

Blackham Resources Ltd

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Blackham Resources confirms MACA support for transition to sulphide production in 2020

Blackham Resources Ltd (ASX:BLK) has entered into a working capital facility with MACA Limited that will assist Blackham towards its transition to stage 1 expansion sulphide development at the Matilda-Wiluna Gold Operation in WA.

The company is targeting 120,000 ounces per annum gold production and a long mine life at Matilda-Wiluna.

MACA will provide Blackham with working capital of up to \$12 million until February 29 2020, which will be provided in the form of extended payment terms for amounts payable to MACA under its surface mining contract.

READ: Blackham Resources strong Golden Age results likely to boost production levels

The working capital facility has been provided within Blackham's existing security arrangements, but is separate to the \$14.3 million secured loan previously provided by MACA, against which the company has and will continue to make repayments in accordance with the agreed payment schedule.

Blackham executive chairman Milan Jerkovic said: "We are very pleased to announce the continued support of MACA, which allows the company to continue to prioritise improvements to operational performance and cost reduction to reduce debt and allow for the transition to the Stage 1 Expansion Sulphide Development which will unlock the large sulphide reserves and resources at Wiluna."

READ: Blackham Resources recruits Neil Meadows to the management team
The provision of the working capital facility by MACA provides valuable certainty for Blackham as it undertakes mine development works to progress towards its sulphide expansion, including:

- mine planning for further shallow, near-plant free-milling open pit mines;
- capital works associated with new, expanded tailings storage capacity;
- progression of the execution strategy for the Williamson free-milling orebody; and
- planning and associated works to prepare for the transition to sulphide mining operations in 2020.

The expected improvement in operational performance in the second half of 2019 will allow Blackham to reduce its reliance on the working capital facility throughout the remainder of 2019, with Blackham and MACA targeting a return to normalised payment terms under the surface mining contract by February 29 2020.

READ: Blackham Resources chairman and MD dig deep to support expansion of gold production

The investment in mine development in the Mar'19 and Jun'19 quarters is expected to realise benefits over the coming 6 months, comprising:

- investment in the M1 North cutback, expected to provide significant ore from July 2019; and

Price: 0.0115

Market Cap: \$54.24 m

1 Year Share Price Graph



Share Information

Code: BLK

Listing: ASX

52 week High Low
0.0560784 0.007

Sector: Gold & silver

Website: www.blackhamresources.com.au

Company Synopsis:

Blackham Resources Ltd (ASX:BLK) has defined a multi-million gold ounce resource base at the Matilda Gold Project in Western Australia.

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- development of Golden Age Lower, with stoping expected to provide an increased volume of high-grade ore from July 2019.

MACA shareholding will increase to 19.33%,

In consideration of MACA providing Blackham with the working capital facility, Blackham has agreed to issue MACA with 265 million ordinary shares in Blackham at the 5-day volume weighted average price as at the close of trade on June 14 2019.

This allotment will increase MACA's shareholding in Blackham to 19.33%, providing increased alignment between Blackham and MACA to continually improve production and provide a stable platform for Blackham's transition to sulphide production in 2020.

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