Blackham Resources Ltd.: Matilda Gold Project Grows to Over 5 Million Ounces

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Sydney, Australia - Blackham Resources Ltd (ASX:BLK) is pleased to report its maiden resource estimate for Moonlight Shear of 2.6Mt @ 4.6g/t for 381,000oz Au (10% Indicated) and has commenced open pit and underground mining studies on the deposit. The Moonlight Shear deposit is located less than two kilometres from Blackham's 100% owned gold plant.

Highlights:

- New resource modelling completed on Moonlight Shear located 600m west of Bulletin

- Matilda Gold Project Resources now at 48Mt@3.3g/t for 5.1Moz (48% indicated)

- Open pit and underground mining studies underway for Adelaide, Moonlight, Lone Hand, Semaphore and Indigo Lodes with a view to extending the mine life beyond 8 years

Blackham has recently completed a number of maiden resource estimates targeting mineralisation along the under-explored Moonlight Shear Zone. Only a resource of 55,000oz for a portion of Lonehand Lode had previously been reported.

Pre-1950 production at Moonlight was 770,000t @ 10.4g/t Au (257,464oz) primarily from stoping of sulphide ore but also includes oxide material from open pit mining. Recent (post 1986) open pit mining from Adelaide, Indigo, Moonlight and Lonehand produced 496,466t @ 3.14g/t Au (50,062oz).

urther mining and exploration studies will focus on identifying shallow oxide and transitional resources along strike of the existing open pits where the mineralisation continues along the shear zones. The open pit potential in this area has not been reviewed since mining ceased in the late 1980's. The initial resource has also identified significant resources that may be amenable to underground mining.

Blackham's Managing Director, Mr Bryan Dixon commented:

"Blackham is delighted to have put together over 5Moz of resource all within a 20 kilometre radius of the Wiluna Gold Plant. Mining studies have commenced over the Moonlight resources. Our exploration team see significant potential along this 2km long underexplored shear."

Blackham has defined an oxide + fresh (sulphide) resource by modelling existing assay results within multiple shear lodes over a strike length of 1.2km to a depth of 800m surrounding the historically mined areas. Shallower levels of the deposit are closely drilled with RC and diamond core on 20m and 25m spaced sections, with holes spaced 10-15m apart on each section. Modelling has yielded a resource of 2.6Mt at 4.6g/t for 381,000 Oz Au.

The major resource areas included in this estimate are described below and their location shown in Figure 2 (see link below).

Adelaide Resource

The Adelaide open pit has been mined over a strike length of 350m down to a vertical depth of 46m. Gold mineralisation is found in narrow, moderately dipping shear zones that cross cut the stratigraphy of high magnesian basalts and tholeiitic basalts with dolerite sills in the south-west. Mineralisation varies in width and is thickest at the intersection between the major north-east trending shear and several north trending structures in the area. These intersections are thought to represent zones of large scale brecciation and dilatancy in the footwall associated with the major shear's dextral movement.

The gold mineralisation is hosted in the hanging wall and footwall of the main fault structure with higher gold grades in the hanging wall. Gold mineralisation is currently defined over a strike length of ~375m towards the

north-east striking ~045DEG . The down-dip extent of ~580m is based on the most complete drilling section dipping towards the north-west at ~55DEG with no apparent plunge component. Separate wireframes have been produced for hanging wall and footwall zones in addition to several minor lodes with limited lateral extent due to paucity of drilling.

Lonehand Resource

The Lonehand open pit has been mined over a strike length of 395m down to a vertical depth of 39m. The gold mineralisation within at Lone Hand occurs within 2 major structures defining an interpreted hanging wall and footwall and 14 minor zones of mineralisation over a strike length of ~350m towards 035DEG . The dip near surface is steeply to the east, but between 150 to 200 vertical metres appears to undergo a dip reversal and dips steeply to the west. Deeper diamond drilling has defined down-dip extents up to 1000m.

Deep diamond drillhole WD000498 located at the southern end of the Lonehand Fault suggests that it intersects with the Adelaide-Moonlight Fault. A broad anomalous zone of mineralisation has been identified where the two faults are within close proximity (at approximately 830 vertical metres). On this section, it is likely that the two would intersect between 900 and 1000 vertical metres. With an interpreted northerly plunge for the intersection of the two faults, the intersection would be at shallower depths on sections to the south.

Moonlight Resource

The Moonlight open pit has been mined over a strike length of 260m down to a vertical depth of 60m. The bulk of the mineralisation occurs within a structurally complex zone where the Adelaide-Moonlight fault intersects the north-south striking Barton Fault and high magnesian basalt in the hangingwall, which overlaps tholeiitic basalt in the footwall. The Barton fault has a steep easterly to near vertical dip and has a dextral displacement of 40 - 50 metres. Near surface (within the Moonlight Pit) there is a significant strike extent of the Adelaide-Moonlight Fault to the east of the Barton Fault but it terminates at the intersection of the north-south striking Creek Shear Fault.

Gold mineralisation is present in two zones within the Adelaide-Moonlight fault interpreted as hanging wall and footwall structures. Mineralisation is defined over ~280m strike towards the north-east and dips 65-70DEG north-west down to ~1000m. An additional three zones of mineralisation occur within the north-south Barton Fault over a strike length of 650m which dips vertically with sub-parallel structures at the southern end. Moonlight has also been mined underground historically to a depth of 350m below surface.

The Moonlight Shear resource has been reported with a 0.6g/t bottom cut for the oxide, a 1.0g/t bottom cut for the transitional and a 3.0g/t bottom cut fresh. The Company believes these are realistic approximate cut-offs for open pit and underground mining. The Moonlight Shear Resource estimate was completed by a full-time Blackham Resources employee using Ordinary Kriging. The search ellipses used were based on the ranges of continuity observed in the variograms along with a consideration of the drill hole spacing and lode geometry.

The classification for this model was predominantly based on the estimation pass. With the first pass relating to an Indicated Resource where the drill spacing was predominantly less than 30m by 30m and in some areas included existing development, face mapping and previous mining. The Inferred Resource includes the down dip and across strike lode extension and is predominantly based on the second and third pass of the estimate where drilling is more sparse. The classification of the blocks was also visually checked and adjusted to remove any "spotted dog" effects. No measured resources were reported.

The Wiluna gold deposits are located within the Wiluna Goldfield, close to the town of Wiluna at latitude 26DEG 38'S, longitude 120DEG 15'E on the Wiluna (SG 51-9)1:250 000 scale map. Perth, the nearest capital city, lies 750km to the southeast. The closest regional centres are Kalgoorlie, 540km to the south and Meekatharra, 183km to the west.

The gold deposits are categorised as orogenic gold deposits, with similarities to many other gold deposits in the Yilgarn region. The deposits are hosted within the Wiluna Domain of the Wiluna Greenstone Belt. Rocks in the Wiluna Domain have experienced greenschist-facies regional metamorphism and brittle deformation. The Wiluna Domain is comprised of a fairly monotonous sequence of foliated basalts and high-magnesian basalts, with intercalated felsic intrusions, lamprophyre dykes, metasediments, and dolerites.

Wiluna ores are typically oxide, refractory or free milling quartz mineralisation. The refractory ore has most gold occurring in either solid solution or as submicroscopic particles within fine-grained sulphides.

Blackham has access to a drill database which includes RAB, Aircore, RC and Diamond Drill holes. The

database has been maintained by company employees and has been internally audited prior to estimation. The deposits have been largely defined by RC drilling with lesser Diamond holes and geologically logged to form the basis of the geological interpretation. Blackham has conducted no drilling at the Bulletin South Deposit as yet. The Company has audited QA/QC of previous drilling where available. Assaying has been conducted by numerous reputable laboratory consultants by industry-standard fire assay.

The interpretation of the mineralisation was carried out using a methodical approach to ensure continuity of the geology and estimated mineral resource using Surpac software. All available geological data was used in the interpretation including mapping, drilling, oxidation surfaces and interpretations of high grade ore shoots. Only diamond and reverse circulation drilling samples were used in the final estimate however all available grade control data was used in the geological assessment.

Moonlight Shear Mining Studies

Open pit and underground mining studies have commenced over the Moonlight Shear deposits.

Blackham expects to commence mining very shortly at both its Matilda and Golden Age mines with first commercial gold production expected during the September 2016 quarter.

To view tables and figures, please visit:
http://abnnewswire.net/lnk/24KJPT95

About Blackham Resources Ltd:

Blackham Resources Limited (ASX:BLK), a Western Australian resources company, is focused on exploration and development at the Matilda and Williamson Gold Mines in the Wiluna gold belt of Western Australia. The Matilda Gold Project incorporates over 780 square kilometres of tenements including Regent and the Matilda and Williamson Gold Mines containing total JORC 2012 resources of 44Mt @ 3.3 g/t for 4.7 Moz ounces of gold. These tenements cover around 45 kilometres of strike along the Wiluna Mine Sequence and 10 kilometres of strike along the Coles Find Sequence. The Wiluna Mine & Coles Find Sequence has historically produced 4 million ounces of gold.

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