

**ASX ANNOUNCEMENT**  
28th November 2012

**MATILDA MINE DEMONSTRATES ROBUST ECONOMICS**

- **Matilda open pit design confirms**
  - **2.45Mt milled tonnes @ 2.11 g/t au head grade**
  - **150,000oz gold production over four years**
- **Strong Matilda Mine financials**
  - **\$74 million net operating cash flow**
  - **Capex \$10.2m**
  - **NPV \$52m and IRR 300%**
- **Current Resource is constrained by drilling completed to date**
- **Resource model being updated for recent intercepts including:**
  - 10m @ 5.47 g/t Au from 120m – MARC0063**
  - 5m @ 5.30 g/t Au from 125m – MARC0062**
  - 31m @ 2.32 g/t Au from 120m – MARC0051**
- **Williamson and Regent mining potential to be reviewed**

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Blackham Resources Ltd (ASX: **BLK**), (“Blackham”) is pleased to announce its initial open pit mine designs and scoping study results at the Matilda Mine in Western Australia. The initial scoping study has been prepared by Entech Mining on the assumption the Matilda Mine ore is processed through the Wiluna Gold Plant owned by Apex Minerals NL, which is 19km by existing haul road from the Matilda Gold Mine. These studies do not take into account the pending resource upgrades at Matilda which Blackham believes will add further upside to the Project.

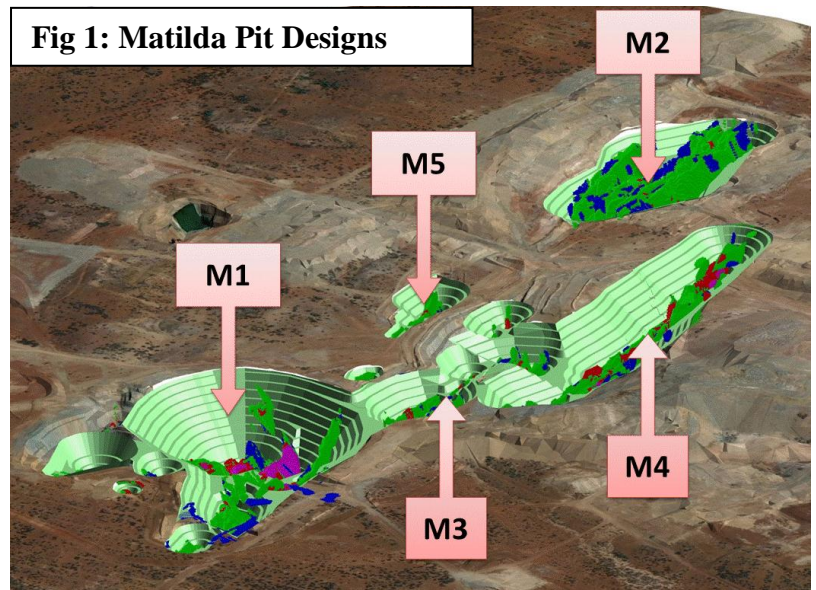
Blackham is also investigating the economics of building a gold plant at the Matilda Mine on the old plant site. A Matilda Plant could be used to process all its free milling ore including Williamson and Regent deposits. Pacer Corporation has been engaged to assess the requirements and costs of installing a gravity and carbon in leach (CIL) plant on the existing Matilda plant site. Blackham’s three main deposits are all within 12kms by existing haul roads of the Matilda plant footprint.

## Scoping Study – Wiluna Gold Plant (WGP) Option

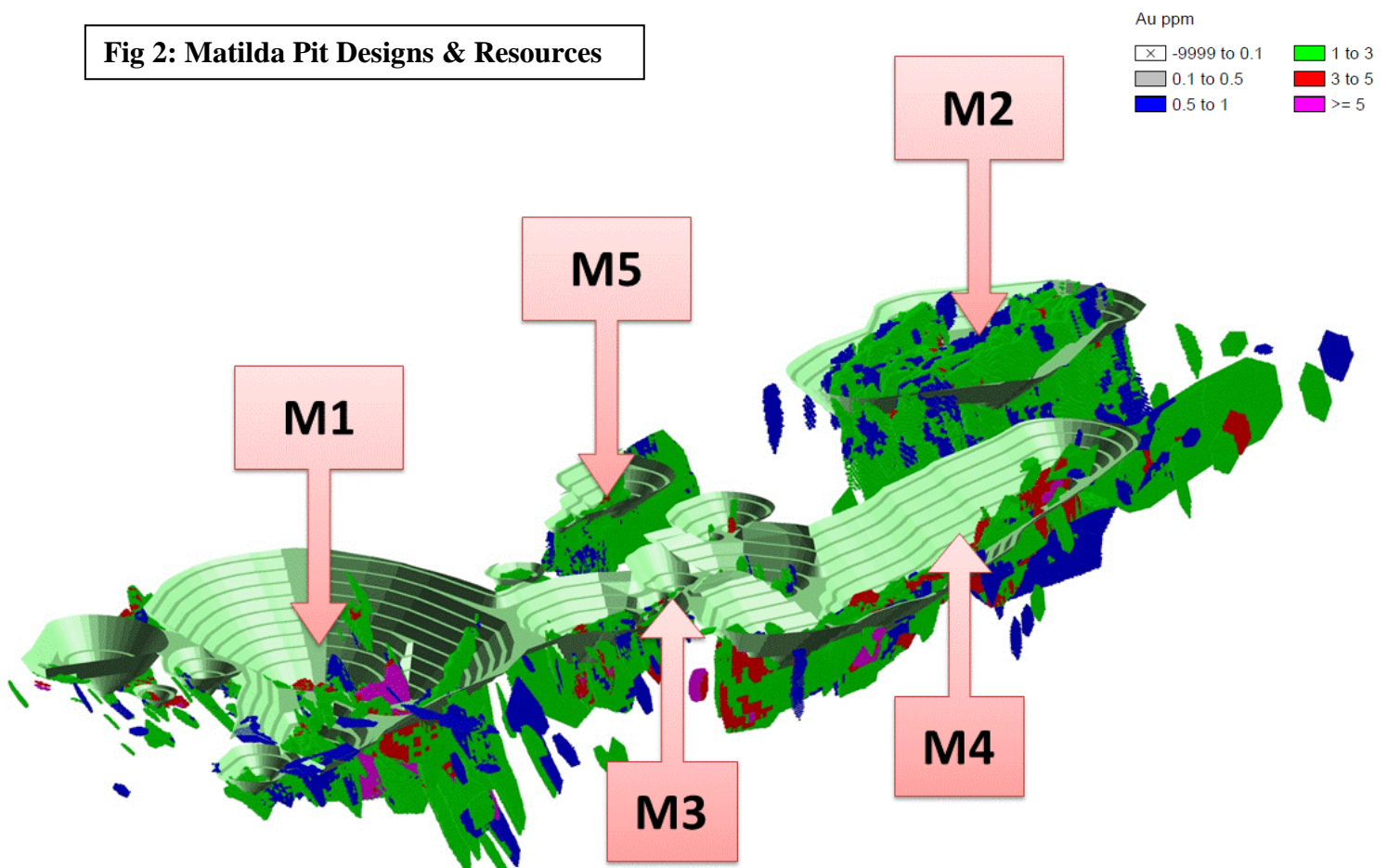
Table 1: Matilda Mine Economics	Gold Price	US\$1,700 A\$1,667/oz	US\$1,900 A\$1,863/oz
Net operating cash flow	\$	\$74.0m	\$100m
Capital - maximum cash drawdown	\$	\$10.2m	\$9.4m
Internal Rate Return	%	300%	470%
Net Present Value – before tax (8%)	\$	\$52.0m	74.6m
Basic capital return		6.3 times	9.7 times
Payback period		7 months	6 months

The Mine design and schedule for the WGP processing option has been prepared by Entech Mining, an independent mining consultant with significant experience in mining engineering in Western Australia. This initial mine plan at the Matilda Mine is based on mining and processing **2.45Mt of ore over a 4.1 years**. This mine plan assumes contract mining and haulage to the WGP.

Processing via the WGP provides a **very low capital option of \$10 million** which leads to a **short payback period of 7 months** and a **very high IRR of 300%** due to the strong cash flows.



**Fig 2: Matilda Pit Designs & Resources**



The WGP and Matilda Plant studies both assume mining will be conducted on a contract basis comprising of a standard goldfields mining fleet. The operation will be a conventional truck and shovel arrangement utilising 120 tonne diggers matched to 100 tonne trucks with all the associated ancillary equipment.

The WGP processing costs have been determined after consulting a number of industry and processing professionals, reviewing publically available data and applying a processing margin. The WGP is currently believed to have excess capacity to process ore and an agreement will need to be negotiated. The cash cost also included general and administrative site costs and rehabilitation. The Matilda Plant Option assumes a standard crushing circuit, a single stage grinding circuit followed by gravity and carbon in leach circuits.

Table 2: Matilda Mine Design			WGP Option		Matilda Plant Option	
			LOM	Annual Average	LOM	Annual Average
Mine life	years		4.1		2.9	
Strip Ratio	O:W		8.6	8.6	8.6	8.6
Ore Milled	tpa		2,451,000	600,000	2,451,000	850,000
Grade Au	g/t		2.11	2.11	2.11	2.11
Recovery Au	%		89.9%	89.9%	89.9%	89.9%
<b>Recovered Au</b>	<b>oz</b>		<b>149,800</b>	<b>36,600</b>	<b>149,800</b>	<b>53,500</b>
C1 Cash cost	\$/oz		\$1,039	\$1,039	\$942	\$942
C1 Cash cost	\$/t		\$64	\$64	\$58	\$58
<b>Net operating cash flow*</b>	<b>\$M</b>		<b>\$74.0M</b>	<b>\$18.1M</b>	<b>\$86.8M</b>	<b>\$30.1M</b>

\*at A\$1,667/oz gold price

Entech Mining have also rescheduled the Matilda Mine plan for an 850,000tpa plant at the Matilda site. The C1 cash cost per ounce decrease to \$942/oz due mainly to the elimination of the processing margin and above ground haulage. Blackham now plans to re-evaluate the mining economics on the Matilda Plant option after updating the resources for recent positive Matilda drilling results and assess the economics of processing Williamson and Regent deposits.

### Matilda Resource to be updated

Blackham has recently completed an infill and extension RC programme at the Matilda Mining Centre focussing on the M1, M3 and M4 Deposits. A total of 3,200m of RC was completed. Latest results from this drilling have defined further high-grade zones of mineralisation with significant intercepts of **10m @ 5.47 g/t** from 120m including **2m @ 12.4 g/t** from 121m (MARC0063) and **5m @ 5.30 g/t** from 125m (MARC0062) including **1m @ 20.4 g/t** from 127m. These results have extended mineralisation approximately 50m down dip (Figure 1). Together with the earlier reported intercept of **31m @ 2.32 g/t** in MARC0051, Blackham has identified a gently plunging (approximately 30° northwards), high-grade shoot with a strike of approximately 200m that remains open at depth (Figure 2). Many of the holes from this programme returned thicker and higher tenor results than intercepted by previous explorers closer to surface, possibly indicating depletion zones in the weathered profile. A large amount of historical drilling at Matilda failed to penetrate past the base of oxidation, thereby raising questions about its effectiveness.

In light of these excellent results the Company will be updating the resource model to determine what effect they may have on the open-pit mining economics. The high-grade nature of these results may also support an underground mining operation which will be investigated in due course.

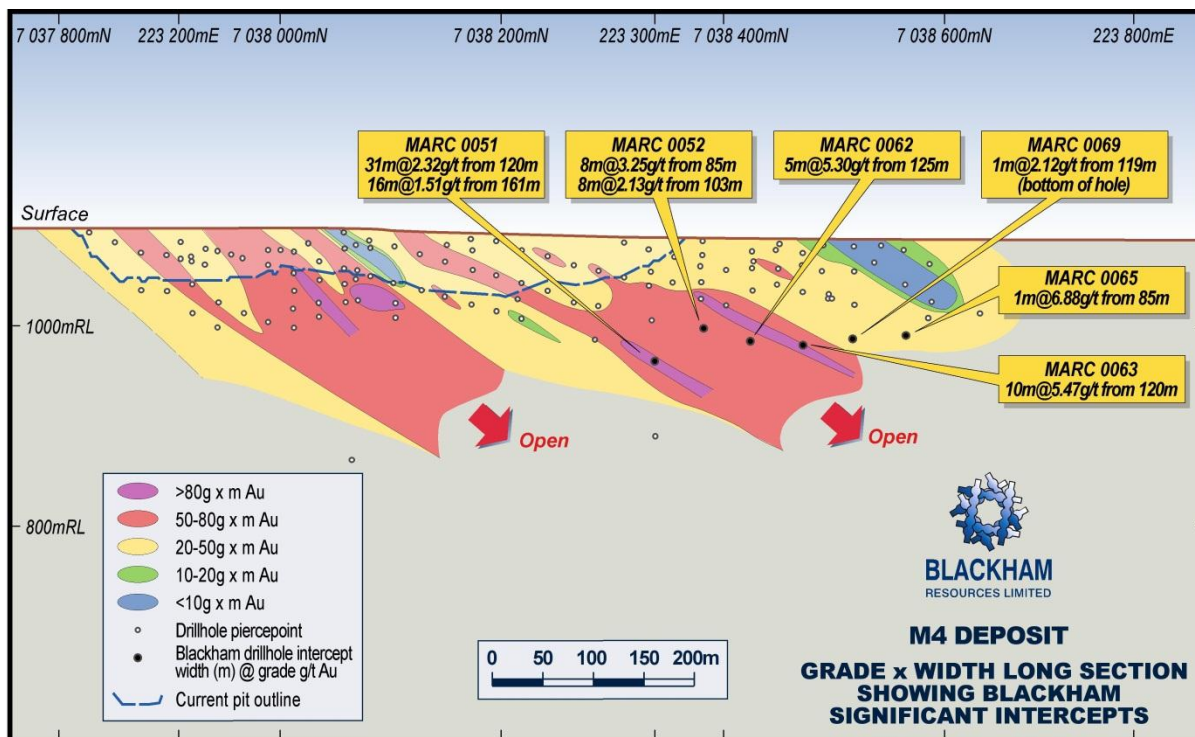


Figure 2. Long-section of M4 showing grade x width contours highlighting high-grade shoots.

Blackham’s resource inventory at the Matilda Gold Project is currently **23Mt** at **1.9g/t** for **1.4Moz Au** (see Table 3) which includes 12Mt @ 1.7g/t for 683,000oz Au at the Matilda Mining Centre.

Table 3: Matilda Gold Project Resources October 2012							
Mining Centre	Indicated		Inferred		Total		
	Tonnes	g/t Au	Tonnes	g/t Au	Tonnes	g/t Au	Oz. Au
Matilda Mine	1,943,000	1.9	10,295,000	1.7	12,238,000	1.7	683,000
Williamson Mine			6,001,000	1.9	6,001,000	1.9	364,000
Regent	738,000	2.5	3,108,000	2.1	3,846,000	2.2	270,000
Galaxy			884,000	2.7	884,000	2.7	77,000
<b>TOTAL</b>	<b>2,681,000</b>	<b>2.1</b>	<b>20,288,000</b>	<b>1.9</b>	<b>22,969,000</b>	<b>1.9</b>	<b>1,394,000</b>

Rounding errors may occur - grades to 2 significant digits in this table.

“We are very encouraged by the results of the Matilda scoping study. When we acquired the Matilda Mine a year ago there were only 80,000oz of gold resource. With very limited expenditure we have moved the Matilda Mine forward very rapidly with the Scoping Study demonstrating robust economics. With further drilling of the stacked gold lodes at the Matilda Mine we expect further improvement to these economics.” Managing Director Bryan Dixon was quoted.

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### **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 Greg Miles, who is a full-time employee of the Company. Mr Miles is a Member of the Australian 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Miles 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.*

*The information contained in the report that relates to the Regent and Matilda Mine Mineral Resources is based on information compiled or reviewed by Mr Aaron Green, of Runge Ltd. Mr Green is a Member of the Australian 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Green 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.*

### **Limitations of the scoping study**

*The mine designs and scoping study which has been undertaken, is by its nature, not as reliable or certain as a Pre-Feasibility Study or Feasibility Study, neither of which has been conducted. Further modelling of the resources plus additional Project work is to be completed, the study is not a definitive indication on how, or if the Matilda Project will be developed. The mine designs and scoping study (inclusive of the cost estimates contained within it) is subject to a range of sensitivities, qualifications, assumptions and risk factors, which could affect the projects development. There is also a range of approvals required before project development can commence, which have not been obtained. Pit optimisations are based on a pit shell revenue factor of A\$1,280/oz and a contract mining fleet is assumed. Pit shells do contain inferred material and should not be read as a Pre-Feasibility or Feasibility Study level of assessment. The accuracy of this type of study is considered to be in the order of +/- 35%.*

*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 ('Blackham' or 'the Company') 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.*

**ENDS**