

## 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**  
284.9M Ordinary Shares  
32.9M Unlisted Options  
4.1M Performance Rights

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## Matilda gold production update

The Board of Blackham Resources Limited ('Blackham' or 'the Company') is pleased to provide an update on gold production at its 5.1Moz Matilda Gold Project. Blackham recently provided Interquip and Practon with notices of practical completion at its 1.7Mtpa Wiluna Gold Plant. Interquip which is the Structural, Mechanical and Procurement contractor for the refurbishment of the Wiluna Gold Plant and Practon the Electrical and Instrumentation contractor, demobilised the bulk of their refurbishment teams during October. Blackham continues to ramp up production to its Stage 1 production target of 100,000ozpa.

### Open Pit Mining

Open pit mining continues to focus on the Matilda M10 and M3 pits. Most of the ore mined to date is lower grade ore as expected from the laterite and depletion zones at the top of the pits.

Open Pit Mining		Sept Qtr	Oct	Nov Mtd	YTD
Ore	t	46,900	93,200	128,700	268,800
Ore	BCM	22,300	44,400	61,300	128,000
Au	g/t	0.7	1.0	1.0	0.9
Waste	BCM	1,686,000	819,000	440,000	2,945,000
<b>Total Material</b>	<b>BCM</b>	<b>1,708,300</b>	<b>863,400</b>	<b>501,300</b>	<b>3,073,000</b>

\* November MTD numbers are up until 20 Nov.

The M10 pit is now through the depletion zone and into the higher grade structure. 90% of the M10 pit floor, over the last 30m has been free dig significantly lowering the mining cost. The higher grade structures are visible in the pit walls and floor allowing for selective mining of these structures and grade streaming of the ore through the plant.



**Photo 1: Visible ore in the Matilda M10 pit – 1065-1067.5m RL flitch looking south.**

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 **48Mt @ 3.3g/t for 5.1Moz Au** (refer to ASX release 27<sup>th</sup> June 2016) within an 860km<sup>2</sup> exploration tenement package and has historically produced in excess of 4.3 million ounces. Gold production through the Wiluna gold plant commenced in October 2016.

## Underground Mining

Underground mining continues to be focused on access and ore development to open up new stoping areas of the Golden Age high grade quartz reef. There are currently 3 jumbos on site focused on development and rehabilitation activities. Development ore is currently being mined from 3 development headings. Initial Golden Age development ore produced is averaging 5.6 g/t being significantly higher than the budgeted grade for the development ore. Multiple sightings of visible gold have also been sighted on the 980 development level (see photo 2).

Underground Mining		Sept Qtr	Oct	Nov Mtd	YTD
Ore Mined	t	1,720	6,520	2,480	10,720
Au Grade Mined	g/t	4.4	4.4	9.6	5.6
Total Lateral development	m	517	261	330	1,108

\* November MTD numbers are up until 20 Nov.



**Photo 2: Visible gold in the Golden Age 980 ore drive**

## Ore Stockpiles

Open pit, underground and existing stockpiles total 304,000t @ 1.3g/t for 12,280oz available for milling. Mining of ore is being streamed into high grade, low grade and long term feed to optimise cash flow from the mill. Current high and low grade stockpiles represent 9 weeks of mill feed.

Stockpiles	Tonnes	g/t	Oz	Weeks
High grade	170,000	1.7	9,340	5
Low grade	134,000	0.7	2,940	4
<b>Total stockpiles</b>	<b>304,000</b>	<b>1.3</b>	<b>12,280</b>	<b>9</b>

\* stockpiles as of 20 Nov 2016.

## Gold Processing Plant Optimisation

Blackham recently provided Interquip and Practon with notices of practical completion at its 1.7Mtpa Wiluna Gold Plant. Interquip which is the Structural, Mechanical and Procurement contractor for the refurbishment of the Wiluna Gold Plant and Practon the Electrical and Instrumentation contractor, demobilised the bulk of their refurbishment teams during October. Blackham continues to ramp up production to its Stage 1 production target of 100,000ozpa.

Year to date gold production in the 5 week period to 20 November 2016 totalled 3,343oz. The gold plant has been commissioned on a mixture of historical stockpiles and lower grade Matilda open pit ore. To date most of the Golden Age development ore (currently grading 5.6g/t) has been stockpiled for processing this quarter and as such the mill feed grade profile is expected to increase over the rest of quarter and financial year. Plant optimisation and de-bottle necking work is ongoing with a view to maximising gold production.

Gold Production		YTD*
Milled throughput	t	85,700
Mill Feed Grade Au	g/t	1.48
Overall Plant Recovery	%	84%
<b>Gold recovered Au</b>	<b>Oz</b>	<b>3,433</b>

\* Year to date gold production in the 5 week period to 21 November 2016.

## Crushing circuit

During November the crushing circuit has operated on the Matilda ores and historical Williamson stockpile at a throughput rate of 226t/h (1.9Mtpa) using a 2 crushing stages. Crushing availability of 65% during November MTD has slowed the ramp up of the mill throughput. This lower crusher availability was caused by additional maintenance on the secondary crusher due to the failure of aging parts which have now been replaced.

The tertiary crusher has been operating at slower throughput rates on the harder Golden Age and Williamson ores. Whilst the excess crushing capacity makes this manageable in the short term a new tertiary crusher has been ordered to minimise the risk of fine ore shortages. The new tertiary crusher is expected to be installed within 2 weeks.

## Grinding Circuit

During November the grinding circuit has operated on the Matilda ores and Williamson stockpile at an average throughput rate of 151t/h and peaked at 222t/h (1.8Mtpa) with availability of 92%.

Due to the viscous nature of the Matilda ores larger leach feed piping and pump capacity was installed during November. The current bottleneck on the milling capacity is due to the mill 2 overflow pipe capacity which is being upgraded over the coming days.

The average mill grade to date is 1.5 g/t. This head grade is expected to increase with the milling of Golden Age commencing and the processing of the high grade structures from Matilda M10 which are currently being mined.



## Gravity Circuit

The new gravity circuit is operating as expected. Gravity recoveries are averaging 17% for November and have peaked at 45%.

## Leach and Elution Circuits

The new A0 leach tank is fully operation. The leach and elution circuits are operating as expected.

Total plant recovery during November is estimated at 93% with an estimated tail grade of 0.09 g/t Au. Year to date recoveries were lower due to the processing of historical Wiluna refractory fine ore due to crusher downtime during October and to make additional space in the fine ore area.

Leach retention time, reagent and feed blend optimisation has now begun with a view to improving recoveries further.

Blackham is focused on a safe, efficient and timely ramp up to commercial production. Blackham expects to be able to confirm FY17 production forecasts and cash costs very shortly.

For further information on Blackham please contact:

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

Mining Centre	Matilda Gold Project Resource Summary									Total 100%		
	Measured			Indicated			Inferred					
	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 Mine	0.2	2.1	13	7.8	1.8	447	5.1	1.6	261	13.1	1.7	721
Golden Age				0.4	4.5	51	0.9	3.7	107	1.3	3.8	158
Galaxy				0.4	3.1	42	0.4	2.2	25	0.8	2.7	68
Western/ Bulletin Shear				5.7	5.6	1031	5.4	5.2	924	11.3	5.4	1,955
Eastern Shear				3.4	5.4	595	3.4	4.3	479	6.8	4.9	1,075
Moonlight Shear				0.4	3.4	47	3	4.6	451	4.0	4.5	498
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	360
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	271
<b>Total</b>	<b>0.2</b>	<b>2.1</b>	<b>13</b>	<b>22</b>	<b>3.4</b>	<b>2,444</b>	<b>25</b>	<b>3.3</b>	<b>2,647</b>	<b>48</b>	<b>3.3</b>	<b>5,106</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 14 March 2016, 17 June 2016 and 27 June 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.*