# Blackham Resources Ltd.: Gold Production Kicks Off as Expansion Study Draws Near

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Sydney - Blackham Resources (ASX:BLK) has announced their first quarter gold production results at their Matilda Gold Project.

Highlights include:

- Gold production - 9,240oz (5,010 - December month);

- Gold production commenced in mid-October 2016;

- Gold recoveries - 92% (Nov & Dec); and

- FY17 production target - 64koz to 71koz.

Analyst Comment: As production only commenced during the December quarter (ramp-up period) we saw little value in examining the headline gold production numbers too closely. We were however encouraged that the only major issue encountered during the ramp-up period, (mechanical issue with the secondary and tertiary cone crushers) has been resolved.

Catalysts: The March quarter is shaping up to be defining for Blackham for two reasons.

First, we expect the ramp-up period to be concluded during the quarter which should result in a significant increase in production (TSI estimate - 26koz). This will be driven by increased throughput as well as an increase to the head grade (TSI assumption - 2g/t to 2.5g/t).

Secondly, Blackham will release the results of their Expansion Study (TSI production estimate 180koz to 220koz Au pa). The Expansion Study is the key driver for our long term valuation and a positive outcome could see the Matilda Gold Project become one of the few gold mining operations in Australia that produces +200koz Au pa and not owned by a major producer.

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Valuation: We slightly reduced our valuation to $1.50 / share (share price $0.60 / share). The reduction was due to a decrease in our gold price assumption (A$1,625 / oz). To see the full details of our Valuation & Investment Analysis click on the button below.

To view the video, please visit:
http://www.abnnewswire.net/press/en/86318/BLK

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**About Blackham Resources Ltd:**

Blackham Resources Limited (ASX:BLK), is an emerging gold producer focused on its Matilda Gold Project in Western Australia where mining and production is imminent. Matilda â‚¬™s resources of 48Mt @ 3.3g/t for 5.1Moz, all within a 20km radius of its gold plant currently being re-commissioned. The Matilda Gold Project incorporates over 780 square kilometres of tenements and cover around 55 kilometres of strike along the Wiluna and Coles Find Mine Sequences. The Project has historically produced 4.3 million ounces of gold.

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Source: Blackham Resources Ltd / The Sophisticated Investor

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