



BLACKHAM
Resources Limited

22 January 2018

Dear Optionholder

PRO-RATA RENOUNCEABLE RIGHTS ISSUE – NOTICE TO OPTIONHOLDERS

This letter is to notify you on 15 January 2018, Blackham Resources Limited ACN 119 887 606 (**Company**) announced a renounceable pro-rata rights issue to eligible shareholders of up to 897,670,820 New Shares on the basis of five (5) New Shares for every two (2) Shares held by Shareholders at the Record Date at an issue price of \$0.04 per New Share, together with one (1) free attaching New Option (exercisable at \$0.08 on or before 31 January 2019) for every two (2) New Shares issued to raise approximately \$35.9 million (before costs) (**Entitlement Offer**).

Each eligible shareholder will be entitled to subscribe for five (5) New Shares for every two (2) shares held at 5.00pm WST on 29 January 2018 (**Record Date**).

On the basis that no optionholders of the Company exercise their options before the Record Date, a maximum of approximately 897,670,820 New Shares and 448,835,410 New Options will be offered under the Entitlement Offer.

There is no inherent right in your options to participate in the Entitlement Offer unless you exercise your options and are entered on the register as a shareholder on or before the Record Date. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Entitlement Offer.

If you are not a shareholder of the Company and wish to participate in the Entitlement Offer, it will be necessary for you to exercise all or part of your options, and the shares issued on the exercise of those options must have been issued to you before the Record Date. If you wish to do so, you will need to exercise those options and pay the current exercise price in accordance with the terms of your options before the Record Date. If you exercise your options, pay the relevant exercise price monies, are entered into the register of shareholders by the Record Date and have a registered address in Australia or New Zealand, you will be sent a prospectus and an entitlement and acceptance form in respect of the Entitlement Offer.



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If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action. Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer and the prospectus. If in any doubt, you should consult with your professional advisor.

To exercise your options and thereby participate in the Entitlement Offer you will need to deliver to the registered office of the Company the following:

1. a notice in writing to the directors of the Company specifying the number of options to be exercised;
 2. your option certificate covering that number of options; and
 3. payment for the exercise price for those options by way of a cheque made payable to the Company,
- (together the **Option Exercise Notice**).

Each share allotted as a result of the exercise of an option will rank pari passu with all other issued ordinary shares of the Company.

Option Exercise Notices must be received by the Company no later than 5.00pm (WST) on 29 January 2018.

Key dates for the Entitlement Offer

Event	Date
Announcement of re-capitalisation plan including the terms of the Entitlement Offer.	Monday, 15 January 2018
Prospectus lodged with ASIC and ASX Entitlement Offer announcement lodged with ASX Lodgement of Appendix 3B	Post market close on Monday, 22 January 2018.
Lead Manager and Orion Offer opens	Tuesday, 23 January 2018.
"Ex" date (being the date that Shares start trading without the Entitlements to participate in the Entitlement Offer)	Thursday, 25 January 2018.
Rights trading starts on a deferred settlement basis	Thursday, 25 January 2018.
Record Date to determine Entitlements	5:00pm (WST) on Monday, 29 January 2018.
Opening Date of Entitlement Offer	Tuesday, 30 January 2018.
Despatch of the Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	
Rights trading ends	Monday, 5 February 2018.

Shares quoted on a deferred settlement basis	Tuesday, 6 February 2018.
Last day to extend the Closing Date for the Entitlement Offer	Wednesday, 7 February 2018.
Closing Date for acceptances under the Entitlement Offer and Lead Manager and Orion Offer	5:00pm (WST) on Monday, 12 February 2018.
ASX Announcement Update on Applications received	Tuesday, 13 February 2018
ASX notified of under subscriptions under the Entitlement Offer	Thursday, 15 February 2018.
Settlement Date for sub-underwriting	Monday, 19 February 2018.
Issue Date of New Shares (to Eligible Shareholders and sub-underwriters) and deferred settlement trading of New Shares ends	
Trading of New Shares expected to commence	Tuesday, 20 February 2018.
Holding statements despatched	Tuesday, 20 February 2018.
Last day by which the Securities (if any) under the Shortfall Offer may be issued	Friday, 11 May 2018 (being 3 months after the Closing Date)

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

For further information please contact Link Market Services Limited on 08-9211 6670.

Yours faithfully

Mike Robbins
Company Secretary
Blackham Resources Limited