



Blackham signs potash MoU

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With its Matilda-Wiluna operations now apparently under control, Blackham Resources has decided it is the perfect time to and explore a mutually beneficial development and land swap deal with Salt Lake Potash.

A memorandum of understanding has been signed to explore the potential for a sulphate of potash play at Lake Way, near Blackham's operating mines, which "appears to have the best combination in Australia of scale, brine chemistry, permitting and infrastructure access and justifies the effort to prove its potential", SLP said.

SLP holds some 290sq.km of tenure over the Lake Way paleochannel, as part of its Goldfields Salt Lakes project, while Blackham's Matilda-Wiluna leases over some 64sq.km at the northern end of the lake, around the former Williamson pit that, since mining ended in 2006, has filled with brine with what SLP describes as "an exceptional grade" of 25 kilograms per cubic metre of SOP.

SLP will acquire Blackham's brine rights and Blackham will acquire gold rights to SLP's Lake Way holdings, with each company retaining a royalty on their respective holdings.

The parties will also co-operate to exchange data and facilitate activities on each other properties.

SLP will investigate the development of an SOP operation at Lake Way, including initially a 40-50,000tpa demonstration plant, fully funding the evaluation and development of the Lake Way operation.

It would also allow the plant to be built on the existing leases, avoiding any regulatory roadblocks.

The MoU considers the potential of sharing overheads and infrastructure with the Wiluna mine, which could deliver substantial savings for both companies.

Blackham would also benefit by SLP dewatering the existing Williamson pit of the 1.2 gigalitres of brine, before mining resumes at the pit next year.

SLP said the brine was "potentially the ideal starter feed for evaporation ponds, having already evaporated from the normal Lake Way brine grade, which averages around 14kg/m³".

SLP will complete a scoping study over the next few months, using the substantial existing data with the aim of fast-tracking a decision on dewatering the pits.

The development could have low operating and start-up costs.

SLP CEO Matt Syme said neither company had ascribed much value to their standalone interests, but by working together they could open new revenue streams.

For Blackham, a royalty would help it pay down its debts faster and lower its costs, while smoothing its path to the Williamson mine centre redevelopment, where there is a resource of 360,000 ounces and an exploration target of 500,000oz to 2Moz around 30km from the mill.

Blackham shares were up 3% to 8.4c, while SLP shares were also up 3% to 52.

The companies were capitalised at \$106 million and \$91 million respectively.