

25 September 2018

**ASX Announcement****\$23 Million Funding Agreement**

- **The Lind Partners has agreed to invest up to A\$23 million**
- **Initial convertible security of A\$7.5 million to repay debt and to fund Wiluna resource drilling & expansion studies**
- **Blackham has the option to repay the convertible security in shares or cash**
- **Conversions restricted for four and half months to 14 Feb 2019**

**Blackham Resources Limited** (ASX: BLK) ('Blackham' or 'the Company') is pleased to announce that it has executed an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ('Lind') for an investment of up to A\$23 million in total capital ('Funding Agreement'). The initial funding commitment will be provided within seven business days.

Lind's initial A\$7.5 million investment will be provided as a Secured Convertible Note ('Note 1') with a 24 month term, the proceeds of which will be used, along with Blackham's current cash, to fully repay A\$13 million of short term secured debt owed to Orion Fund JV Limited. With the Orion debt fully repaid, Blackham will be able to re-direct operational cash flows to expand its reserves and finalise the Wiluna Expansion Definitive Feasibility Study.

The Funding Agreement includes repayment provisions that allow for conversion into Blackham shares ('Shares'), optional cash payments, or early repayment at the Company's sole discretion at any time. A lock-up provision restricts conversion of debt into Shares for four and a half months until 14 February 2019, two weeks after the expiry of the Company's 534 million listed options which are exercisable at 8 cents per Share. Any proceeds from the exercise of listed options will be directed to repaying Note 1.

Blackham's Managing Director, Bryan Dixon, stated:

"Blackham has significantly boosted its gold production since January 2018. The current financing from Lind will remove short term debt service payments, improve our balance sheet and allow us to reallocate operating cash flows to expand production levels. The Lind Partners has been a long-time supporter of and investor in Blackham, and we are pleased to continue our relationship with Jeff Easton and The Lind Partners."

Lind's Managing Director, Jeff Easton, said:

"We have been following Blackham since Lind's first investment in 2012 and have seen them evolve from an explorer to a gold producer with a 6.7Moz resource and a considerable growth story. We are thrilled to invest in Blackham again and support management's strategic plans to expand operations to be one of Australia's most significant gold mines."

**BOARD OF DIRECTORS**

Milan Jerkovic - Executive Chairman  
Bryan Dixon - Managing Director  
Greg Fitzgerald – Non-Executive Director  
Tony James – Non-Executive Director  
Geoff Jones - Non-Executive Director

**CORPORATE INFORMATION**

1,266M Ordinary Shares  
534M Quoted Options  
55M Unquoted Options

**ASX CODE**

BLK

**PRINCIPAL AND****REGISTERED OFFICE**

L2, 38 Richardson Street  
West Perth WA 6005

**POSTAL ADDRESS**

PO Box 1412  
West Perth WA 6872

[www.blackhamresources.com.au](http://www.blackhamresources.com.au)

**E:** [info@blackhamresources.com.au](mailto:info@blackhamresources.com.au)

**P:** +61 8 9322 6418

**F:** +61 8 9322 6398

### Key Aspects of the Funding Agreement:

The Funding Agreement is underpinned by the ability to draw up to A\$23,000,000 in a number of tranches from Lind. The terms of the Funding Agreement expressly allow Blackham to carry out additional private placements of equity and debt funding or engage in other financing transactions.

Lind will initially advance A\$7.5 million to Blackham who will issue a secured redeemable convertible note with a face value amount of \$9 million ('Note 1'), inclusive of interest. Blackham has the right to redeem Note 1 at any time which, if repaid within six months, can be redeemed at a discounted face value of A\$8.25 million. Lind cannot convert Note 1 into Shares prior to 14 February 2019.

After 14 February 2019, the Company will repay the amounts owed to Lind via monthly instalments of 1/12<sup>th</sup> of the face value, which can be paid, at the Company's option each month, in cash or Shares; if in Shares, at a price being the minimum of \$0.08 per share or 90% of five daily VWAPs during a specified period of time ('Conversion Price'). Additionally, the Company can use cash to redeem the entire outstanding amount at any time for no penalty, subject to the Investor having the right to elect to convert 30% of the Face Value at the Conversion Price.

As part of the consideration payable for this Funding Agreement, the Company will issue 72 million Blackham options to the Investor with an exercise price of 8 cents and an expiry of 5 years from issue. Security will be provided to Lind by way of the issue of 50 million collateral Shares that will be credited at the end of the Funding Agreement.

The parties have agreed that no more than 114,000,000 Shares ('Initial Maximum Share Number') can be issued under Note 1 without shareholder approval. As the Initial Maximum Share Number is within the Company's ASX Listing Rule 7.1 placement capacity, shareholder approval is not required for Note 1 to proceed. The Company will ratify the issue of Note 1 at its annual general meeting and seek shareholder approval for the issue of Note 1 to the extent it can convert into Shares above the Initial Maximum Share Number.

Drawdown of \$6 million is expected within seven business days with the remaining \$1.5 million of Note 1 to be received within 20 business days of the date of the Funding Agreement.

Further drawdowns via convertible securities under the Financing Agreement would provide Blackham with the option to obtain additional funding, if necessary, and would be subject to prior shareholder approvals, mutual agreement by both parties and Blackham maintaining a minimum market capitalisation of A\$80 million. Any further drawdowns would be funded, on equivalent terms to Note 1, including the issue of further options in connection with each tranche (also subject to prior shareholder approvals). Lind has the right to reinvest up to A\$3 million in a convertible note on similar terms to Note 1, subject to shareholder approval. The Investor has agreed not to acquire 10% or more of the total fully paid ordinary Shares in the capital of the Company.

### For further information on Blackham please contact:

**Milan Jerkovic**  
Executive Chairman  
+61 8 9322 6418

**Bryan Dixon**  
Managing Director  
+61 8 9322 6418

**Jim Malone**  
Investor Relations  
+61 419 537 714

**Chantelle O'Sullivan**  
Media Relations  
Citadel-MAGNUS  
+61 8 6160 4900

## Matilda-Wiluna Gold Operation

### Measured, Indicated & Inferred Resources (JORC 2012) as at 30 June 2018

OPEN PIT RESOURCES												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda <sup>1</sup>	0.1	1.14	4	7.0	1.44	323	3.6	1.30	151	10.7	1.39	477
Wiluna <sup>2</sup>	-	-	-	15.4	2.38	1,181	3.1	3.21	324	18.6	2.52	1,505
Williamson <sup>3</sup>	-	-	-	4.1	1.68	219	1.6	1.58	79	5.6	1.65	298
Regent	-	-	-	0.7	2.71	61	3.1	2.11	210	3.8	2.22	271
Tailings	-	-	-	34.0	0.62	680	-	-	-	34.0	0.62	680
Stockpiles	-	-	-	0.5	0.84	15	-	-	-	0.5	0.84	15
<b>OP Total</b>	<b>0.1</b>	<b>1.14</b>	<b>4</b>	<b>61.2</b>	<b>1.25</b>	<b>2,464</b>	<b>11.4</b>	<b>2.08</b>	<b>763</b>	<b>72.7</b>	<b>1.38</b>	<b>3,231</b>
UNDERGROUND RESOURCES												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda <sup>1</sup>	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna <sup>2</sup>	-	-	-	8.0	5.37	1,376	13.5	4.33	1,885	21.5	4.72	3,262
Williamson <sup>3</sup>	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age <sup>4</sup>	0.02	6.80	4	0.1	7.66	24	0.5	3.77	63	0.6	4.46	91
Galaxy <sup>5</sup>	-	-	-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
<b>UG Total</b>	<b>0.0</b>	<b>6.80</b>	<b>4</b>	<b>8.3</b>	<b>5.31</b>	<b>1,416</b>	<b>15.0</b>	<b>4.24</b>	<b>2,049</b>	<b>23.3</b>	<b>4.63</b>	<b>3,469</b>
<b>Grand Total</b>	<b>0.1</b>	<b>2.12</b>	<b>8</b>	<b>69.4</b>	<b>1.74</b>	<b>3,880</b>	<b>26.4</b>	<b>3.31</b>	<b>2,812</b>	<b>95.9</b>	<b>2.17</b>	<b>6,700</b>

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. The figures in the above table are rounded to two significant figures to reflect the relative uncertainty of the estimate.

#### Competent Persons Statement

The information contained in the report that relates to all other Mineral Resources is based on information compiled or reviewed by Mr Marcus Osiejak, who is a full-time employee of the Company. Mr Osiejak, is a Member of the Australian Institute of Mining and Metallurgy 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 Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Osiejak 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.

With regard to the Matilda-Wiluna Gold Operation Mineral Resources, the Company is not aware of any new information or data 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 announcements dated 13<sup>th</sup> September 2018 continue to apply and have not materially changed.

#### Forward Looking Statements

This announcement includes certain statements that may be deemed 'forward-looking statements'. All statements that refer to any future production, resources or reserves, exploration results and events or production that Blackham Resources Ltd ('Blackham' or 'the Company') expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.