Blackham Resources Limited: Excellent Drill Results Extend Both Open Pit and Underground Mining at Golden Age

19.02.2019 | ABN Newswire

Perth, Australia - Blackham Resources Ltd. (ASX:BLK) (OTCMKTS:BKHRF) (Blackham or the Company) is pleased to provide an update of drilling results from the high-grade free milling Golden Age North (GAN) orebody, closely located to Blackham's 1.8Mtpa Wiluna Gold Plant.

Highlights

- Low-cost development of Golden Age Lower (GA Lower) underground commences this week providing additional high grade ore for the mill over at least the next 6 months

- Recent resource definition and grade control drilling at Golden Age North (GAN) increased confidence in excellent grades as the orebody deepens

- GAN open pit likely to be extended along strike and to drive deeper on these strong grades

- Potential for new near surface GAN underground mining enhanced by both excellent recent RC drill and grade control results

- The Golden Age underground, Blackham's highest-grade orebody, has been consistently extended over the last 2 years and has successfully maintained a rolling mine life of at least 6 months

- If dual underground mining areas can be opened up (GA Lower and GAN) it will significantly increase the volume of high grade ounces delivered to the plant

Drilling below existing underground workings has led to an extension of the Golden Age Underground mine life. Underground development is scheduled to commence this week to access the mineralisation in Golden Age Lower (GA Lower) which will provide additional high grade ore for the mill over at least the next 6 months. The Republic reef mineralisation cuts through the exiting Calais Decline allowing low cost development to the GA Lower deposit.

Grade control drilling has confirmed that the GAN pit (in open pit production since November 2018) and the historically completed Golden Age Pit (GA Pit) form a continuous zone of over 600m in length. The area between the GAN reserve pit and the old pit was poorly drilled in the past owing to infrastructure limiting drilling access. The new results enable the GAN pit to be extended southward and deepened to connect with the GA Pit - extending the GAN pit mine life, thereby providing increased high-grade mill feed in coming months.

In addition, the results from the first three deeper RC holes at GAN were received. These holes were designed to test the near-surface underground potential of the GA mineralisation and all holes produced significant results:

9m @ 13.6g/t from 95m incl. 2m @ 54.4g/t 122g*m WURC0728

3m @ 9.62 g/t from 71m 29g*m WURC0726

2m @ 10.66g/t from 103m 21g*m WURC0727

Further drilling is ongoing, focussed on confirming available development options for this new area of near-surface underground mining. The underground mineralisation can be accessed either from the base of the GAN pit or via existing deeper underground workings. The current Golden Age underground mining operation commences approximately 350m below surface and is based on the Golden Age Shear - a connected but separate structure that is truncated by the GAN Fault. Recent grade control drilling towards the base of the GAN pit returned excellent grade zones with greater than 20 gram-metre intercepts - further reinforcing the underground mining potential.

Milan Jerkovic, Executive Chairman said "Blackham has been actively extending Golden Age, its

highest-grade orebody, over the last 2 years and has successfully maintained a rolling mine life of at least 6 months. Mining is now due to start in the Golden Age Lower area and extensions to the Golden Age North open pit have already been identified. Further, outstanding near surface results support the potential for new areas of underground mining immediately below the existing Golden Age open pits. Further drilling and evaluation is expected to support the early expansion of the underground development to provide additional high-grade ore feed to the Wiluna gold plant."

Golden Age North - Currently mining open pits from surface

Mining of the Golden Age North (GAN) pit commenced in November 2018. Several drill programmes over the past six months have indicated the likelihood for extensions to the GAN pit both along strike and below the planned pit design. Recent RC grade control drilling (with numerous >20 g*m intercepts) and the commencement of a further round of RC drilling have produced some outstanding results:

9m @ 13.58g/t from 95m incl. 2m @ 54.37g/t 122g*m WURC0728

3m @ 9.62 g/t from 71m 29g*m WURC0726

2m @ 10.66g/t from 103m 21g*m WURC0727

Recent mining of the GAN pit has resulted in an increased geological understanding and also revealed the presence of more extensive historic underground workings in the top ~30m below surface. The grade control drilling covering the base of the GAN pit has clearly revealed an increasing gold grade with the higher-grade lower parts of the mineralisation remaining unmined. Historical reported mined grade of 17 g/t Au for the top 30m near surface underground workings is supported by these recent excellent grade control results that now extends below them.

New RC drilling in the saddle area between the old and new Golden Age pits confirms the continuity of the mineralisation along the entire 600m strike length (coupled with results reported previously (ASX- BLK 11th December 2018). Drilling of the saddle area was previously limited owing to extensive surface infrastructure. This new drilling data confirms the potential for higher-grade mineralisation in fresh rock and provides confidence in the potential for under ground extraction. Underground drilling intercepted the Golden Age North fault structure at a depth of 370m below surface: 1.0m @ 15.5 g/t Au GAGC0241. The recent results have two significant consequences:

1. Remodelling of the mineralisation through the saddle area followed by re-optimisation will result in a significant deepening and extension southwards of the GAN pit producing additional higher-grade tonnes for treatment at the nearby Wiluna plant (1.5km away).

2. With intercepts ranging from 10 to 120 gram-metres drilling will continue, aimed at defining the resource and justifying a further underground mining operation in the top 200-300m of the GAN Fault mineralisation.

Golden Age Background and Program Details

The Golden Age Underground mine is accessed via the Bulletin portal located only 2.5km from the 1.8Mtpa Wiluna Gold Plant. The Golden Age Fault is currently being mined from surface in the GAN pit and earlier small pits have been completed on both the Golden Age and Republic Faults (see Figure 3 in link below).

The Golden Age Reef that is currently being mined underground is an oblique transfer fault largely bounded by the Golden Age and Republic Faults to the north and south respectively. Approximately 180,000oz @ 9g/t gold has been produced from the Shear to date, with solid cash flows being generated over the last 18 months. The Golden Age Shear does not outcrop and was not mined by early prospectors.

Mining of the Golden Age system over the last 2 years has provided Blackham with a greater understanding of the style and structure of mineralisation. With the orebody now better understood, and the mineralisation open both down dip and down plunge, mining will increasingly target the extensions.

Drilling is aimed at maintaining a minimum 6-12 month mine life at the Golden Age Shear and to significantly increase mine production. Extensive data collation (including additional structural mapping) and a review of the stratigraphic sequence, deformation and mineralising events helped prioritise drill targets. Most recent drilling has been aimed at defining extensions below the zone of mineralisation currently being mined (Golden Age Lower).

Underground Mining - Golden Age Lower

Blackham's strategy for the high-grade underground Golden Age free milling mining project is to expand the

resource and mining rate substantially above the current production of approximately 700-1000 ounces per month.

A key recent focus has been the Golden Age (GA) Lower area that has not been recognised previously as it is offset from Golden Age Middle zone by a barren basalt fault (see Figure 4 in link below). Previously reported drilling has confirmed a similar tenor of mineralisation to that being mined above and mine planning studies have confirmed the viability of accessing this area and developing multiple stoping areas for increased production. Current mine planning involves lateral development from the existing nearby Calais decline along the mineralised Republic Fault (see Figure 5 in link below) - hence providing additional mill feed. Development is planned to start this week on levels at 800-850mRL.

Underground diamond drilling below the current planned mining area continues aimed at further identifying high grade mill feed so that the underground GA Lower operation can extend through 2019 and beyond. The Golden Age underground, Blackham's highest-grade orebody, has been consistently extended over the last 2 years and has successfully maintained a rolling mine life of at least 6 months. If dual underground mining areas (GA Lower and GAN) can be opened up, it will significantly increase the volume of high grade ounces delivered to the plant.

To view figures, please visit:
http://abnnewswire.net/lnk/S9013P73

About Blackham Resources Ltd:

Blackham Resources Ltd. (ASX:BLK) (OTCMKTS:BKHRF) Wiluna-Matilda Gold Operation is located in Australia's largest gold belt which stretches from Norseman through Kalgoorlie to Wiluna. The Operation now includes resources of 96Mt @ 2.2g/t for 6.7Moz Au all within 20kms of the central processing facility. Blackham has consolidated the entire Wiluna Goldfield within a +1,440km2 tenure package which has historically produced in excess of 4.4 million ounces over a 120-year mining history.

Source:

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