

ASX Announcement
17 July 2017



BOARD OF DIRECTORS

Milan Jerkovic
Non-Executive Chairman
Bryan Dixon
Managing Director
Greg Miles
Non-Executive Director
Peter Rozenauers
Non-Executive Director

ASX CODE
BLK

CORPORATE INFORMATION
338.9M Ordinary Shares
29.2M Unlisted Options
4.2M Performance Rights

ABN: 18 119 887 606

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Matilda/Wiluna Production Update

Blackham Resources Ltd (ASX: BLK) ("Blackham" or "the Company") wishes to provide a production update from its 6.4Moz Matilda/Wiluna Gold Operation.

Gold Production

Gold production for the Jun'17 quarter was 15,709oz (14,920oz Mar'17 Qtr). Significant improvements in crusher and mill performance were seen during the quarter, however lower grade profile resulted in lower than forecast production.

Table 1 – Gold Production increasing quarter on quarter

	Dec Qtr	Mar Qtr	June Qtr	YTD
Total Milled	211,200	338,000	416,100	965,300
Mill Feed Grade Au	1.5	1.5	1.3	1.4
Overall Plant Recovery	88.5	91.6%	91.5%	89.6%
Gold Produced	8,773	14,920	15,709	39,402

Gold production for the Sep'17 quarter is expected to increase due to both higher tonnes processed and a higher grade profile from the open pits.

Open Pit Mining

The Matilda open pits have experienced slow ore dig rates due to the wet conditions and wall slips reducing the total ore mined. Strip ratios during the Jun'17 quarter were reduced to 11.9 times (Mar'17 Qtr: 15.2 times) but are still significantly higher than the 8:1 life of mine strip ratio. Stripping ratios are expected to be reduced next quarter.

Open Pit Mining for		Sep'16 Qtr	Dec'16 Qtr	Mar'17 Qtr	Jun'17 Qtr	YTD
HG Ore	t	10,462	306,263	188,839	271,729	766,831
HG Au	g/t	0.86	1.27	1.25	1.28	1.27
LG Ore	t	36,422	209,545	110,524	125,341	445,410
LG Au	g/t	0.6	0.7	0.7	0.7	0.7
Total Ore	t	46,885	515,808	299,364	397,070	1,259,127
Ore	BCM	22,326	245,624	155,673	193,018	616,641
Waste	BCM	1,685,896	2,139,258	2,360,275	2,300,303	8,485,732
Total Material	BCM	1,708,222	2,384,881	2,515,947	2,493,320	9,102,370
Stripping Ratio	BCM:BCM	75.5	8.7	15.2	11.9	13.8

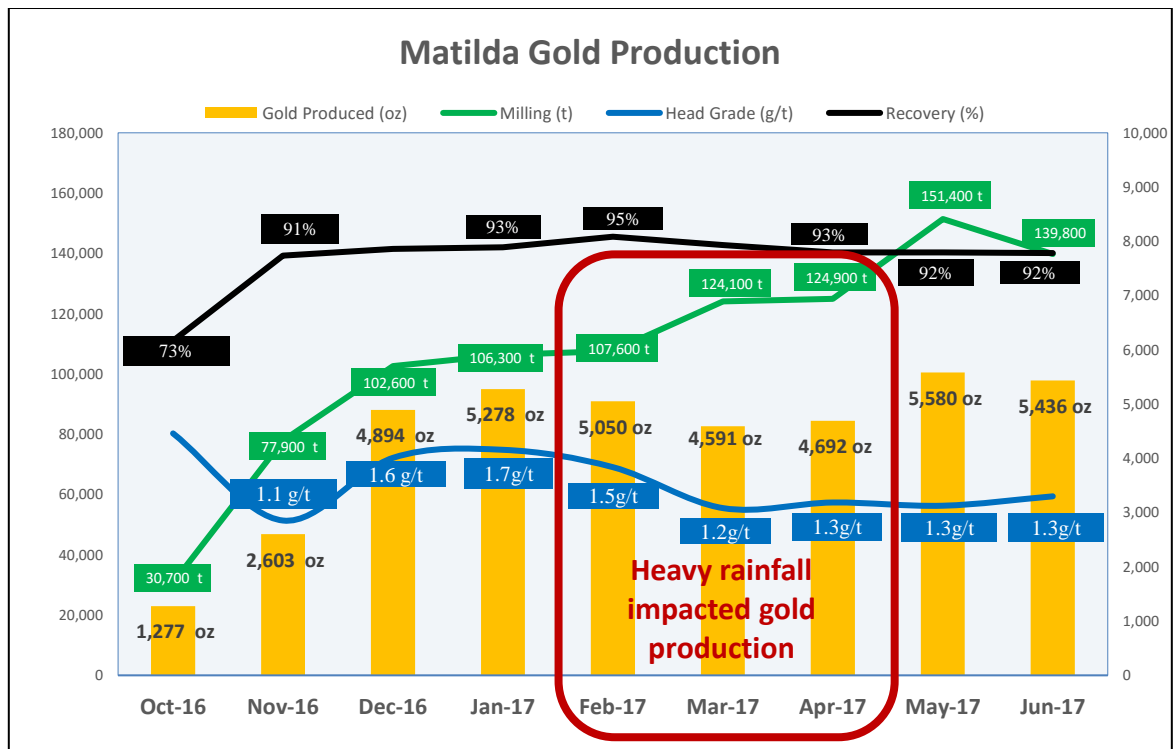
The higher investment in waste stripping this half has allowed access to expected higher grade ore in the Sept'17 quarter. Mining at the higher grade Galaxy pit started in early April. Access to the higher grade zones in the M4 pit are expected to be achieved during July.

Underground Mining

Both development and stope tonnes were lower than forecast resulting in underground gold mined during the Jun'17 quarter being 1,300oz below forecast. The Golden Age underground represented approximately 20% of the gold produced during the Jun'17 quarter.

Underground Mining		Sept 16 Qtr	Dec 16 Qtr	Mar 17 Qtr	Jun 17 Qtr	YTD
Ore Mined - Dev	t	1,477	14,253	19,136	6,860	41,726
Ore Mined - Stope	t	446	1,963	6,877	14,584	23,870
Ore Mined	t	1,923	16,216	26,013	21,444	65,596
Au Grade Mined	g/t	4.23	4.92	3.43	4.63	4.2
Mined Metal	oz	262	2,565	2,867	3,189	8,883
Total Lateral development	m	432	1453	1,567	919	4,372

Gold Processing



Crushing circuit – The crushing circuit operated at or above nameplate during May and June after being rain affected at the start of April. Poor crusher performance was experienced for the 5 days at the end of the quarter due to a secondary crusher rebuild.

Mill Throughput – The milling circuit achieved 98% of nameplate design for the quarter. Fine ore shortages due to poor weather in the first week of April and secondary crusher maintenance in the last week of June, resulted in lower throughput. Sep'17 quarter mill throughput is expected to be 450,000t (416,000t Jun'17 quarter).

Grade profile – Mill feed head grade profile during the quarter was hampered by 25% of feed being from low grade stockpiles. The significant investment in waste removal will allow access to higher grade ore in the M4 and Galaxy pits which are expected to provide higher head grades during the next 2 quarters.

Leach, Elution Circuits and Gold Room - The leach circuit is working very well and total plant recoveries have been strong (92%) during the quarter.

The quarterly report is currently being prepared and is planned to be released by the 25th July 2017.

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Matilda/Wiluna Gold Operation January 2017 Measured, Indicated & Inferred Resources (JORC 2012)

Matilda Gold Project Resource Summary												
OPEN PIT RESOURCES												
Mining Centre	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
Matilda Mine OP	0.2	2.1	13	7.6	1.8	435	4.3	1.4	200	12.0	1.7	650
Galaxy				0.4	3.1	42	0.4	2.2	25	0.8	2.7	68
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	360
Wiluna OP ¹				8.4	2.7	730	4.1	2.5	330	12.5	2.6	1,060
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	271
Stockpiles				0.4	1.0	13				0.4	1.0	13
OP Total	0.2	2.1	13	21	2.2	1,451	16	1.9	955	37	2.1	2,422
UNDERGROUND RESOURCES												
Mining Centre	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
Golden Age				0.5	5.3	81	0.9	3.7	110	1.4	4.3	191
Wiluna				9.4	5.2	1570	15.0	4.4	2165	24	4.7	3,735
Matilda Mine UG				0.1	2.5	10	0.6	3.6	70	0.7	3.4	80
UG Total				10	5.2	1,661	17	4.4	2,345	27	4.7	4,004
Grand Total	0.2	2.1	13	31	3.1	3,112	32	3.2	3,300	63	3.2	6,428

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/Wiluna Gold Operation 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 December 2016 and 23rd January 2017 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 ('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.