



BLACKHAM

R e s o u r c e s L i m i t e d

ASX ANNOUNCEMENT

26th June 2014

Subscription to Raise \$1,400,000

Further to last week's funding announcement, Blackham Resources Ltd ("Blackham") (ASX: BLK), advises that it has raised, in aggregate, \$1,400,000 before expenses from Lanstead Capital L.P. ("Lanstead"), a UK based institutional investor, by way of a subscription for 7,843,137 new ordinary shares of the Company ("Ordinary Shares") (the "Subscription Shares") at a price of \$0.1785 per share (the "Subscription"). The Company has issued the Subscription Shares pursuant to its ASX Listing Rule 7.1 capacity.

Use of Proceeds

The net proceeds raised will be used to augment the Company's existing cash resources from its \$2.2 million Placement announced on 17 June 2014 and assist with exploration and development of its Matilda Gold Project in Western Australia and to provide further working capital for the Company.

Subscription

Lanstead, a new institutional investor in the Company, has subscribed for 7,843,137 new Ordinary Shares (the "Subscription Shares"), for an aggregate consideration of \$1,400,000. In addition, the Company has entered into Equity Swap Agreements with Lanstead which allow the Company to retain much of the economic interest in the Lanstead Subscription Shares. The Equity Swap Agreements enable the Company to secure much of the potential upside arising from anticipated near term news flow.

The Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 18 monthly settlement tranches as measured against a benchmark price of \$0.238 per share (the "Benchmark Price"). If the measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis. Of the aggregate proceeds of \$1,400,000 from the issue of the Lanstead Subscription Shares, the Company will use \$210,000 (15 per cent.) for working capital and \$1,190,000 (85 per cent.) for investment in the Equity Swap Agreements as described above. In no event would a decline in the Company's share price result in any increase in the number of Ordinary Shares received by Lanstead or any other advantage accruing to Lanstead. The mid-market price of an Ordinary Share at the close of business on 17 June 2014 (being the latest practicable date prior to this announcement) was \$0.2175.

The Company has agreed to make a value payment to Lanstead of 392,157 Ordinary Shares in consideration for the Equity Swap Agreements. Blackham does not hold any Ordinary Shares in treasury and accordingly there are no voting rights in respect of any treasury shares.

Following completion of the Subscription, and Placement Lanstead will be interested in 8,235,294 Ordinary Shares representing approximately 6.8% respectively of Blackham's enlarged issued share capital.

Mr Bryan Dixon, Managing Director of Blackham Resources Limited said:

"We are delighted to welcome Lanstead as a shareholder in the Company further increasing the financial capacity of our share register. The fundraising and associated swap arrangements are designed to provide additional financing to progress the development of Matilda Gold Project, whilst allowing the Company to secure much of the potential upside arising from increases in its share price. As a result of these transactions, Blackham will benefit from additional working capital for immediate deployment with further amounts receivable over 18 months subject to the outcome of its investment in the equity swap agreements."

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About Blackham Resources Ltd

Blackham Resources is focused on the development of its Matilda Gold Project in Western Australia where it recently secured the neighbouring plant, infrastructure and tenure increasing the resources to 40Mt @ 3.3 g/t for 4.3Moz all within a 20km radius of the plant. The gold plant has a production capability of 100,000ozpa with 350 person camp, gas power station, permitted borefields, sealed airstrip and roads, approvals and licenses. Recently drilling at Galaxy and Matilda demonstrated the high grade intercepts contributing to Blackham goal of extending the projects initial mine life beyond 5 years.

Competent Persons Statement

With regard to the Matilda Project Resources, the Company is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates as reported in the market announcement dated 23rd of January 2014 continue to apply and have not materially changed.

The information contained in the report that relates to mineralisation and resources is based on information reviewed by Mr Greg Miles, who is a part-time employee of the Company. Mr Miles is a Member of the Australian 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 2012 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 this information in the form and context in which it appears.

ENDS