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BLACKHAM RESOURCES TIES UP \$13M DEAL WITH GUTNICK'S GREAT CENTRAL GOLD

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THE BOURSE WHISPERER: Blackham Resources (ASX: BLK) has locked in a \$13 million funding package for the company's 100 per cent-owned Matilda gold project in Western Australia.

The Matilda gold project has 1.5 million ounces of gold resources.

Blackham has signed a deal with Great Central Gold, a private company run by mining industry identity Joseph Gutnick.

Blackham has agreed to a Private Placement with Great Central, which will result in Great Central being issued 15.79 million Blackham ordinary shares at 21 cents per share, to raise \$3.32 million.

On Blackham's invitation, Gutnick has accepted on completion of the deal Gutnick will be appointed non-executive chairman of the company.

"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," Blackham Resources managing director Bryan Dixon said in the company's announcement to the Australian Securities Exchange.

"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 30,000 metre drilling program targeting the Williamson and Matilda Mine areas."

The Placement price comes at a 37 per cent premium to the 5 day VWAP of Blackham shares based on the company's closing price on Friday 1 February 2013.



The Placement is set to be completed in two tranches, with the first tranche (12,215,000 shares) issued under Blackham's existing 25 per cent capacity.

The second tranche, of 3,575,000 shares, will be completed following receipt of necessary regulatory and shareholder approvals.

Once the Placement has been completed Great Central will hold a 19.8 per cent interest in Blackham.

In addition to the Placement, Great Central has agreed to subscribe for \$10 million in Convertible Notes in Blackham.

The convertible note conversion price is at 63 per cent⁶ premium to the 5 day VWAP.

"I am delighted to be able to make this strategic investment in a high quality project backed by a strong management team," Incoming Blackham chairman Joe Gutnick said in the announcement.

"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."

Blackham has made steady progress on the Matilda gold project since acquiring the project 14 months ago, with key developments including:

- Increased gold resource from 310,000 ounces to 1.50 million ounces of gold;
- Identifying very large exploration target at Williamson;
- Confirmed the Matilda and Williamson metallurgy as free milling; and
- Completion of an initial scoping study at the Matilda Mine confirming robust economics.