



## **QUARTERLY REPORT**

### **March 2013**

The Blackham Board is very pleased to report the following highlights during the quarter:

#### **Matilda Gold Project**

- **Gold resources grow to 1.5Moz, or 382% since acquisition**
- **Measured and Indicated resource grown to 3.8Mt @ 2.1g/t for 260,000oz Au**
- **13,250m of RC drilling completed at the Matilda Mine since end of last quarter**
- **Drilling extends the “Iceberg Zone” below M4**
- **93% average recovery confirmed from Stage 2 metallurgical study with gravity and carbon in leach (CIL) processing**

#### **Corporate**

- **First tranche of the \$13m funding package received from Great Central Gold Pty Ltd.**
- **Mr Joseph Gutnick appointed Chairman**
- **The Australian Special Opportunity Fund (“ASOF”) note converted to shares.**

#### **Corporate**

On 18 February 2013, Blackham Resources Ltd (“Blackham” or “the Company”) confirmed receipt of the first tranche of the \$13 million funding package secured for its 100%-owned Matilda Gold Project in Western Australia with Great Central Gold Pty Ltd (“Great Central”), a private company controlled by leading mining industry entrepreneur Mr Joseph Gutnick. The Matilda Gold Project has 1.5 million ounces of gold resources in a major Western Australian gold belt. Blackham announced on 4th February 2013, the Private Placement, whereby Great Central will be issued 15.79 million Blackham fully paid ordinary shares at \$0.21 per share, to raise \$3.32 million (“the Placement”). The first tranche of the Placement (\$2.31 million) has now been received and 10,982,000 shares issued at 21 cents. The second tranche of the Placement, being 4,808,000 shares, will be completed following receipt of shareholder approvals at the general meeting planned for the 6 June 2013. At completion of the Placement Great Central will have a 19.3% interest in the Company.

In addition to the Placement, Great Central has agreed to subscribe for \$10 million in Convertible Notes in Blackham (“Notes”). The convertible note conversion price of 25 cents was set at 63% premium to the 5 day VWAP prior to the initial announcement. The Notes have a maturity date five (5) years from the date of issue and have an interest rate of 8% (paid half yearly). The main terms of the convertible notes are detailed in the announcement of 4th February 2013. The convertible notes are also subject to receiving the necessary regulatory approvals and shareholder approvals at the general meeting planned for the 6 June 2013.

Mr Joseph Gutnick was appointed Non-executive Chairman of the Company on 18 February 2013. Mr Gutnick has been a director of numerous mining companies including Great Central Mines Ltd ("GCM") which he built into one of Australia's most successful gold mining companies. Under his stewardship, GCM discovered the Plutonic Gold Mine and explored, developed and operated the Bronzewing and Jundee Gold Mines, three world-class gold mines. GCM produced over 780,000oz of gold per annum at its peak. GCM also previously owned the Rosemont, Wiluna, and Matilda Gold Projects. He was awarded the Diggers award at the 1997 Diggers and Dealers Industry Awards and is a former Director of the World Gold Council. He is also a Fellow of the AusIMM.

The Lind Partners, LLC, manager of the Australian Special Opportunity Fund and the Canadian Special Opportunity Fund (together, "Lind"), has also converted its \$175,000 convertible note into fully paid ordinary shares. Following the \$13 million funding agreement with Great Central, Blackham and Lind agreed to terminate the Lind Funding Agreement announced on 26 April 2012.

Blackham completed a placement in early January raising \$400,000 (before costs) and issued 2.5 million ordinary shares at a price of \$0.16 per share in early January 2013.

Blackham's market capitalisation is \$13 million at 17 cents per share. The enterprise value of Blackham's Matilda Gold Project equates to < \$8/oz of gold resource.

## Matilda Gold Project

During the quarter Blackham added significant confidence to its goal of re-commissioning the Matilda Gold Mine. Blackham acquired 100% of the Matilda Gold Project in November 2011 and since then has advanced the project very quickly. The Matilda Gold Project holds over 570km<sup>2</sup> in the Wiluna Greenstone Belt including the Williamson Mine, Matilda Mine, Regent and Galaxy deposits and numerous other prospects. The tenure includes 50km of strike along the Wiluna and Coles Find Mine Sequences which has produced over 4 million ounces of gold. The 3 main deposits are within 10km of the old Matilda plant footprint and infrastructure and 26km by existing haul roads to the Wiluna Gold Plant.

A revised gold resource estimate totalling **24.5Mt @ 1.9 for 1.50Moz au** was released on 14th January 2013. The resource has now grown 382% since acquisition of the project in November 2011. In addition the confidence of the resource has also increased with 3.8Mt @ 2.10g/t Au now within the measured and indicated resource categories.



## Matilda Mine drilling results

During March and April, Blackham completed 78 RC holes for 13,250m from its current drill programme at the Matilda Mining Centre focussing on the M1, M3 and M4 Deposits. Significant intercepts include:

- 13m @ 4.51 g/t Au from 119m – MARC0077
  - including 2m @ 14.0 g/t Au from 128m
- 12m @ 2.48 g/t Au from 158m – MARC0085
- 11m @ 3.32 g/t Au from 134m – MARC0062 – (re-entry)
- 1m @ 12.5 g/t Au from 132m
  - and 3m @ 11.4 g/t Au from 171m
  - and 12m @ 2.84 g/t Au from 180m
  - including 2m @ 9.15 g/t Au from 180m – MARC0095
- 23m @ 2.66 g/t Au from 119m – MARC0064 – (re-entry)

Further drilling in the area north of the M4 pit has continued to deliver thick zones of mineralisation that now extend over 250m of strike. The zone has been named the Iceberg Zone in reference to the lodes limited expression near surface but which balloons at depth. This zone of mineralisation plunges approximately 30° northwards and remains open along strike to the north and at depth.

Latest significant results include a high-grade zone of **3m @ 11.4 g/t** from 171m and **12m @ 2.84 g/t** from 180m (including **2m @ 9.15 g/t** from 180m) in MARC0095 which is currently the northernmost and deepest drill intercept into the Iceberg Zone. The intercept is supported by the re-entry and extension of MARC0064 which returned 23m @ 2.66 g/t (including internal dilution) from 119m.

In addition, a continuous hanging wall lode has also been identified which is expected to have a positive impact on mining economics. A continuous zone of mineralisation has also been identified in the hanging wall of the main lode with intercepts including **1m @ 12.5 g/t** from 132m (MARC0095) and **9m @ 2.48 g/t** from 165m (MARC0105).

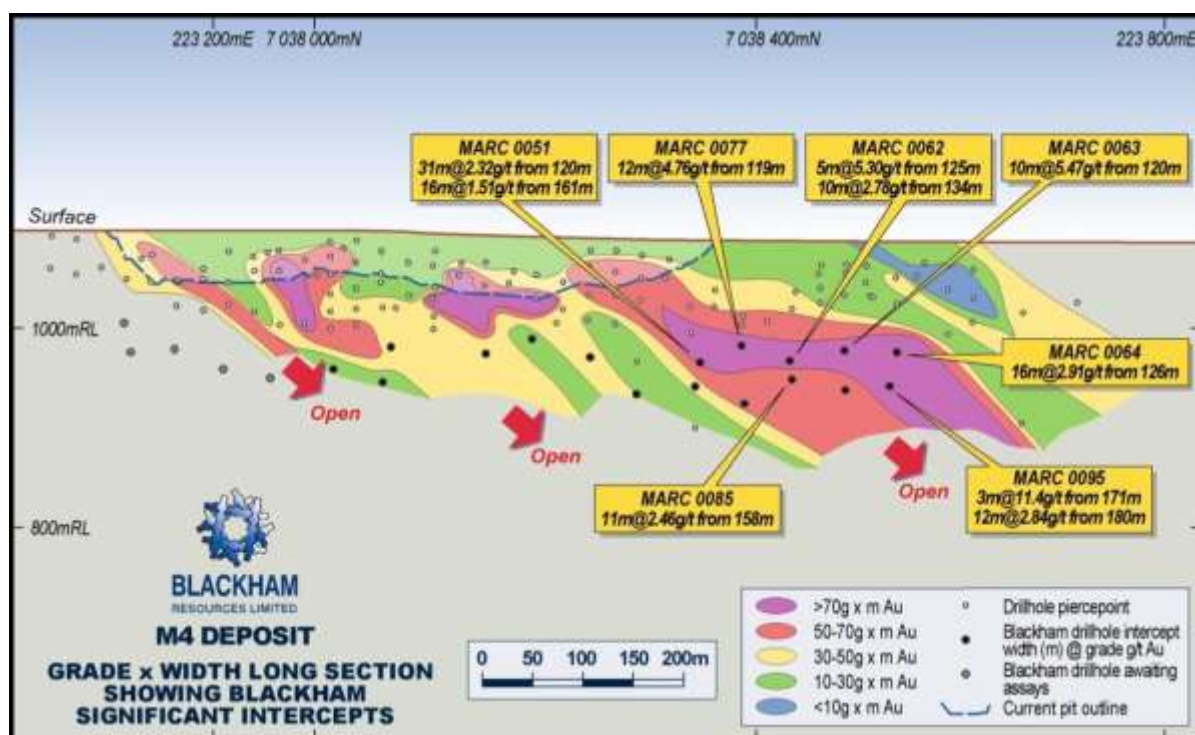


Figure 1. M4 Grade-width Long Section, highlighting the “Iceberg Zone”.

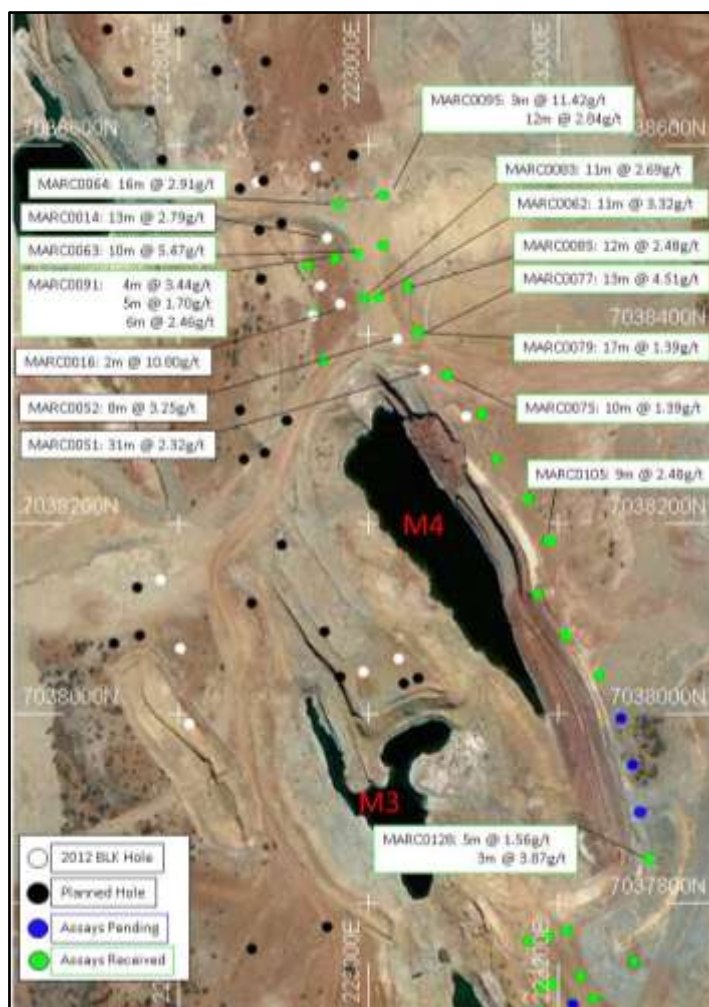


Figure 2. Matilda m4 Hole Location Plan.

## Matilda Metallurgy Results

In February, Blackham successfully completed its Matilda preliminary feasibility metallurgical testwork and Process Design Criteria (PDC). The completed work is the second phase of metallurgical study which was supervised and undertaken by Independent Metallurgical Operations Pty Ltd. The overall plant recovery from the process design criteria report based on the Matilda mining scoping study feed profile was 92.8%. This is significantly better than the 89.9% average recovery assumed in the Matilda scoping study announced in November 2012.

The pre-feasibility investigation was conducted to characterise the Matilda ore with the aim of determining head grade, comminution response plus testing the response to gravity separation and precious metal recovery by cyanide leaching. A total of 616 meters of diamond drill core was submitted for laboratory testing. The Pre-Feasibility work builds on the scoping testwork by increasing the confidence through further work on flowsheet validation and variability testing including comminution (crushing and grinding) characteristics. The outcome from the programme suggests the resource could be economically treated using standard Gravity Concentration / Carbon in leach (CIL) cyanidation technology. Table 2 & 3 outline the PDC project summary and testwork results.

Table 2: Matilda PDC Summary	Units	Value
Ore treated per year	Mtpa	1.2
Plant Feed Grade, as Au, Design	g/t	2.1
Overall Plant Gold Recovery	%	92.8
Total Plant Production, as Au (Leach + Gravity)	oz/pa	74,900

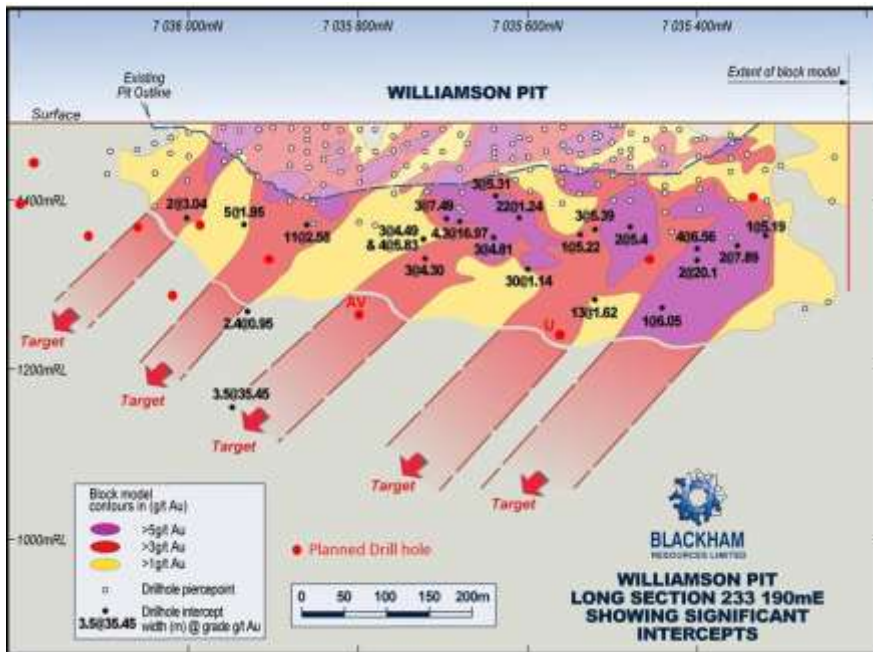
Extensions of mineralisation have also been found in an area between the M1 and M3 pits. These lodes may provide additional sources of near-surface ore to be exploited while targeting the main lodes of M1 and M3 at depth. Better results include 2m @ 2.99 g/t from 34m in MARC0122 and 3m @ 5.07 g/t in MARC0116.

The M4 Deposit has been identified as a priority area to recommence mining operations at the Matilda Mining Centre. Drilling at the Matilda Mine has been put on hold to allow for assaying of recent holes to be completed and interpreted before recommencing drilling. Blackham is still awaiting assays results from 26 holes. The Company looks forward to updating the resource model and reviewing the mining economics of this deposit based upon the latest possible drilling results.

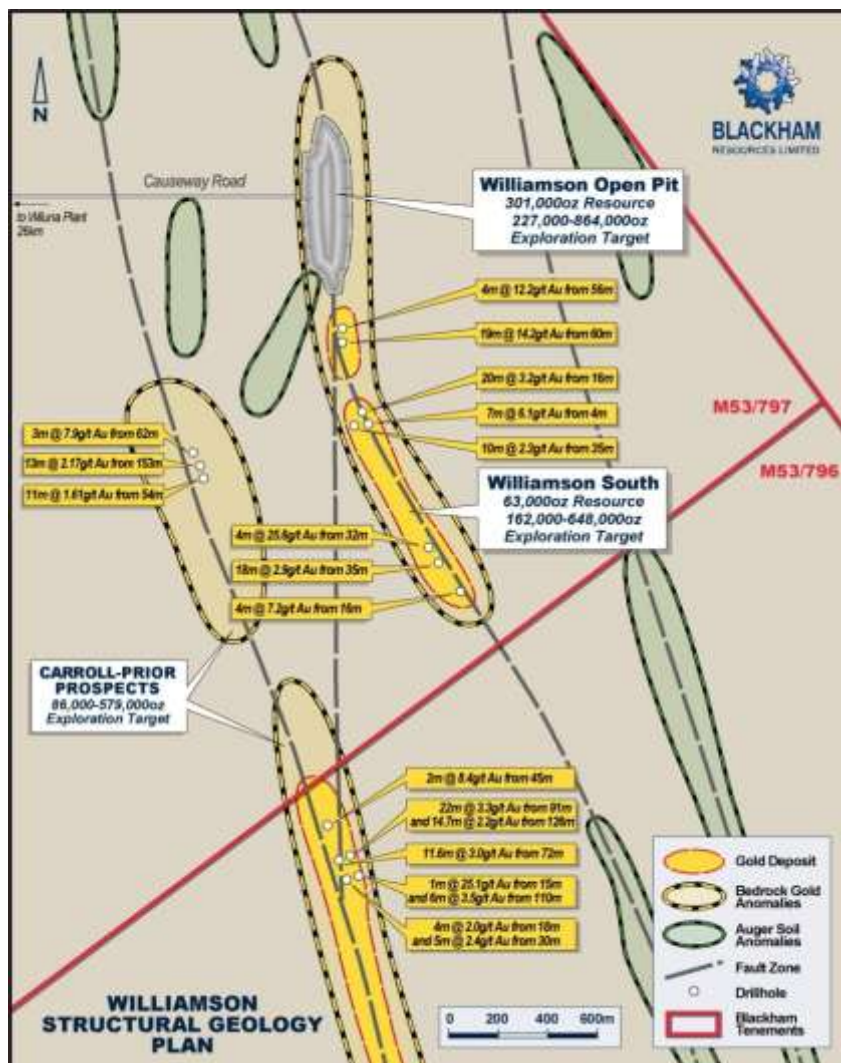
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The Williamson Pit strikes over 700m and with an average depth of 80m. Mineralisation continues both along strike and beneath the pit. Only a small number of holes have been drilled outside the current resource area. One of those holes, RWD00018, returned an outstanding intersection of **3.5m @ 35.5g/t Au** from 372m. This hole is believed to have intercepted one of the high-grade shoots identified in the resource model that remain open at depth and plunging moderately to the north.



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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.*

*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.*

