

## ASX ANNOUNCEMENT

4 February 2013

# Blackham agrees \$13 million funding deal with Great Central

### Highlights:

- **Mr Joseph Gutnick to be appointed Chairman**
- **\$13.32m funding package agreed with Great Central Gold Pty Ltd made up of**
  - **\$3.32m Placement (at 37% premium to market), and**
  - **\$10m in Convertible Notes (two tranches)**
- **30,000m drill programme to commence immediately**

Blackham Resources Ltd ("Blackham" or "the Company") (**ASX: BLK**) has secured a \$13 million funding package for its 100%-owned Matilda Gold Project in Western Australia with Great Central Gold Pty Ltd ("Great Central"), a private company controlled by leading mining industry entrepreneur Mr Joseph Gutnick. The Matilda Gold Project has 1.5 million ounces of gold resources in a major Western Australian goldfield.

Blackham has agreed to a Private Placement with Great Central, whereby Great Central will be issued 15.79 million Blackham ordinary shares at \$0.21 per share, **to raise \$3.32 million** ("the Placement"). The **Placement price is at a 37% premium** to the 5 day VWAP of Blackham shares based on the closing price on Friday 1 February 2013. The Placement will be completed in two tranches, with the first tranche (12,215,000 shares) issued under Blackham's existing 25% capacity. The second tranche, of 3,575,000 shares, will be completed following receipt of necessary regulatory and shareholder approvals. At completion of the Placement Great Central will have a 19.8% interest in Blackham.

In addition to the Placement, **Great Central has agreed to subscribe for \$10 million in Convertible Notes** in Blackham ("Notes"). The **convertible note conversion price is at 63% premium to the 5 day VWAP**. The Notes have a maturity date five (5) years from the date of issue and have an interest rate of 8% (paid half yearly). Terms of the convertible notes are detailed in Appendix A.

Blackham is pleased to advise that the board of Blackham offered, and Mr Gutnick has agreed, that at the completion of the Placement Mr Gutnick will be appointed Non-executive Chairman of the Company.

Mr Gutnick will bring a wealth of experience to the Board. Mr Gutnick has been a director of numerous mining companies including Great Central Mines Ltd ("GCM") which he built into one of Australia's most successful gold mining companies. Under his stewardship, GCM discovered the Plutonic Gold Mine and explored, developed and operated the Bronzewing and Jundee Gold Mines, three world-class gold mines that continue to operate today. GCM produced over 780,000oz of gold per annum at its peak. GCM also previously owned the Rosemont, Wiluna, and Matilda Gold Projects He was awarded the Diggers award at the 1997 Diggers and Dealers Industry Awards and is a former Director of the World Gold Council. He is also a Fellow of the AusIMM.

On the securing of this funding package, and of the support of Great Central, Blackham Resources Managing Director, Mr Bryan Dixon, said; "Mr Gutnick's agreement to be Chairman of the Company and to personally provide a large funding package at a significant premium is an important validation of the quality of the Matilda Gold Project and recognition of the success we have had in advancing the project over the past year. In addition, Mr Gutnick's extensive knowledge and experience will be a valuable addition to the Board.

"Securing this funding, in a difficult market for emerging gold companies will enable management to continue adding value at Matilda for the benefit of shareholders. The Company plans to **immediately commence a 30,000m drilling programme** targeting the Williamson and Matilda Mine areas," Mr Dixon added.

The Matilda Gold Project has progressed rapidly over the 14 months since acquisition, with key developments including:

- increased gold resource from 310,000oz to 1.50Moz Au
- identifying very large exploration target at Williamson
- confirmed the Matilda and Williamson metallurgy as free milling
- completed an initial scoping study at the Matilda Mine confirming robust economics

Of the agreement with Blackham Resources, Mr Gutnick said, "I am delighted to be able to make this strategic investment in a high quality project backed by a strong management team. I have waited many years for the right opportunity re-enter the East Murchison and Yandal Belts. I look forward to exploring and developing world-class gold mines in a province where I have enjoyed much success."

Casimir Capital LP has acted as lead manager and placement agent for both the placement and convertible note.

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#### **About Blackham Resources Ltd**

*Blackham, a Western Australian resources company, is focused on exploration and development at the Matilda and Williamson Gold Mines in the Wiluna gold belt of Western Australia. The Matilda Gold Project contains resources of 24.5Mt @ 1.9g/t for 1.50oz gold. The tenure package covers 50km of strike along the Wiluna Mine sequence and Coles Shear which has produced over 4Moz of gold. Blackham have the largest landholding (>500km<sup>2</sup>) in the Wiluna goldfield, one of Western Australia's major Archaean greenstone belts. Blackham aims to delineate a multi-million ounce gold resource and targeting converted resources to reserves in the near term.*

#### **Competent Persons Statement**

*The information contained in the report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information reviewed by Mr Greg Miles, who is an employee of the Company. Mr Miles is a Member of the Australasian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Miles has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**APPENDIX A**  
**BLACKHAM RESOURCES LIMITED**  
**Term Sheet for Proposed Placement**  
**of Convertible Notes ('Notes')**

<b>Investor</b>	Great Central Gold Pty Ltd.
<b>Issue Price</b>	The issue price of the Notes is \$0.25. ( <b>'Issue Price'</b> )
<b>Issue Size</b>	Placement of Notes to the value of A\$10 million, calculated with reference to the Issue Price, in two equal tranches of A\$5 million, together ('the Note Placement').
<b>Purpose of the Note Placement</b>	<ul style="list-style-type: none"> <li>• Completion of continued exploration drilling and feasibility studies for the Company's gold projects.</li> <li>• Working capital.</li> </ul>
<b>Conversion Price</b>	At conversion, the Investor may convert Notes into fully paid ordinary shares in the capital of the Company ( <b>'Shares'</b> ), subject to the conditions in this document.
<b>Draw Down Dates</b>	<p><b>Tranche 1</b> Tranche 1 Notes (\$5 million) will be drawn down 10 business days after gaining approval for their issue at a general meeting of the shareholders of the Company (<b>'Shareholders'</b>).</p> <p><b>Tranche 2</b> Tranche 2 Notes (\$5 million) will be drawn down within 24 months of the draw down date of Tranche 1 Notes and only after gaining any necessary approval for their issue at a general meeting of the Shareholders. .</p>
<b>Maturity Date</b>	The Notes will be redeemed at their Issue Price 5 years after the date of their issue ( <b>'Issue Date'</b> ) unless the Investor or the Company elects to convert them to Shares. If the Investor has not converted the Note prior to the date that is 4 years after the Issue Date the Company has a right to redeem the Notes at any time prior to the Maturity Date.
<b>Interest Rate</b>	<p>Until the Notes are converted into Shares or redeemed, the Notes will incur interest at the rate of 8.0% per annum.</p> <p>Interest on the Notes is payable in arrears on 30 June and 31 December of each calendar year until and including the Maturity Date. However, the first interest payment date is 30 June 2013, with the first payment being accrued interest to that date. Accrued interest will also be paid in the event of an early conversion of a Note.</p> <p>Interest can be paid in cash or Shares at the Company's election.</p>

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<b>Early Conversion Rights</b>	If the Shares trade for 45 consecutive business trading days at above A\$0.40, the Company will have the right to convert some or all of the Notes at its election.
<b>Conversion Rights</b>	<p>Notes may be converted by the Investor into Shares at any time, at the rate of one (1) Share for every Note held, up until the Maturity Date or if the Company elects to exercise its early conversion right.</p> <p>The Company may convert the Notes before the Maturity Date in the event of a takeover event.</p> <p>Notes must be converted in multiples of 1,000,000 Notes unless the Investor has less than 1,000,000 unconverted Notes, in which case the Investor must convert all unconverted Notes.</p> <p>Conversion Rights are subject to the receipt of any necessary shareholder and regulatory consents or approvals.</p>
<b>Ranking on Conversion</b>	Each Share issued on conversion of a Note will rank equally with all existing Shares then on issue, except that such Shares will not be entitled to any dividend that has been declared or determined but not paid as at the conversion date.
<b>Participation Rights</b>	Before conversion, the Investor is not entitled to participate in any rights issue, return of capital, bonus issue or capital reconstruction undertaken by the Company. However, the conversion ratio will be adjusted in the case of a rights issue, return of excess capital or bonus issue. In the case of a capital reconstruction, the Notes will re-constructed in accordance with the ASX Listing Rules.
<b>Voting Rights</b>	The Investor is not entitled to vote at general meetings, unless provided for by the ASX Listing Rules or the Corporations Act 2001 (Cth).
<b>Unsecured</b>	The Notes are unsecured and rank ahead of all Shares.
<b>Listing of the Notes</b>	The Company will not apply for the Notes to be quoted on the ASX.
<b>Quotation of Shares upon Conversion of Notes</b>	The Company will apply for the Shares issued upon conversion of the Notes to be quoted on ASX and will do whatever is reasonably required to ensure they are freely tradable.