# Blackham Resources Ltd: Equity Funding Secured for Expansion and Growth

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Perth, Australia - The Directors of Blackham Resources Ltd. (ASX:BLK) (FRA:NZ3) (OTCMKTS:BKHRF) are pleased to announce a two-tranche Placement and a proposed, fully underwritten, non-renounceable Entitlement Offer to raise a total of $52 Million, before costs (Capital Raising). Arlington Group Asset Management Limited has been appointed Lead Manager, and are being supported by Ironbridge Capital Partners LLP, and Tectonic Advisory Partners (acting through Ecoban Securities Corporation).

The Capital Raising comprises:

- a placement to sophisticated and professional investors using the Company's placement capacities, which does not require shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (Tranche 1);

- a placement to sophisticated and professional investors in excess of the Company's placement capacities under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, therefore requiring shareholder approval (Tranche 2); and,

- a non-renounceable pro-rata entitlement offer to existing shareholders.

The Company is particularly encouraged by the support of tier 1, international institutions who are participating in the Capital Raising, indicating their backing and endorsement of Blackham's expansion and growth strategy, and the renewed management team.

In addition to the Capital Raising, the Company intends to pursue an indicative, non-binding term sheet it has executed with Mercuria Europe Trading Limited a large, European based trading group, for a A$40m project loan facility. The Company is seeking to agree terms and obtain final credit approval from the potential lender in the coming months.

Assuming shareholders approve Tranche 2 and the Company successfully concludes the project loan facility negotiations, the total funding package of $92m will enable the Company to progress its operating strategy to complement its existing free milling capacity to include the Stage 1 sulphide concentrate production and target an expanded production rate of 100-120,000oz per annum from early 2021.

The Company boasts a significant geological endowment with over 6.4 million ounces of combined free milling and sulphide mineralisation within its existing Mineral Resources. To extract maximum value from these Mineral Resources, the Company's goal is to reach +250,000oz per annum gold production with the optionality to process both styles of free-milling and sulphide mineralisation often seen within the same deposit.

To deliver this operating strategy and take advantage of the existing infrastructure, the Company intends to carefully apply capital in a staged approach. The first step, contributed to by the Capital Raising, includes securing the required funding to execute Stage 1 of the expansion plan. This step is intended to increase gold production to a level of approximately 100-120koz p.a.

Proceeds from the planned Entitlement Offer and the Tranche 1 Placement are intended to advance Stage 1 of the expansion plan and the following Company programs:

- Construction of a sulphide processing plant and associated infrastructure and mine development;

- drilling programme to expand reserves and resources;

- retirement of existing secured debt to refresh the balance sheet as a precursor to drawing down on a to be agreed project loan facility;

- feasibility work associated with Phase 2 expansion to target +250,000 oz. of annual gold production;

- ongoing regional and brownfields exploration program; and

- improvement of working capital position.

Share Placements

Tranche 1 raises approximately $11.7 million (before costs) at $0.01 per Share, and will be completed pursuant to ASX Listing Rule 7.1 (697,086,388 Shares) and ASX Listing Rule 7.1A (470,713,612 Shares). Tranche 1 proceeds, and allotment of Tranche 1 securities, is expected to occur on or about 2 March 2020.

Tranche 2 will seek to raise approximately $14.3 million (before costs) and will comprise of an issue of up to 1,432,200,000 Shares at $0.01 per Share, subject to shareholder approval at a general meeting of shareholders. A notice of meeting will be provided to shareholders in due course to convene a shareholder meeting.

Proposed, Fully Underwritten, Non-Renounceable Pro-Rata Entitlement Offer

Blackham is proposing to undertake the Entitlement Offer to raise $26.2m (before costs) on the basis of 4 Shares for every 9 shares held at the record date at a subscription price of $0.01 per Share. This proposed Entitlement Offer will be fully underwritten by entities associated with the Company's current largest shareholder, DELPHI Unternehmensberatung AG. Further details regarding the Entitlement Offer will be provided in due course.

About Blackham Resources Ltd:

Blackham Resources Ltd. (ASX:BLK) (OTCMKTS:BKHRF) Wiluna-Matilda Gold Operation is located in Australia's largest gold belt which stretches from Norseman through Kalgoorlie to Wiluna. The Operation now includes resources of 96Mt @ 2.2g/t for 6.7Moz Au all within 20kms of the central processing facility. Blackham has consolidated the entire Wiluna Goldfield within a +1,440km2 tenure package which has historically produced in excess of 4.4 million ounces over a 120-year mining history.

Source:

Blackham Resources Ltd.

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