

8 February 2018

## ASX Announcement

### RECORD MONTH OF GOLD PRODUCTION, RECORD LOW AISC

#### Highlights

- Record monthly gold production in January 2018 (Jan'18) of 6,498oz, a 19% increase from the prior month (Dec'17: 5,461oz)
- Record milled tonnes of 163kt during Jan'18, a 13% increase in throughput (Dec'17: 144kt)
- High grade stockpiles are currently 108kt @ 1.5g/t Au and expected to continue to grow
- All in sustaining costs reduced to A\$1,158/oz in Jan'18, a 15% decrease on Dec'17 (A\$1,359/oz)
- Average realised gold price during the month of A\$1,663/oz
- 16,000oz of forward sales contracts put in place during Jan'18, averaging A\$1,689/oz over the next 6 months
- Operations were cash flow positive during Jan'18, with cash and bullion at the end of the month of \$12.4 million
- Closing date for acceptances under the Entitlement Offer is 5:00pm (WST) on Monday 12<sup>th</sup> February 2018

Blackham Resources Limited (ASX: BLK) ("Blackham" or "the Company") is pleased to present an operational update for the month of January 2018 (Jan'18) at its Matilda-Wiluna Gold Operation ("the Operation").

Access to high grade zones in the M4 and Galaxy Pits was achieved late in the Dec'17 quarter, enabling record monthly gold production of 6,498oz and a low stripping ratio of 3.6:1 (waste:ore) during Jan'18. This resulted in Blackham achieving a record low monthly AISC in Jan'18 of A\$1,158/oz, in comparison to an average realised gold price during the month of A\$1,663/oz, demonstrating a clear step change in economics. Milled grade and gold production are expected to continue to improve throughout the Mar'18 quarter.

The Operation is now building high grade stockpiles for the first time since Mar'17; these high grade stockpiles currently total 108kt @ 1.5g/t Au. During Feb'18, the Operation is expected to mine approximately twice as much high grade ore as it will process, providing strong operational flexibility.

**Table 1 – Gold production improving and costs decreasing**

	Oct'17	Nov'17	Dec'17	Jan'18	Forecast this half Jan'18 – Jun'18
Total Milled (kt)	152	148	144	<b>163</b>	875 – 900
Mill Feed Grade (g/t Au)	1.2	1.0	1.3	<b>1.4</b>	1.6 - 1.7
Overall Plant Recovery	92.6%	92.9%	91.2%	<b>91.2%</b>	92% - 93%
Gold Produced (koz)	5.2	4.2	5.5	<b>6.5</b>	40 – 45
AISC (A\$/oz)	\$2,127	\$2,247	\$1,359	<b>\$1,158</b>	\$1,100 - \$1,200

#### BOARD OF DIRECTORS

Milan Jerkovic  
Executive Chairman

Bryan Dixon  
Managing Director

Greg Miles  
Non-Executive Director

#### ASX CODE

BLK

#### CORPORATE INFORMATION

359M Ordinary Shares  
9.3M Unlisted Options

**ABN:** 18 119 887 606

#### PRINCIPAL AND REGISTERED OFFICE

Blackham Resources Ltd  
L2, 38 Richardson Street  
West Perth WA 6005

#### POSTAL ADDRESS

PO Box 1412  
West Perth WA 6872

[www.blackhamresources.com.au](http://www.blackhamresources.com.au)

**E:** [info@blackhamresources.com.au](mailto:info@blackhamresources.com.au)

**P:** +61 8 9322 6418

**F:** +61 8 9322 6398

**Blackham's Executive Chairman, Mr Milan Jerkovic, said:**

"With the Operation's production at record levels and a significant reduction in AISC having already been achieved, the Company is clearly demonstrating that its operational turnaround is well underway. This operational performance, in conjunction with the current strong AUD gold price, is expected to make 2018 a transformational year that is expected to generate significant cash flows and value for Blackham and its shareholders."

**Entitlement Offer**

Eligible shareholders have until 5pm (WST) on Monday 12<sup>th</sup> February 2018 to take up all or some of their entitlements under the Entitlement Offer. Further details of the Entitlement Offer are included in the prospectus that is available on the Company's website at [www.blackhamresources.com.au](http://www.blackhamresources.com.au) and copies of which have been mailed to all eligible shareholders.

The fully underwritten renounceable pro-rata Entitlement Offer is for up to 897,670,820 new shares on the basis of five new shares for every two existing shares held by eligible shareholders at the record date (5:00pm WST on Monday, 29 January 2018), at an issue price of \$0.04 per new share, together with one free attaching listed \$0.08 option (expiring 31 January 2019) for every two new shares issued, to raise approximately \$36 million (before costs).

For shareholder enquiries regarding how to apply for the Entitlement Offer please contact Link Market Services on 1300 730 659.

**Forward Plan Summary**

Following the completion of the Entitlement Offer, Blackham will be well funded as it enters a significantly lower risk period of production, which will initially focus on free milling gold production with an expected stripping ratio of less than half of recent levels (7:1 vs 16.5:1) for the current free milling mine plan, providing a significant step change in project economics. This, in conjunction with continued access to high grade ore zones that are supported by extensive grade control drilling, will provide ongoing mill supply and continued growth in high grade stockpiles and is expected to deliver a period of strong operational cash flows.

**For further information on Blackham please contact:**

Milan Jerkovic  
Executive Chairman  
+61 8 9322 6418

Bryan Dixon  
Managing Director  
+61 8 9322 6418

Jim Malone  
Investor Relations Manager  
+61 419 537 714

John Gardner  
Media Relations  
Citadel-MAGNUS  
+61 8 6160 4900

## Matilda-Wiluna Gold Operation

### Measured, Indicated & Inferred Resources (JORC 2012)

Mining Centre	OPEN PIT RESOURCES											
	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	0.9	1.5	44	6.1	1.7	340	4.1	1.4	185	11.1	1.6	569
Galaxy	0.7	1.4	32	0.1	3.7	5	0.2	2.8	16	1.0	1.6	53
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	360
Wiluna OP <sup>1</sup>				13.6	2.6	1150	3.3	3.3	355	16.9	2.8	1,505
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	271
Stockpiles				0.4	0.9	11				0.4	0.9	11
<b>OP Total</b>	<b>1.6</b>	<b>1.5</b>	<b>76</b>	<b>24</b>	<b>2.2</b>	<b>1,737</b>	<b>15</b>	<b>2.1</b>	<b>956</b>	<b>40</b>	<b>2.1</b>	<b>2,769</b>
Mining Centre	UNDERGROUND RESOURCES											
	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	0.1	4.2	8	0.2	7.1	46	0.6	3.8	75	0.9	4.5	129
Wiluna				8.2	5.5	1441	14.6	4.4	2086	23	4.8	3,527
Matilda Mine UG				0.1	2.5	10	0.6	3.6	70	0.7	3.6	80
<b>UG Total</b>	<b>0.1</b>	<b>4.2</b>	<b>8</b>	<b>9</b>	<b>5.5</b>	<b>1,497</b>	<b>16</b>	<b>4.4</b>	<b>2,231</b>	<b>24</b>	<b>4.8</b>	<b>3,736</b>
<b>Grand Total</b>	<b>1.7</b>	<b>1.5</b>	<b>84</b>	<b>33</b>	<b>3.1</b>	<b>3,234</b>	<b>30</b>	<b>3.3</b>	<b>3,187</b>	<b>65</b>	<b>3.1</b>	<b>6,505</b>

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 12 October 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.