for under the Top-Up Placement, the Lead Manager Offer or the Hartleys Offer, the Company will issue such number of New Shares and New Options that it has placement capacity for and will seek Shareholder approval for the issue of the balance of the New Shares and New Options subscribed for.

To the extent that the Company is able to issue any of the New Shares and New Options under the Top-Up Placement, Lead Manager Offer and Hartleys Offer without the prior approval of Shareholders for the purposes of Listing Rule 7.1 or Listing Rule 7.1A, the Company must utilise that available capacity to issue the New Shares and New Options under the Top-Up Placement, Lead Manager Offer and Hartleys Offer in the following order:

(a) firstly by way of the issue of New Shares and New Options under the Top-Up Placement;

(b) if after the issue of all of New Shares and New Options under the Top-Up Placement the Company is able to issue some or all of the New Options under the Lead Manager Offer within its available capacity under Listing Rule 7.1 or Listing Rule 7.1A without the prior approval of its Shareholders, secondly by way of the issue of the New Options under the Lead Manager Offer; and

(c) if after the issue of all of the New Shares and New Options under the Top-Up Placement and the Lead Manager Offer the Company is able to issue some or all of the New Shares under the Hartleys Offer within its available capacity under Listing Rule 7.1 or Listing Rule 7.1A without the prior approval of its Shareholders, thirdly by way of the issue of the New Shares under the Hartleys Offer.

In the event that the Company has not issued all of the New Options under the Lead Manager Offer and all of New Shares under the Hartleys Offer by 12 July 2019, then Hartleys may at any time after that date request the Company to, and upon receipt of such request, the Company must, satisfy its obligations to issue the New Options under the Lead Manager Offer and the New Shares under the Hartleys Offer by:

(a) issuing that number of New Options under the Lead Manager Offer and New Shares under the Hartleys Offer that the Company is permitted to issue within its Listing Rule 7.1 and Listing Rule 7.1A capacity; and

(b) in respect of the balance of New Options under the Lead Manager Offer and New Shares under the Hartleys Offer that the Company is not permitted to issue in accordance with its available capacity under Listing Rule 7.1 and/or Listing Rule 7.1A, pay an amount equal to the 5 trading day VWAP of the price of the relevant security (calculated up to the Business Day prior to the date of request by Hartleys), for each New Option under the Lead Manager Offer and/or New Share under the Hartleys Offer that would have been issued to Hartleys but for the limitation imposed by Listing Rule 7.1 and/or Listing Rule 7.1A.

Hartleys obligations under the Underwriting Agreement are subject to certain events of termination. Hartleys may terminate its obligations under the Underwriting Agreement if:

» (**Change in gold price**) the spot “ask” A$ gold price as quoted by The Perth Mint at anytime after the date of the Underwriting Agreement is 10.0% or more below its price as at the close of business on the Business Day before the date of the Underwriting Agreement;

» (**Index fall**) the All Ordinaries Index as published by ASX is for two consecutive Business Days after the date of the Underwriting Agreement 10.0% or more below its level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

» (**Minimum Subscription Amount**) the Minimum Subscription Amount is not satisfied on or before the Settlement Date;

» (**Debt facility**) a debt facility is breached by any party to the agreement or it is revoked, rescinded, avoided, amended (including by way of any standstill arrangements), varied, superseded or replaced in any way, the lender under a debt facility seeks to enforce any security granted in connection with, or accelerate or otherwise require repayment of any amounts under, the debt facility or an event of default or potential event of default (however defined) occurs under a debt facility, in each case without the prior written consent of Hartleys (in its absolute discretion);

» (**Prospectus**) the Company does not lodge the Prospectus on the lodgement date or the Entitlement Offer is withdrawn by the Company without the prior written consent of Hartleys;

» (**Breach of material contracts**) any of the contracts described in the Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus;

» (**board and senior management composition**) there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Entitlement Offer without the prior written consent of Hartleys (which consent is not to be unreasonably withheld) except as announced to ASX or fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement;

» *(**change in shareholdings**) other than as a result of the Entitlement Offer there is a change in the major or controlling shareholdings of an entity within the Blackham Group or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to an entity within the Blackham Group;

- *(**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, commercial banking activities or political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or any other international financial market;

- (**Offer Materials**) a statement contained in the materials for the Entitlement Offer is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the materials omit any information that the materials are required to contain (having regard to sections 711, 713 and 716 of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the materials relating to future matters;

- (**listing**) ASX announces or informs the Company (including verbally) that the Company will be removed from the official list or that Shares will be delisted or suspended from quotation by ASX for any reason (however, for the avoidance of doubt, this does not include any voluntary suspension or trading halt that has been obtained by the company with Hartleys' prior written consent);

- (**notification**) any of the following notifications are made:

  - an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other government agency, in relation to the Entitlement Offer or any of the materials relating to the Entitlement Offer; or

  - ASIC or any other government agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Entitlement Offer or any of the materials for the Entitlement Offer or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,

  and in either case:

  - where the government agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within 5 Business Days of the date of the application or by the allotment date; or

  - where the government agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by the allotment date;

- (**Authorisation**) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked, or terminated or expires, or is modified or amended in a manner unacceptable to Hartleys;

- (**quotation**) ASX announces or informs the Company (including verbally) that unconditional approval (or approval subject to customary listing conditions) by the ASX for official quotation of the New Shares or New Options under the Entitlement Offer will be refused, or not granted by the allotment date or, if granted, such approval is withdrawn on or before the allotment date. The parties acknowledge that the quotation of the New Options (including the New Options to be issued under the Lead Manager Offer and the Top-Up Placement) is conditional on there being at least 100,000 New Options issued and 50 holders of New Options, and that without limiting in any way the rights of Hartleys under the Underwriting Agreement, this termination event is not enlivened by a refusal of the ASX to grant the quotation solely because such conditions are not met;

» (**unable to issue New Shares and New Options**) the Company is prevented from allotting and issuing the New Shares and New Options under the Entitlement Offer, the Top-Up Placement, the Joint Lead Manager Offer or the Hartleys Offer in accordance with the Underwriting Agreement and the timetable;

» *(**hostilities**) there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China, Indonesia, India, Pakistan, Russia, Israel, any member of the European Union, the Democratic People's Republic of Korea, the Republic of Korea or Japan, 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;

» *(**Timetable**)

- any event specified in the timetable (except the lodgement date and allotment date) is delayed by the Company for more than 1 Business Day without the prior written consent of Hartleys (such consent not to be unreasonably withheld); or

- the lodgement date and allotment date is delayed by the Company, in any way, without the prior written consent of Hartleys (such consent not to be unreasonably withheld);

» (**ASIC or ASX action**) the Entitlement Offer is prevented from proceeding (without amendment on terms acceptable to Hartleys) by reason of:

- an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction;

- an investigation or inquiry or proceedings initiated by either ASIC or ASX into the conduct of the Company; or

- in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;

» (**withdrawal of consent**) any:

- person (other than Hartleys) who has previously consented to the inclusion of its, his or her name in the Prospectus or any supplementary prospectus or to be named in the Prospectus or any supplementary prospectus, withdraws that consent; or

- accounting or legal adviser to the Company refuses to give its consent or having previously consented to be named in the Prospectus, withdraws that consent;

» (**supplementary prospectus**):

- Hartleys forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as Hartleys may reasonably require; or

- the Company lodges a supplementary or replacement prospectus without the prior written agreement of Hartleys;

» (**Certificate**) any certificate which is required to be delivered by the Company under the Underwriting Agreement is not delivered when required (other than under a permitted change to the timetable) or is untrue, incorrect or misleading in a material respect;

» (**Suspension of debt payments**) except as fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement, the Company suspends payment of its debts generally;

» (**insolvency**) any one of the following occurs:

- except as fully and fairly disclosed to Hartleys prior to the date of the Underwriting Agreement, the Company (or any entity within the Blackham Group):

  » being or stating that it is unable to pay its debts as and when they fall due; or

  » failing to comply with a statutory demand;

- any step being taken which will or is likely to result in any of the following:

  » the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any entity within the Blackham Group);

  » the Company (or any entity within the Blackham Group) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;

  » circumstances existing which would permit a presumption of insolvency in relation to the Company (or any entity within the Blackham Group) under section 459C(2) of the Corporations Act; or

  » anything analogous or having a substantially similar effect occurring in relation to the Company (or any entity within the Blackham Group);

» *(**Judgment against the Company**) a judgment in an amount exceeding $150,000 is obtained against the Company and is not set aside or satisfied within 7 days;

» (**ASIC Modifications and ASX Waivers**) approval for any ASIC modifications or ASX waivers is subsequently withdrawn, or is varied in a way that in the reasonable opinion of Hartleys, would have a material adverse effect on the success of the Entitlement Offer;

» (**conduct**) the Company or any of its Directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer;

» *(**Director**):

- a director or senior manager of any entity within the Blackham Group (in that capacity) is charged with an indictable offence, or any government agency or regulatory body commences any public action against a director or senior manager of any entity within the Blackham Group (in that capacity) or announces that it intends to take any such action; or

- a director of any entity within the Blackham Group is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;

» (**adverse change**) in the reasonable opinion of Hartleys, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to Hartleys (whether or not it becomes public) which, individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Blackham Group taken as a whole, or is likely to have a materially adverse effect on the marketing, settlement or outcome of the Entitlement Offer;

» *(**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus, or due diligence program or otherwise disclosed during the due diligence investigations;

» *(**breach of obligations**) the Company is in breach of any terms and conditions of the Underwriting Agreement (other than with respect to compliance with the timetable);

» *(**breach of representations**) any of the representations or warranties made or given by the Company in the Underwriting Agreement is or becomes incorrect, untrue or misleading;

» *(**information supplied to Hartleys**) the information supplied by or on behalf of the Company to Hartleys including as part of the due diligence program provided for in the Underwriting Agreement is, or the results of the Underwriting Agreement due diligence investigations are, in the reasonable opinion of Hartleys false, misleading or deceptive (including by omission);

» *(**change in law**) there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);

» *(**Investigation**) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;

» *(**Capital Structure**) the Company alters its capital structure in any manner not contemplated by the Prospectus or as announced by the Company on or before the date of the Underwriting Agreement;

» (**Certain resolutions passed**) the 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 Hartleys;

» *(**force majeure**) a force majeure event affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

» *(**Prescribed Occurrence**): any of the events regarding withdrawals of market bids as described in section 652C(1)(a) to (h) of the Corporations Act occurs;

» *(**contravention of law**) a contravention by any entity within the Blackham Group of the Corporations Act, its constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any government agency; or

» (**compliance**) any aspect of the Entitlement Offer, including the Prospectus or the underwriting and any sub-underwriting of the Entitlement Offer, does not comply with the Corporations Act, the Listing Rules, any ASIC instruments or ASX waivers or any other applicable law or regulation, or requires an approval or other authorisation that has not been obtained at the date of the Underwriting Agreement.

The events marked with * are qualified and require Hartleys to hold the reasonable opinion that the event:

» has had, or could have, individually or in aggregate a material adverse effect on the financial position or performance of any entity within the Blackham Group or the success or outcome of the Entitlement Offer, the market price of the New Shares, New Options or Shares or the ability of Hartleys to promote the Entitlement Offer;

» leads (or is, in Hartleys' opinion, reasonably likely to lead) to the obligations on Hartleys becoming materially more onerous;

» has had, or could have, individually or in aggregate a material adverse effect on the tax position of any entity within the Blackham Group or an Australian resident Shareholder; or

» leads (or is, in Hartleys' opinion, reasonably likely to lead) to a material liability for Hartleys, or the contravention of (or involvement in a contravention of), or a liability under the Corporations Act or any other applicable law.

7.5 Mandate Agreement

On 28 February 2019, Hartleys, Morgans and the Company entered into a lead manager mandate (**Mandate Agreement**), as varied on 19 March 2019, pursuant to which the Joint Lead Managers agreed to act as the joint lead managers to the Entitlement Offer.

In addition to acting as the Joint Lead Managers, Hartleys will act as the lead arranger of the underwriting of the Entitlement Offer and Morgans will act as a Sub-Underwriter.

Pursuant to the Mandate Agreement, the Company has agreed to pay Hartleys the fees under the Underwriting Agreement (refer to Section 7.4). No fees are payable to Morgans pursuant to the Mandate Agreement. However, Morgans will receive 50,000,000 New Options as described in Section 7.4 above and Hartleys will pay an amount to Morgans from the fees payable to Hartleys under the Underwriting Agreement.

The Company has also agreed to pay the Joint Lead Managers for all out of pocket expenses incurred by the Joint Lead Managers.

The Mandate Agreement contains other terms and conditions considered standard for an agreement of this nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

7.6 Sub-underwriting agreements

A number of institutional and professional investors, together with MACA and Lind have agreed, on a binding and irrevocable basis, to fully sub-underwrite the Entitlement Offer in their respective proportions of the sub-underwriting commitment. Details of the MACA and Lind sub-underwriting arrangements are set out in Section 7.7.

The sub-underwriting commitments are conditional on Hartleys not terminating the Underwriting Agreement (see Section 7.4 for details of the circumstances in which Hartleys can terminate the Underwriting Agreement). The termination events described in Section 7.4 for the Underwriting Agreement also apply to the sub-underwriting agreements.

7.7 Sub-underwriting and standstill arrangements - MACA and Lind

MACA and Lind have agreed to sub-underwrite up to $7.5 million and $2.5 million of the Entitlement Offer respectively through a corresponding reduction in the amount owed by the Company to each party (as an offset to their obligation to pay the Application Monies for the New Shares which they would be liable to subscribe for in cash).

The Company has agreed under letter agreements with Lind and MACA (**Letter Deeds**) to:

(a) pay to MACA an amount of $7,500,000 in satisfaction of the amount of trade payables owed to MACA by the Company; and

(b) repay to Lind an amount of $2,500,000 in satisfaction of debt owed by the Company,

out of the funds raised from the Entitlement Offer. If MACA and/or Lind take up a portion of their respective sub-underwriting commitments, the amounts owed to them will reduce by the corresponding amount, with funds raised under the Entitlement Offer also reducing by that amount.

Both Lind and MACA have agreed in the Letter Deeds to:

(a) a standstill of amounts owing to them until 30 April 2019 (in the case of MACA) and 30 June 2019 (in the case of Lind) other than, in the case of Lind, in respect of a conversion or repayment of the Convertible Note issued to Lind where such conversion or repayment is requested by Lind to be at a conversion price or repayment price (as applicable) of at least 1.8 cents. In the case of MACA, the standstill relates to amounts of approximately $5.7 million of mining service payments; and

(b) a standstill in exercising any rights in respect of any existing events of default under its arrangements with Lind and MACA and any events of default that occur prior to 30 April 2019, in each case provided any such events of default is not an event of default as at 30 April 2019,

provided that, in the case of Lind, the above standstills will cease to apply if the Underwriting Agreement is terminated, Lind's sub-underwriting agreement is terminated, ASIC requires this prospectus to be withdrawn, the Company does not proceed with the Entitlement Offer or the Company breaching its Letter Deed with Lind.

The directors believe that following the completion of the Entitlement Offer it will not be in default under its arrangements with Lind or MACA.

In addition to the above, Lind has agreed in the Letter Deed to waive its rights under the Lind Funding Agreement to exercise the Convertible Notes issued to it a modified conversion price in the event the Company's market capital reduces to under $32,500,000 prior to 18 April 2019. The Company and Lind have further agreed under the Letter Deed that Lind will no longer have an obligation to pay the Company for the collateral shares issued to Lind as security pursuant to the terms of the Lind Funding Agreement.

The sub-underwriting commitments are conditional on Hartleys not terminating the Underwriting Agreement (see Section 7.4 for details of the circumstances in which Hartleys can terminate the Underwriting Agreement). The termination events described in Section 7.4 for the Underwriting Agreement also apply to the sub-underwriting agreements.

7.8 Sub-underwriting by the Chairman

Milan Jerkovic, the Chairman has personally committed to sub-underwrite up to $1,000,000 of the Entitlement Offer on the same arm's length terms as the other Sub-Underwriters, except that the Chairman will not be paid any sub-underwriting fee.

7.9 Consents and Interests of Parties

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Offer Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section does not make, and does not purport to make, any statement in this Prospectus other than as specified in this Section and in light of the above, only 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.

Hartleys:

- does not make or offer the Entitlement Offer, the Shortfall Offer, the Top-Up Placement, the Lead Manager Offer or the Hartleys Offer;
- has not authorised, and has not caused, the issue of this Prospectus;
- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus; and
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus in the form and context in which it is named.

Morgans has given, and has 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. Morgans 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 Morgans. To the maximum extent permitted by law, Morgans expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

K&L Gates has given, and has not before the date of this Prospectus (including any electronic version) withdrawn, its consent to being named as the Company's legal advisers in this Prospectus in the form and context in which its name has been included. K&L Gates 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 K&L Gates. To the maximum extent permitted by law, K&L Gates expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Each of MACA and Lind has given, and has 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. MACA and Lind make 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 MACA or Lind, other than the reference to its name in the form and context in which it is named. To the maximum extent permitted by law, MACA and Lind expressly disclaim all liabilities in respect of, make 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. MACA and Lind have not caused the issue of or in any way authorised this Prospectus and takes no responsibility for the issue of this Prospectus.

RSM Australia Partners has given, and has not prior to the date of this Prospectus (including any electronic version) withdrawn, its written consent to being named as the auditors to the Company in this Prospectus in the form and context in which its name has been included and to the inclusion of statements and information relating to or attributable to RSM Australia Partners in this Prospectus. RSM Australia Partners make no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers and do not make any statement in this Prospectus, nor is any statement in it based on any statement made by RSM Australia Partners, other than the reference to its name and a statement included in this Prospectus with its consent in the form and context in which it is included. To the maximum extent permitted by law, RSM Australia Partners expressly disclaim all liabilities in respect of, make no representations regarding, and takes no responsibility for, any statements in or omissions from this Prospectus, other than the reference to its name and a statement included in this Prospectus with its consent in the form and context in which it is included. RSM Australia Partners have 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 Application Forms 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.

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 2 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 Offer Securities under this Prospectus; or

» the offer of Offer Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash, 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 Offer Securities issued pursuant to this Prospectus.

Hartleys has agreed to act as Joint Lead Manager and arranger of the underwriting under the Entitlement Offer and will receive fees as described in Sections 7.4 and 7.5. Hartleys has been paid fees of $2,274,463 cash and issued 8,750,000 Shares and 44,375,000 Options by the Company in the previous 2 years.

Morgans has agreed to act as Joint Lead Manager under the Entitlement Offer and will receive fees as described in Section 7.4. Morgans has not been paid fees by the Company in the previous 2 years.

K&L Gates has agreed to act as Company's legal advisers and will receive fees as described in Section 7.14. K&L Gates been paid fees of $592,251.50 by the Company in the previous 2 years.

7.10 Directors' authorisation

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

7.11 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 requires the Company to disclose to ASX any information of which it is, or becomes, aware of concerning the Company, 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 requests one or more of the following documents prior to the Closing Date:

(a) the annual report for the financial year ended on 30 June 2018 (**Annual Report**), being the annual financial report most recently lodged with ASIC by the Company;

(b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (a) and before lodgement of this Prospectus with ASIC; and

(c) 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 7.12.

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

7.12 ASX Releases

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

Date lodged	Announcement
20/03/2019	Entitlements Offer
20/03/2019	Entitlements Issue Presentation
19/03/2019	Request for Extension of Voluntary Suspension
18/03/2019	SO4: Significant High-Grade SOP Resource Delineated-Lake Way
15/03/2019	Half Yearly Report and Accounts

15/03/2019	Suspension from Official Quotation
13/03/2019	Trading Halt
7/03/2019	Lapsing of Unlisted Options
7/03/2019	Significant Mineralisation Beyond Reserves at Williamson
6/03/2019	SO4: Construction Begins – Commercial Scale Evaporation Ponds
6/03/2019	Blackham Upgrades Hedge Book
5/03/2019	Investor Presentation March 2019
28/02/2019	Low Cost Pathway to 100-120koz p.a. Gold Production
20/02/2019	RIU Explorers Conference Presentation
19/02/2019	Drill Results Extend Open Pit & Underground at Golden Age
15/02/2019	Issue of Shares and Cleansing Notice
15/02/2019	Appendix 3B
31/01/2019	Change of Director's Interest Notice - B Dixon
31/01/2019	Change of Director's Interest Notice - M Jerkovic
31/01/2019	Expiry of Quoted Options
31/01/2019	Response To ASX Volume Query
31/01/2019	Quarterly Activities & Cashflow Report December 2018
29/01/2019	ACB: Satisfaction of Condition Precedent - A-Cap/Blackham JV
15/01/2019	GWR: Exciting Drilling Results Wiluna West Gold Project
24/12/2018	Final Director's Interest Notice
24/12/2018	Director Resignation
20/12/2018	ACB: A-Cap signs Joint Venture Agreement with Blackham Res
12/12/2018	ACB:Further Extension of Wilconi JV Agreement Complet'n Date
12/12/2018	Golden Age High Grade System Keeps On Contributing
06/12/2018	Appendix 3B and Appendices 3Y
06/12/2018	Lapsing of Unlisted Options
30/11/2018	ACB: Extension of WIlconi Project JV Agreement Completion
30/11/2018	Results of Meeting
23/11/2018	Agreement Over Wiluna West Gold Project

23/11/2018	GWR: Binding Heads of Agreement with Blackham Resources
19/11/2018	Blackham Investor Presentation
31/10/2018	Blackham gold reserves grow by 27%
30/10/2018	Notice of Annual General Meeting/Proxy Form
24/10/2018	Quarterly Activities & Cashflow Report September 2018
17/10/2018	Wiluna Open Pit Mining Commences
10/10/2018	Expiry of Unlisted Options
08/10/2018	SO4: Approval to Construct Williamson Ponds, Lake Way
01/10/2018	Blackham Investor Presentation
01/10/2018	ACB: Wiluna Cobalt Nickel Project Farm-in & JV Interest
01/10/2018	30 June 2018 Financial Results - Explanation of Results
28/09/2018	Appendix 4G and Corporate Governance Statement

7.13 **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 Offer Securities; or

(c) the offer of Offer Securities, other than as Shareholders,

and no amounts or benefits have been paid or agreed to be paid (in cash, 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 Offer Securities.

The Directors' and their nominees' current interests in Shares and Options are as follows:

	Bryan Dixon	**Milan Jerkovic**	**Greg Fitzgerald**	**Anthony James**
Current Number of Shares	10,430,000	8,946,734	Nil	Nil
Current percentage holding	0.76%	0.65%	0%	0%
Current number of Options	10,000,000[4]	6,250,000[4]	Nil	Nil
Entitlement to New Shares under the Entitlement Offer[1]	13,037,500	11,183,418	Nil	Nil

Entitlement to New Options under the Entitlement Offer[1]	4,345,833	3,727,806	Nil	Nil
Maximum number of Shares following the Entitlement Offer[2]	23,467,500	86,796,818	Nil	Nil
Maximum number of Options following the Entitlement Offer[1]	14,345,833	32,200,028	Nil	Nil
Maximum percentage of Shares following the completion of the Entitlement Offer[2]	0.76%	2.80%	0%	0%
Maximum percentage of Shares following the Entitlement Offer after the exercise of New Options issued to the Directors[3]	0.90%	3.64%	Nil	Nil

Notes:

1. Assumes that Directors do not exercise their Options (if any).
2. Assumes that Directors and their nominees take up their full Entitlements under the Entitlement Offer and Milan Jerkovic sub-underwrites $1,000,000 of the Entitlement Offer.
3. Assumes Directors and their nominees take up their full Entitlements under the Entitlement Offer, Milan Jerkovic sub-underwrites up to $1,000,000 and all Directors exercise all New Options issued to them under the Entitlement Offer.
4. Unquoted Zero Exercise Price Options (ZEPOs), with vesting conditions measured over a 3 year period ending 31 December 2020 and an expiry date of 31 December 2021.

At the time of lodging this Prospectus, the Directors who hold Shares and their nominees have indicated that they will take up their Entitlement under the Entitlement Offer to the extent they are able to fund their Entitlement. The Chairman has also committed to personally sub-underwrite up to $1,000,000 of the Entitlement Offer.

The non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The remuneration paid (including superannuation and non-cash share based payments) to Directors or their nominees during the past 2 financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	**2018 Salary and fees (incl superannuation and non-monetary benefits) $**	**2018 Share Based Payments $**	**2017 Salary and fees (incl superannuation and non-monetary benefits) $**	**2017 Share Based Payments $**
Bryan Dixon	546,754	(166,156)	367,782	117,595
Milan Jerkovic	325,165	(112,331)	102,656	79,199
Tony James	1,961	nil	nil	nil
Greg Fitzgerald	36,650	nil	nil	nil

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

Consulting services	**$**
From 1 July 2018 up to the date of this Prospectus	31,000
Year ended 30 June 2018	324,000
Year ended 30 June 2017	153,000

7.14 Estimated expenses

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

Expenses	**$**
Hartleys lead manager fee	1,550,000
Legal	150,000
Printing, postage and share registry	30,000
Other[1]	70,000
Total estimated cash costs of Entitlement Offer	**1,800,000**

Note:

1. Includes ASIC and ASX fees.

If the Top-Up Placement is undertaken, and assuming that the maximum number of New Shares and New Options are issued under the Top-Up Placement, is fully subscribed, the additional expenses of the Top-Up Placement are estimated to be approximately as follows:

Expenses	**$**
Joint Lead Managers' distribution fee	300,000
Other[1]	25,000
Total estimated cash costs of Top-Up Placement	**325,000**

Note:

1. Includes ASX fees.

8. DIRECTORS' STATEMENT

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

MILAN JERKOVIC
Executive Chairman

20 March 2019

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 means Australian dollar.

Additional Securities means New Shares and New Options applied for by an Eligible Shareholder in excess of the Eligible Shareholder's Entitlement.

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 Forms means the Entitlement and Acceptance Form, the Shortfall Offer Application Form, the Top-Up Placement Application Form, the Joint Lead Manager Application Form and the Hartleys Application 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 Clear Operating Rules means ASX Clear Pty Limited's clearing rules.

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 given in the Listing Rules.

Constitution means the constitution of the Company.

Convertible Note means a convertible note, with a face value of $9,000,000 inclusive of interest, convertible into Shares at a repayment price of the lesser of $0.08 per Share and 90% of the 5 day VWAP during a specified period.

CHESS means Clearing House Electronic Subregister System.

Closing Date means the closing date of the relevant Offer as set out in the "Important Date" Section of this Prospectus (subject to the right of the Directors to change this date without notice).

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

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

Entitlement Offer means the offer to Eligible Shareholders at the Record Date of 5 New Shares for every 4 Shares held at the Offer Price, together with 1 free attaching New Option for every 3 New Shares issued.

Expansion DFS means an Expansion Definitive Feasibility Study for the Operation aimed at increasing production and the Operation's margins and includes a definitive feasibility study for the following:

(a) **The Stage 1 Expansion** involving a proposed simple low capital addition of a flotation circuit to increase production and to allow gold production from the Company's sulphide Reserves and provide flexibility to process both free milling or sulphide ores; and

(b) **The Stage 2 Expansion** involving proposed new comminution, flotation and leach circuits and a refurbished BIOX® Plant to aim to increase ore processing throughput, gold production and lower operating costs.

Expiry Date has the meaning given to that term in item 1 of the "Important Notice" Section.

Franco-Nevada means Franco-Nevada Australia Pty Ltd ABN 48 128 617 078.

Hartleys means Hartleys Limited ABN 33 104 195 057.

Hartleys Offer means the offer of 5,000,000 New Shares to Hartleys (or its nominee) pursuant to this Prospectus.

Hartleys Offer Application Form means the application form attached to or accompanying this Prospectus relating to the Hartleys Offer.

Ineligible Foreign Shareholder has the meaning given in Section 2.17.

Joint Lead Managers means Hartleys and Morgans.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee.

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

Lead Manager Offer means the offer of 100,000,000 New Options to the Joint Lead Managers (and/or their nominees) pursuant to this Prospectus.

Lead Manager Offer Application Form means the application form attached to or accompanying this Prospectus relating to the Lead Manager Offer.

Letter Deeds has the meaning given in Section 7.7.

Lind means Lind Asset Management XIV LLC, a Delaware limited liability company of 370 Lexington Avenue, Suite 1900, New York, New York 10017, USA.

Lind Funding Agreement means the Convertible Security Funding Agreement between the Company and Lind dated 25 September 2018.

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

MACA means MACA Limited ACN 144 745 782.

MACA Loan means the loan agreement between the Blackham Group and MACA Mining dated on 11 January 2018.

MACA Mining means MACA Mining Pty Limited ACN 102 886 064.

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

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

Morgans means Morgans Corporate Limited ABN 32 010 539 607.

Minimum Subscription Amount has the meaning given to that term in item 8 of the "Important Notice" Section.

New Options means the options (exercisable at $0.03 on or before 12 October 2020 and otherwise on the terms set out in Section 5.2) to be issued under the Offers.

New Shares means the Shares to be issued under the Offers.

Nominee has the meaning given in Section 2.6.

Offers means each of the:

(a) Entitlement Offer;

(b) Shortfall Offer;

(c) Top-Up Placement;

(d) Lead Manager Offer; and

(e) Hartleys Offer.

Offer Price means $0.015 per New Share.

Offer Securities means each of the:

(a) New Shares; and

(b) New Options,

offered under this Prospectus.

Opening Date means the opening date of the relevant Offer as set out in the "Important Date" Section of this Prospectus (subject to the right of the Directors to change this date without notice).

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

Option means an option to subscribe for a Share.

Optionholder means a holder of Options.

Other Offers means the Top-Up Placement, Lead Manager Offer and Hartleys Offer.

Prospectus means this prospectus.

Record Date means the record date of the Entitlement Offer as set out in the "Important Date" Section of this Prospectus (subject to the right of the Directors to change this date without notice).

Relevant Jurisdictions has the meaning given in item 6 of the "Important Notices" Section.

Reserve means an ore reserve as defined in the JORC Code.

Resource means a mineral resource as defined in the JORC Code.

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

Settlement Date has the meaning given to that term in the "Important Dates" Section.

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

Share Registry means Link Market Services Limited ABN 54 083 214 537.

Shareholder means a holder of Shares.

Shortfall means those New Shares and New Options under the Entitlement Offer not applied for by Eligible Shareholders pursuant to the Prospectus by the Closing Date and not subscribed for by the Sub-Underwriters.

Shortfall Application Form means the shortfall application form attached to or accompanying this Prospectus.

Sub-Underwriters means the sub-underwriters appointed by Hartleys under the terms of the Underwriting Agreement to sub-underwrite the Entitlement Offer.

Top-Up Placement means a placement to the Sub-Underwriters of New Shares of up to 333,333,333 New Shares and 111,111,111 New Options.

Top-Up Placement Application Form means the application form attached to or accompanying this Prospectus relating to the Top-Up Placement.

Underwriting Agreement means the underwriting agreement between the Company and Hartleys dated 20 March 2019.

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

10. CORPORATE DIRECTORY

DIRECTORS

Milan Jerkovic (*Executive Chairman)*
Bryan Dixon (*Managing Director)*
Greg Fitzgerald *(Non-Executive Director)*
Anthony James (*Non-Executive Director)*

COMPANY SECRETARY

Anthony Rechichi

REGISTERED OFFICE & CONTACT DETAILS

Level 3, 1 Altona Street
West Perth WA 6005
Telephone: (+61 8) 9322 6418
Facsimile: (+61 8) 9322 6398
Email: info@blackhamresources.com.au

WEBSITE

http://www.blackhamresources.com.au

JOINT LEAD MANAGERS

Hartleys Limited
Level 6, 141 St Georges Terrace
Perth WA 6000
Telephone: (+61 8) 9268 2888

Morgans Corporate Limited
Level 2, 22 Delhi Street
West Perth WA 6005
Telephone: (+61 8) 6160 8700

SHARE REGISTRY

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

LEGAL ADVISERS

K&L Gates
Level 32, 44 St Georges Terrace
Perth WA 6000
Telephone: (+61 8) 9216 0900