



BLACKHAM

Resources Limited

ASX ANNOUNCEMENT
20th January 2014

Blackham consolidates Wiluna gold belt, plant and infrastructure

Highlights:

- **Wiluna Gold Plant acquisition unlocks the value of the Matilda Gold Project with all deposits < 20 kilometres from the Wiluna Gold Plant.**
- **Consolidated Matilda & Wiluna Gold Project synergies:**
 - **JORC Resources 40Mt @ 3.3g/t for 4.3Moz Au**
 - **Land holding 780km² & 55km of mine strike**
 - **Processing plant 1.1 – 1.5 Mtpa able to treat oxide ores for production of 80,000-100,000ozpa Au**
 - **Infrastructure: permitted borefields, 350 person accommodation village, established sealed airstrip and roads, approvals and licenses**
- **Acquisition cost of \$2 million upfront and \$2.6 million in deferred production payments equates to < \$1/oz of gold resource.**
- **Blackham will continue to focus on free-milling, open-pit and shallow underground targets from Matilda**

Blackham Resources Ltd (ASX: **BLK**), (“Blackham”) is pleased to announce it has signed an agreement for the acquisition of the Wiluna Gold Project in Western Australia. The acquisition complements Blackham’s 100% owned Matilda Gold Project and re-positions Blackham as a near-term gold producer with a very large prospective exploration package. The Wiluna Gold Project acquisition is to be funded out of the Company’s \$13 million funding facility with Great Central Gold Pty Ltd.

The Wiluna Gold Project covers an area of approximately 44km² and 10km of strike along the Wiluna Mine Sequence which hosts numerous deposits with resources totalling **16.7Mt @ 5.3g/t for 2.8Moz Au** (see Appendix A) and has produced over 4Moz. This expands Blackham’s footprint to approximately 780km² and 55km of strike along the Wiluna and Coles Find Mines Sequences.

Mr Joseph Gutnick, Blackham Chairman, made the following statement: “The acquisition of the Wiluna Plant and infrastructure is a major step towards bringing the Matilda Gold Project further towards production. The acquisition of the plant saves Blackham millions of dollars in

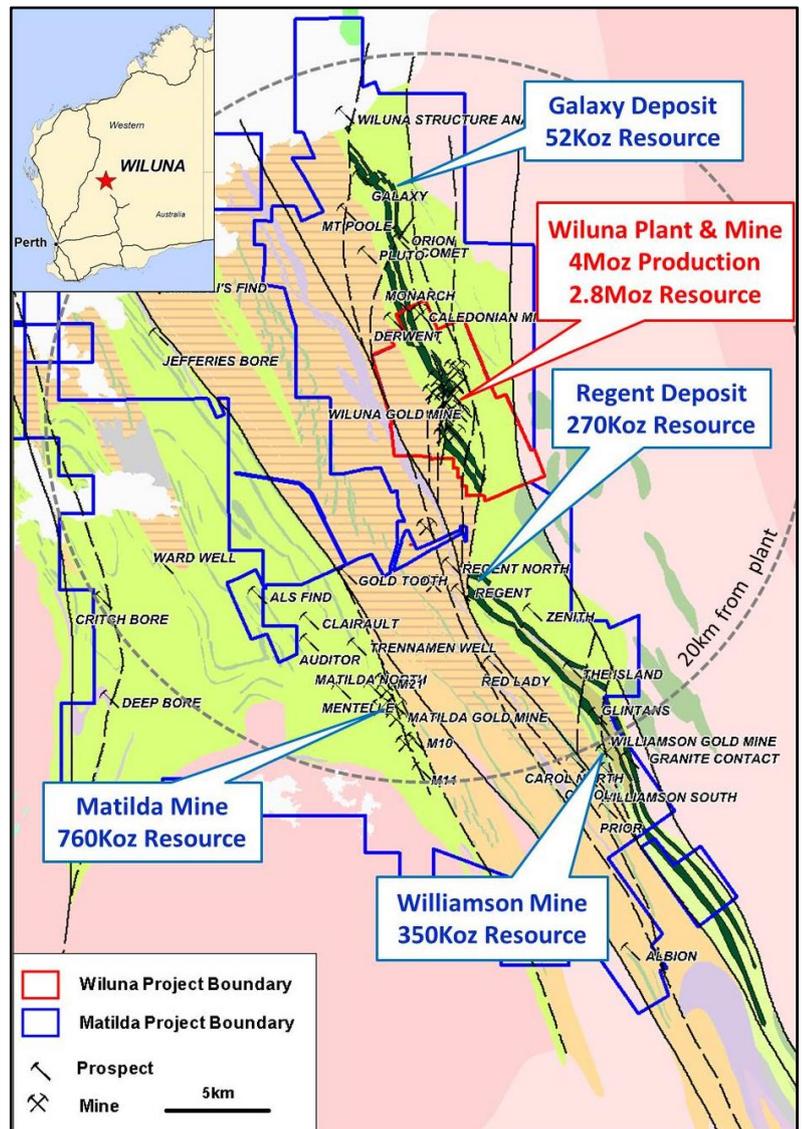
development costs for the Matilda Gold Project and will slash years off our development timetable, both of which should be a significant win to Blackham's shareholder returns going forward."

Blackham's adjacent 100% owned Matilda Gold Project has resources of **23.7Mt @ 1.9 for 1.4Moz Au**. All the Matilda deposits are within 26km by existing haul roads to the Wiluna Gold Plant. 87% of the Matilda project resources are free milling. Blackham has had significant exploration success since acquiring the Matilda project in November 2011 with the resource growing 360%.

Combined Matilda & Wiluna Gold Project synergies:

- JORC Resources 40Mt @ 3.3 g/t for 4.3Moz Au
- Right mix of open pit & high grade underground ore
- Land holding 780km² & 55km of mine strike & with numerous exploration targets
- Processing plant 1.1 – 1.5Mtpa capable of treating oxide ores was operating up until June 2013.
- 12MW gas power station & diesel backup
- Permitted borefields and infrastructure
- 350 person accommodation village
- Established sealed airstrip & roads
- Operating approvals & licenses

During evaluation of the Wiluna Gold Project, numerous exploration targets have been identified. Blackham is continuing to evaluate these targets before comparing against existing targets at the Matilda Project. Blackham's exploration strategy at Wiluna will be on the identification of new oxide resources and/or free-milling shallow (<500m depth) underground resources, consistent with the current strategy at Matilda. Blackham intends to commit to an extensive drilling campaign focusing on free-milling ore opportunities prior to completing a rigorous feasibility study as a precursor to a development decision.



The Wiluna plant operated up until June 2013. Blackham's ability to use the plant in its current location considerably reduces the cost of developing the free milling open pit Matilda deposits. Following a stringent development decision, Blackham intends to refurbish, then recommission the plant using both ball mills for its free-milling ore. Mining studies and metallurgical testwork to date on its Matilda Mine suggests the plant can achieve 1.5 Mtpa at 2.0g/t and 90.5% recovery for 88,500 ounces gold. Blackham intends to moth-ball the refractory circuit for possible future use.



Terms of the Agreement

Blackham agrees to purchase and the Vendor agrees to sell to Blackham, 100% of the Wiluna Gold Project for the following consideration:

- (a) A deposit of \$200,000 which was paid upon signing of the sale agreement;
- (b) \$1.8 million in cash on completion;
- (b) \$1.3 million in cash (or shares at Blackham's election) on production of 50,000oz from the Wiluna tenements; and
- (c) \$1.3 million in cash (or shares at Blackham's election) on production of 100,000oz from the Wiluna tenements.

The Vendor of the Wiluna Gold Project are Apex Gold Pty Ltd (Receivers and Managers Appointed) (In Liquidation) and Apex Minerals NL (Receivers and Managers Appointed) (In Liquidation). Blackham will also take on the remaining rehabilitation obligations over the Wiluna Project and is required to replace the \$3.26 million in environmental bonds on transfer of the mining leases from the Vendor. Blackham intends to immediately apply for a refund of these bonds under the new Mining Rehabilitation Fund legislation.

This Agreement is conditional upon a number of conditions precedent including regulatory approval for the transfer of the Wiluna mining leases, assignment of various third party related agreements and Blackham receiving its finance from its existing Great Central Gold facility. Completion of the sale is scheduled for 18 February 2014, although this timeframe may be extended to 7 March 2014 at Blackham's option pending the satisfaction of its financing requirements, subject to certain conditions.

Blackham Managing Director, Bryan Dixon made the following statement: "It is not often you get an opportunity like this to buy a plant and related infrastructure in the middle of your existing gold project. This significantly reduces the risk of re-commissioning the Matilda Gold Project.

The Wiluna Mine has historically produced 4Moz over 100 years within an area of only 4km². We believe it is time to step further out looking for new ore bodies in our 780km² holdings and within trucking distance to the plant. The Blackham exploration team have identified numerous exploration targets it is keen to progress. The acquisition of the plant means our future exploration successes will also have substantially more chance of being monetised for the benefit of shareholders."

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APPENDIX A – JORC RESOURCES

Wiluna Gold Resources

The WGP includes an Indicated and Inferred Resource of **16.7Mt @ 5.3g/t for 2.8Moz Au** (Table 1). The resource was estimated by Apex Minerals in June 2012. Blackham has conducted an extensive review of the resources including an assessment of mining depletion since the first reporting of the resource. Mining depletion accounts for less than 1% of the current Estimate. Blackham is satisfied there have been no material changes to the Resource Estimate since its original publication. The Company is continuing to review and evaluate the WGP deposits with a view to satisfying JORC 2012 reporting standards as soon as possible.

Lode	Indicated			Inferred			Total		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Henry 5 – Woodley - Bulletin	2.1	5.9	404	0.8	4.6	112	2.9	5.6	516
Burgundy - Calais	1.3	6.0	250	0.3	5.7	58	1.6	6.0	309
East Lode	1.2	5.4	213	2.6	5.5	453	3.8	5.4	667
West Lode Calvert	1.2	5.3	198	2.3	5.3	383	3.4	5.3	581
Happy Jack - Creek Shear	1.5	5.9	289	1.3	4.8	205	2.9	5.4	494
Other Deposits	0.8	4.0	109	1.3	4.1	172	2.1	4.1	281
Wiluna Total	8.2	5.6	1,465	8.6	5.0	1,384	16.7	5.3	2,848

Rounding errors may occur. All deposits estimated by Ordinary Kriging using lower cut off grades of 0.5g/t for oxide material and 2.0g/t for transition and fresh material

Matilda Gold Resources

The current gold resource estimate totals 23.7Mt @ 1.9 for 1.4Moz Au (see announcement on 20th January 2014 for JORC Table 1 information) Table 2. Confidence of the resource has increased with 519,000oz now within the Measured and Indicated resource categories.

Mining Centre	Measured			Indicated			Inferred			Total		
	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	0.1	2.4	9	4.7	2.0	300	8.2	1.7	450	13.0	1.8	760
Williamson Mine				2.7	1.7	150	3.6	1.7	200	6.3	1.7	350
Regent				0.7	2.5	61	3.1	2.1	210	3.9	2.2	270
Galaxy							0.6	2.9	52	0.6	2.9	52
TOTAL	0.1	2.6	9	8.1	2.0	510	16	1.8	910	24.0	1.9	1,400

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 Table 1 above 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 the Matilda Mine, Regent and Williamson Mineral Resources is based on information compiled or reviewed by Mr Trevor Stevenson, of RungePincockMInarco. Mr Stevenson is a Fellow of the Australian Institute of Mining and Metallurgy and a CP(Geo). Mr Stevenson 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 Stevenson 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 information contained in the report that relates to the Galaxy Mineral Resource at the Matilda Gold Project is based on information compiled or reviewed by Mr Cain Fogarty, who is a full-time employee of the Company. Mr Fogarty 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fogarty 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 Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves at the Wiluna Gold Project 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.

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