

**BOARD OF DIRECTORS**

**Milan Jerkovic**  
(Non-Executive Chairman)  
**Bryan Dixon**  
(Managing Director)  
**Alan Thom**  
(Executive Director)  
**Greg Miles**  
(Non-Executive Director)  
**Peter Rozenauers**  
(Non-Executive Director)

**ASX CODE**

BLK

**CORPORATE  
INFORMATION**

285.8M Ordinary Shares  
32.9M Unlisted Options  
4.1M Performance Rights

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## Matilda quarterly gold production

The Board of Blackham Resources Limited ('Blackham' or 'the Company') is pleased to provide an update on gold production at its 6.0Moz Matilda/Wiluna Gold Operation.

First gold pour was achieved in the 3<sup>rd</sup> week of October 2016 and practical completion for the plant refurbishment was achieved by both the SMP and E&I contractors in November. During the quarter, Blackham continued to ramp up production to its Stage 1 production target of 100,000ozpa.

Quarterly gold production totalled 9,240oz with 5,010oz produced in the month of December.

		Oct	Nov	Dec	Total
Total Milled	<i>t</i>	30,685	77,918	102,600	211,203
Mill Feed Grade Au	<i>g/t</i>	1.78	1.28	1.64	1.53
Overall Plant Recovery	<i>%</i>	72.6	92.0	92.7	89.0
<b>Total Produced Au</b>	<b><i>Oz</i></b>	<b>1,278</b>	<b>2,952</b>	<b>5,010</b>	<b>9,240</b>

Crushing and grinding throughput rates increased through the quarter which coincided with an increase in the mill feed grade from November through to December.

The gold plant has been commissioned on a mixture of historical stockpiles and lower grade Matilda open pit ore. The mill head grade progressively increased over the quarter as the open pits deepened but only a small quantity of Golden Age was processed during the quarter. Most of the Golden Age development ore mined to date (currently grading 5.0g/t) has been stockpiled for processing and as such the mill feed grade profile is expected to increase over the March quarter.

The plant optimisation and de-bottle necking program is ongoing with a view to continuing the ramp up and maximising gold production. Blackham's FY17 production forecast is 64,000 to 71,000ozpa.

The Matilda Gold Project is located in Australia's largest gold belt which stretches from Norseman through Kalgoorlie to Wiluna. Blackham's 100% owned Wiluna gold plant has been refurbished to a name plate 1.7Mtpa and is located in the centre of the Matilda Gold Project. The expanded Matilda Gold Project now includes JORC 2012 Measured, Indicated and Inferred Resources of **58Mt @ 3.2g/t for 6.0Moz Au** (refer to ASX release 13<sup>th</sup> December 2016) within a 1,000km<sup>2</sup> exploration tenement package and has historically produced in excess of 4.3 million ounces. Stage 1 Gold production through the Wiluna gold plant commenced in October 2016. The Stage 2 expansion studies are focused on increasing gold production to beyond 200,000ozpa.

## Crushing circuit

Crushing circuit availability of 65% was achieved during the quarter and this impacted mill throughput. The low circuit availability was caused by mechanical availability and operability of the secondary and tertiary cone crushers. The secondary crusher had components replaced in November and the tertiary crusher was fully replaced in December. The crushing circuit is now performing well, handling all ore types and achieving throughput of in excess of 2Mtpa.

## Grinding & Gravity Circuit

During December the grinding circuit has operated on the Matilda ores and Williamson stockpiled ore at an average throughput rate of 156t/h and peaked at 250t/h (2.1Mtpa) with availability of 94%. During December mill runtime was only 89% mainly due to low fine ore stockpiles and crushing circuit availability. Due to the viscous nature of the Matilda ores larger leach feed piping and pump capacity was installed during December to de-bottleneck throughput. During January, mill throughput has averaged 172t/h. Management are working towards achieving a consistent throughput beyond the 1.7Mtpa nameplate capacity.

The new gravity circuit is operating as expected and gravity recoveries averaged 16% for the quarter. The average mill grade for December was 1.64 g/t, this head grade is expected to increase with the milling of Golden Age increasing and the processing of the high grade structures from Matilda M10 and M3 pits.

## Leach and Elution Circuits

Total plant recovery achieved during November and December was 92.4% with an estimated tail grade of 0.11 g/t Au. Year to date recoveries were lower due to the processing of historical Wiluna refractory fine ore due to crusher circuit downtime during October. Leach, reagent and feed blend optimisation is ongoing with the aim of improving overall recoveries further.

For further information on Blackham please contact:

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**Table 1: Matilda Gold Project Resource Summary**

Mining Centre	OPEN PIT RESOURCES											
	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
<b>Matilda Mine OP</b>	0.2	2.1	13	7.6	1.8	435	4.3	1.4	200	12.0	1.7	<b>650</b>
Galaxy				0.4	3.1	42	0.4	2.2	25	0.8	2.7	<b>68</b>
<b>Williamson Mine</b>				3.3	1.6	170	3.8	1.6	190	7.1	1.6	<b>360</b>
Wiluna OP*				5.0	2.5	410	3.6	2.5	290	8.6	2.5	<b>700</b>
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	<b>271</b>
Stockpiles				0.3	1.0	8				0.3	1.0	<b>8</b>
<b>OP Total</b>	<b>0.2</b>	<b>2.1</b>	<b>13</b>	<b>17</b>	<b>2.0</b>	<b>1,126</b>	<b>15</b>	<b>1.9</b>	<b>915</b>	<b>33</b>	<b>2.0</b>	<b>2,057</b>
Mining Centre	UNDERGROUND RESOURCES											
	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
<b>Matilda Mine UG</b>				0.1	2.5	10	0.6	3.6	70	0.7	3.4	<b>80</b>
Wiluna				10.0	5.3	1670	13.0	4.7	2010	23	4.9	<b>3,680</b>
Golden Age				0.5	5.3	81	0.9	3.7	110	1.4	4.3	<b>191</b>
<b>UG Total</b>				<b>11</b>	<b>5.2</b>	<b>1,761</b>	<b>15</b>	<b>4.7</b>	<b>2,190</b>	<b>25</b>	<b>4.9</b>	<b>3,951</b>
<b>Grand Total</b>	<b>0.2</b>	<b>2.1</b>	<b>13</b>	<b>28</b>	<b>3.2</b>	<b>2,887</b>	<b>30</b>	<b>3.3</b>	<b>3,105</b>	<b>58</b>	<b>3.2</b>	<b>6,008</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 Gold Project 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 December 2016 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 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.*