

8 March 2018

ASX Announcement

ANOTHER RECORD MONTH OF GOLD PRODUCTION FOR BLACKHAM

Highlights

- Operations continued to generate strong cash flows in February
- New record monthly gold production in Feb'18 of 6,713oz (Jan'18: 6,498oz)
- 150kt milled for the month at an average rate of 5,347tpd or 1.95Mtpa annualised (2% higher than Jan'18)
- Mill feed grade improved to 1.5g/t, a 13% improvement on prior month
- High grade stockpiles were 144kt @ 1.7g/t Au at 28 Feb 2018 and expected to grow during Mar'18
- All in sustaining costs reduced to A\$912/oz in Feb'18, a 21% decrease on Jan'18 (A\$1,158/oz)
- Average realised gold price during the month of A\$1,670/oz
- Cash and bullion of \$31.4 million and secured debt of \$43.8 million at 28 Feb 2018

Blackham Resources Limited (ASX: BLK) ("Blackham" or "the Company") is pleased to present an operational update for the month of February 2018 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 in both Jan'18 and Feb'18 of 6,498oz and 6,713oz, respectively.

February's open pit mining stripping ratio was a low 1.5:1 (waste:ore) (Jan'18: 3.6:1). The low stripping ratio and increased gold production resulted in Blackham achieving a record low monthly AISC in Feb'18 of A\$912/oz (A\$1,158/oz - Jan'18), in comparison to an average realised gold price during the month of A\$1,670/oz, continuing its high margin production for the quarter to date.

Despite significant rainfall and lightning events during the month, which restricted mining operations, the Operation has increased the high grade stockpiles, which currently total 144kt @ 1.7g/t Au. Milled grade and gold production are expected to continue to improve during Mar'18 with the increasing grade of the mill feed stockpiles.

Table 1 – Gold production improving and costs decreasing

	Nov'17	Dec'17	Jan'18	Feb'18	Forecast this half Jan'18 – Jun'18
Total Milled (kt)	148	144	163	150	875 – 900
Mill Feed Grade (g/t Au)	1.0	1.3	1.4	1.5	1.6 - 1.7
Overall Plant Recovery	92.9%	91.2%	91.2%	90.6%	92% - 93%
Gold Produced (koz)	4.2	5.5	6.5	6.7	40 – 45
AISC (A\$/oz)	\$2,247	\$1,359	\$1,158	\$912	\$1,100 - \$1,200

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Bryan Dixon - Managing Director
Greg Miles - Non-Executive Director
Greg Fitzgerald – Non-Executive Director

ASX CODE

BLK

ABN: 18 119 887 606

CORPORATE INFORMATION

1,265M Ordinary Shares
492M Quoted Options
7.8M Unquoted Options

PRINCIPAL AND

REGISTERED OFFICE

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

"February's operational results demonstrate a continued improvement of the turnaround that commenced in December 2017. Record production and further reduced costs from the Operation underpinned another month of strong cashflow, whilst maintaining stockpiles with increased grades. We remain confident that 2018 will be a transformational year that will generate significant cash flows and value for Blackham and its shareholders."

Photo 1: Record gold pour of 1,914oz in last week of Feb'18



For further information on Blackham please contact:

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Matilda-Wiluna Gold Operation Measured, Indicated & Inferred Resources (JORC 2012)

Mining Centre	OPEN PIT RESOURCES										Total 100%		
	Mt	Measured			Indicated			Inferred			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 OP¹					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
OP Total	1.6	1.5	76		24	2.2	1,737	15	2.1	956	40	2.1	2,769
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UNDERGROUND RESOURCES													
Mining Centre	Mt	Measured			Indicated			Inferred			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
UG Total	0.1	4.2	8		9	5.5	1,497	16	4.4	2,231	24	4.8	3,736
Grand Total	1.7	1.5	84		33	3.1	3,234	30	3.3	3,187	65	3.1	6,505

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.