

17th October 2018

ASX Announcement

WILUNA OPEN PIT MINING COMMENCES

Highlights

- Wiluna open pit mining commences in free milling ore from surface
- Wiluna average ore grades higher than the Matilda ore
- In line with the mine plan adopted at the start of the year, the remaining open pits at Matilda will be mined concurrently with the Wiluna open pits for the rest of this financial year
- Processing of higher grade Wiluna ore will take place from Oct'18
- All the Wiluna open pits are located within 3kms of the plant, significantly lowering haulage costs
- Grade control and mining of free milling pits will significantly de-risk the larger sulphide pits prior to re-commissioning the sulphide circuit

Blackham Resources Limited (ASX: BLK) (Blackham or the Company) is pleased to advise it has commenced open pit mining at Wiluna of its recently defined free milling ore. It has been 10 years since open pit mining last took place at the Wiluna Mine.

Successful drilling programmes totalling 100,000m over the last 18 months have successfully delineated gold resources of **18.6Mt @ 2.52g/t for 1.50Moz**. The free milling resources total 5.1Mt @ 1.43g/t for 236koz (96% indicated).

Wiluna Open Pit Gold Resources

	Indicated			Inferred			Total			Free Milling Total		
	Mt	Grade (g/t)	Metal (koz)	Mt	Grade (g/t)	Metal (koz)	Mt	Grade (g/t)	Metal (koz)	Mt	Grade (g/t)	Metal (koz)
Oxide	1.85	1.29	77	0.10	0.86	3	1.95	1.26	79	1.95	1.26	79
Transitional	3.01	1.55	150	0.19	1.21	7	3.20	1.53	157	3.20	1.53	157
Fresh	10.6	2.81	955	2.85	3.42	313	13.4	2.94	1,269			
Total Open Pit	15.4	2.38	1,181	3.14	3.21	324	18.6	2.52	1,505	5.15	1.43	236

Drilling since Mar'18 has focused on targeting shallow free milling mineralisation close to plant. Generally, oxide and transitional ore in the top 60-80m has been oxidised and is free milling. Metallurgical results averaged leach recoveries on the oxide and transitional ores of 90.8% and 84.3% after 24 hours.

Wiluna open pit probable reserves as at 30 June 2017 were 669,000oz (7.7Mt @ 2.7g/t Au). Reserves for the Matilda-Wiluna Operation were last estimated as at 30 June 2017 and are currently being re-estimated.

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Bryan Dixon - Managing Director
Greg Fitzgerald - Non-Executive Director
Tony James - Non-Executive Director
Geoff Jones - Non-Executive Director

ASX CODE

BLK

CORPORATE INFORMATION

1,341M Ordinary Shares
534M Quoted Options
55M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

L3, 1 Altona Street
West Perth WA 6005

POSTAL ADDRESS

PO Box 1412
West Perth WA 6872

www.blackhamresources.com.au

E: info@blackhamresources.com.au

P: +61 8 9322 6418

F: +61 8 9322 6398

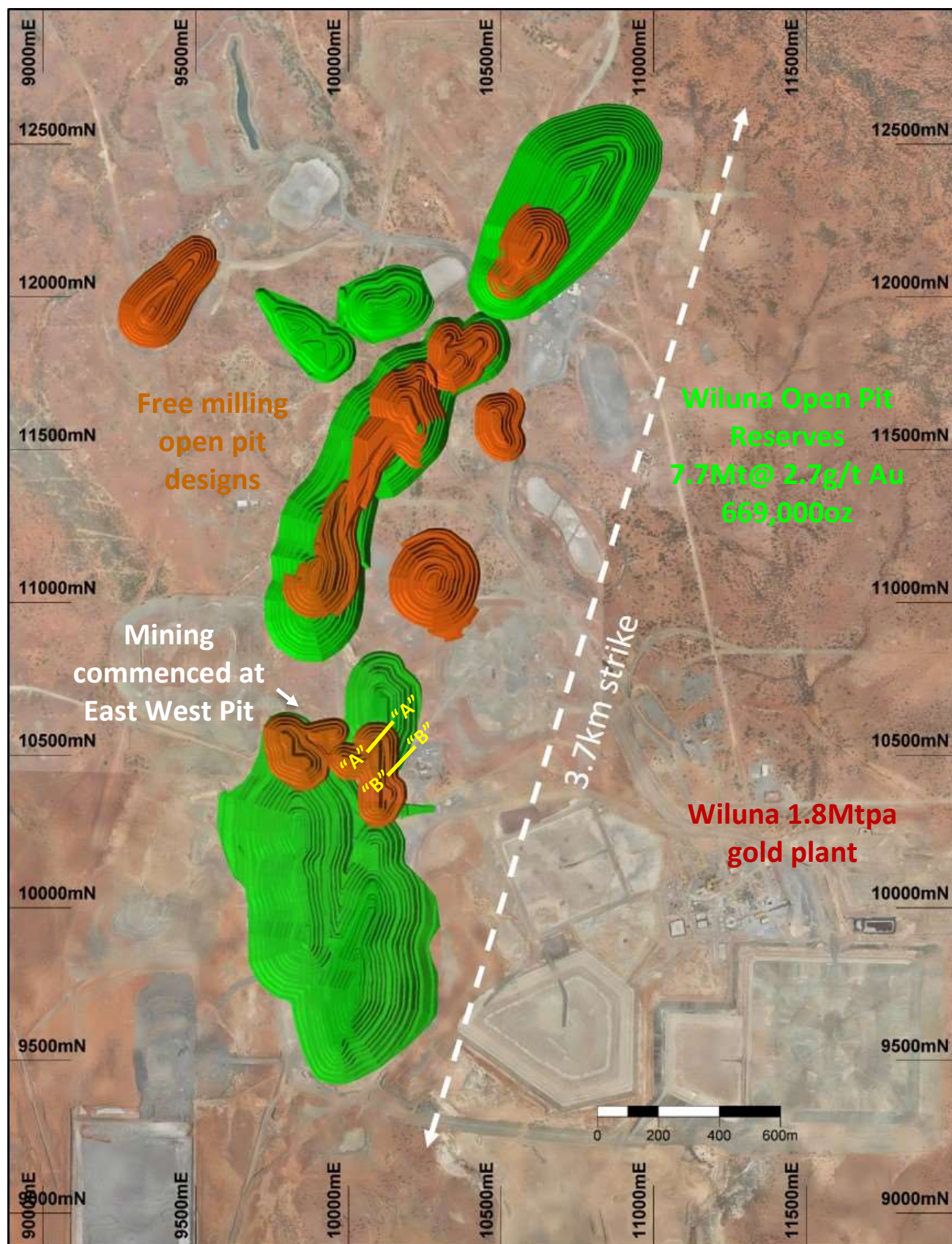


Figure 1. Plan view of planned oxide (orange) and sulphide (green) pit designs.

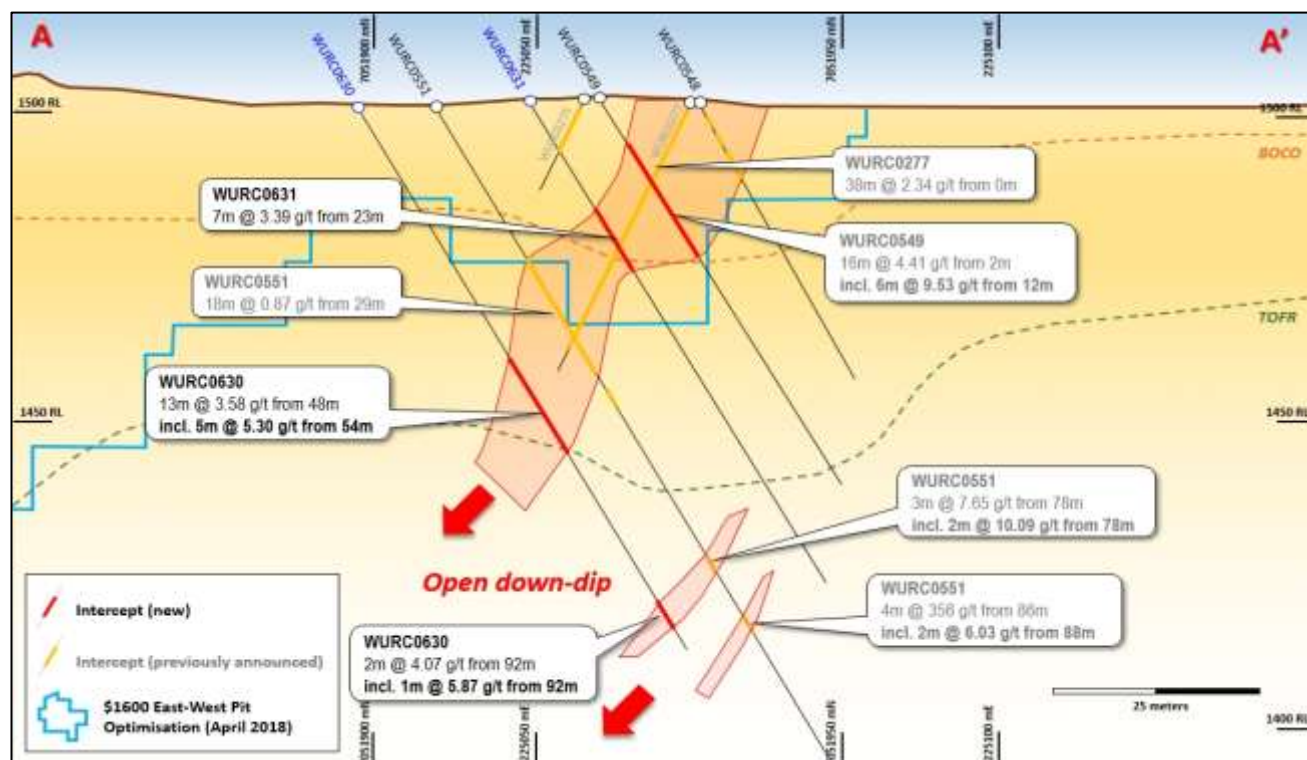


Figure 2. Section A-A' through East-West Starter Pit. Shallow higher grade mineralisation is close to surface above the top-of-fresh-rock and within the oxide/transitional (free milling) zone.

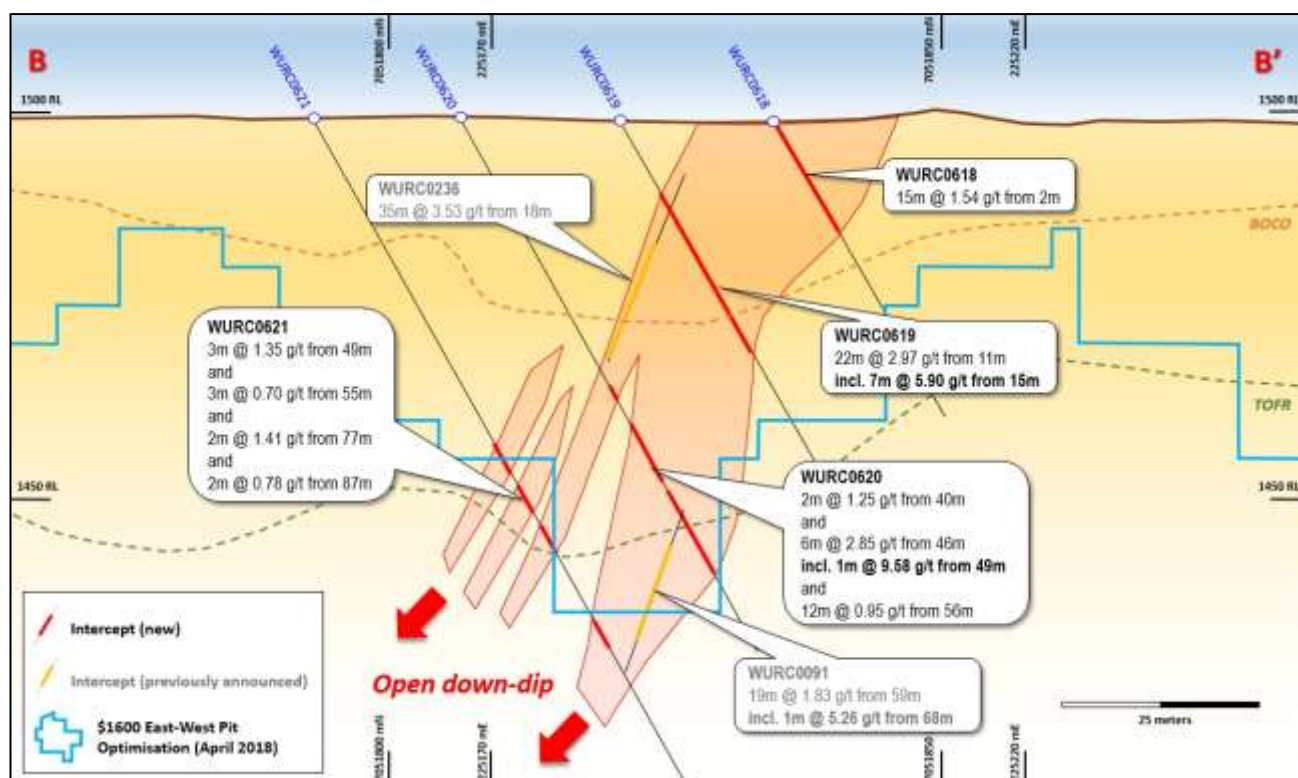


Figure 3. Section B-B' through East-West Starter Pit. Shallow higher grade mineralisation is close to surface above the top-of-fresh-rock and within the oxide/transitional (free milling) zone.

Latest reserves for the Wiluna Open Pits are in the process of being finalised and will be published in the near future.



Photo 1: Mining recently commenced at the East West starter pit < 1km from the Wiluna plant – looking south

Recommencement of mining at the Wiluna Mine is expected to increase plant feed grade, reduce haulage costs and significantly reduces mine sequencing risks due to more mining areas. Mining of the Wiluna free milling pits will significantly reduce both geological and mining risks associated with the larger sulphide pits prior to re-commissioning the Wiluna plants sulphide circuit.

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
+61 419 537 714

About Blackham Resources Ltd

The 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 +1,100km² tenement package which has historically produced in excess of 4.4 million ounces over a 120-year mining history.

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 13 September 2018 continue to apply and have not materially changed.

The information contained in the report that relates to Ore Reserves for the Operations Open Pits is based on information compiled or reviewed by Steve O'Grady. Mr O'Grady confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. Mr O'Grady is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee working for Intermin Engineering Consultants having been engaged by Blackham Resources Ltd to prepare the documentation for the Operation on which the Report is based, for the period ended 30 June 2017. He disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr O'Grady verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

With regard to the Matilda-Wiluna Gold Operation Mineral Reserves, 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 30th August 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.