



ASX ANNOUNCEMENT
18th October 2011

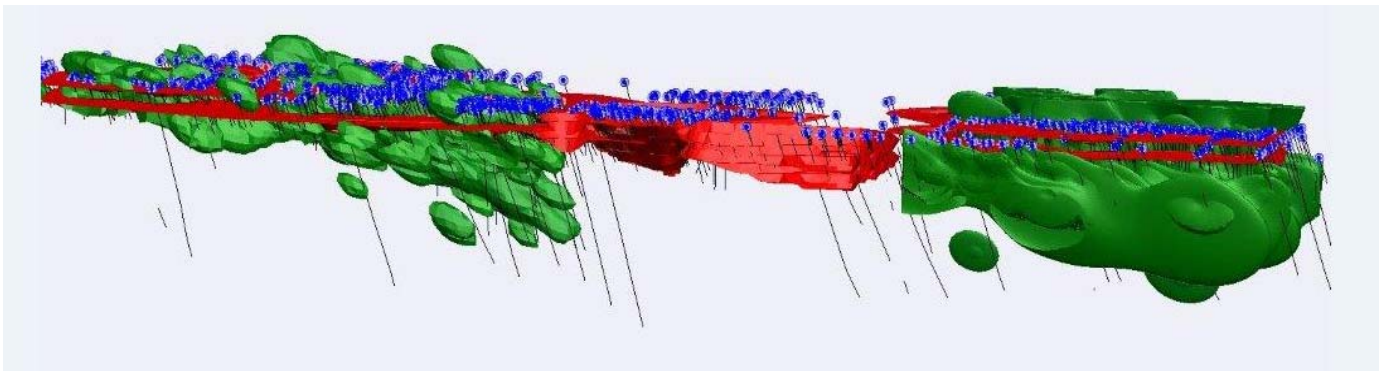
MATILDA GOLD MINE ACQUISITION - AMENDED

- **Blackham elects to acquire 100% of Matilda and Williamson Gold Mines and the Regent, Carol Prior and Galaxy Gold Deposits**
- **Matilda mine offers significant targets to focus initial exploration**
- **Drilling programme planned to commence in December**

Blackham Resources Ltd (Blackham or the Company)(ASX Code: **BLK**) is pleased to announce that it has elected under the Heads of Agreement announced on the 21st September 20011, to formally proceed with 100% acquisition of the Matilda and Williamson Gold Mines and the Regents, Carol Prior, Galaxy Gold Deposits in the Wiluna gold belt of Western Australia (**Project**). The due diligence over the project supports the decision to acquire the Project.

Blackham's Managing Director, Bryan Dixon made the following statement, "Initially on entering into the Heads of Agreement, Management were focused on extensions to the existing gold deposits down plunge. During the due diligence phase it has become very apparent that substantial potential exists to extend these deposits along strike in the shallow oxide material as well."

Blackham's main focus will initially be to explore for new gold resources in and around the Matilda Mine. Matilda is a large gold system which has been mined in most places to less than 50m with 7 small pits over a strike of 3.5kms. Most of the existing Matilda deposits remain open both along strike and at depth. Asarco ceased production at Matilda in 1996 when the gold price was about US\$400/oz. Production from all previous owners reached approximately 280,000oz from 7 open-pits. Blackham intends to target the extensions along strike and the high grade extensions below the existing pits then remodel the resources and re-optimize pits based upon current gold prices.



Matilda Mine 3.5km longitudinal view looking west

Previous mined pit shells between M1 and M2 in RED with projected 3D modelled mineralised zones in GREEN.

Blackham has begun planning for its initial drilling programmes aimed at commencing in December, subject to rig availability and regulatory approvals. Little systematic regional exploration has taken place on the Project since Great Central Mines sold the Wiluna Mine and surrounding package to Normandy in 2002. Since 1996, the Project has been owned by numerous companies and most of the exploration has focused on the neighbouring Mine.

Further information on the Matilda Gold Project can be found in Blackham's announcements of the 21st September 2011 and 11th October 2011.

TERMS OF THE AGREEMENT

Blackham has agreed to purchase and the Vendors have agreed to sell to Blackham, 100% of the entire issued share capital of Kimba Resources Pty Ltd (Kimba) for the following consideration to be issued to the Vendors or their nominee(s) on Completion:

- (a) Cash on settlement of \$600,000;
- (b) 2,400,000 fully paid ordinary shares in Blackham on settlement;
- (c) \$150,000 cash upon delineation of gold resources totalling 500,000 ounces gold (JORC);
- (d) \$150,000 cash upon delineation of gold resources totalling 750,000 ounces gold (JORC);
- (e) \$250,000 cash upon production of 50,000 ounces gold;
- (f) A royalty of 1% net operating profit royalty on Nickel production profits.

Kimba is obliged to pay certain gold and nickel royalties on parts of the tenure and is required to pay \$500,000 to the previous owner on first gold pour payment. Kimba will be liable for the remaining rehabilitation on the Project and is required to pay \$2.249 million in environmental bonds on transfer of the mining leases from the previous owner to the Kimba.

The Agreement covers 18 mining leases, 5 retention licenses, 12 exploration licenses and 24 prospecting licenses covering an area of over 500km² near Wiluna, Western Australia.

This Agreement and the transactions contemplated by it are conditional upon Blackham meeting any regulatory approvals and is contemplated to be completed within the next month.

Further information on the terms of the agreement can be found in Blackham's announcement of the 21st September 2011.

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About Blackham

Blackham, a Western Australian resources company, is focused on exploration at the Matilda and Williamson Gold Mines and is evaluating the development of the Scaddan and Zanthus Energy Projects.

Blackham is evaluating the development of the Scaddan and Zanthus Energy Projects for the export of coal and building of a coal to liquid (CTL) facility. The Scaddan and Zanthus Energy Projects, located near Esperance, Western Australia, contain world scale coal deposits totalling 1.4 billion tonnes with over 10,600 PJ of energy at shallow depth and very low mining costs. The project has the potential to produce 860 million barrels oil equivalent, consisting mainly of a clean diesel, as well as additional power for the region. The Scaddan Energy Project is surrounded by complimentary infrastructure approximately 60 kilometres north of the town and major port of Esperance and 10 kilometres east of the Esperance to Kalgoorlie highway, gas pipeline and railway line.

Blackham has entered into a Heads of Agreement to formally acquire 100% acquisition the Matilda and Williamson Gold Mines and the Regents, Carol Prior, Galaxy Gold Deposits in the Wiluna gold belt of Western Australia (Project).

Competent Persons Statement

The information contained in the report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled or reviewed by Mr Jason Detheridge, who is an employee of the Company. Mr Detheridge is a Member of the Australasian Institute of Geoscientists 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Detheridge has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The JORC Code – "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the Joint Ore Reserves Committee of the AusIMM AIG and MCA, December 2004.

ENDS