

12 February 2020

ASX Announcement

Wiluna Operations Update

Blackham Resources Limited (“Blackham” or the “Company”) provides the following update on its operations.

Highlights

- **Capital investment to improve grinding circuit successfully implemented**
 - **Rod Mill fully commissioned**
 - **Installation of new Ball Mill motor**
- **Short to medium term planning reassessment in high gold price environment**
- **Gold forward contracts for 6,000oz @ A\$2,328/oz average, and Put Options (at Blackham’s discretion) to sell 20,000oz at a minimum price of \$2,018/oz**

Blackham is pleased to announce the successful commissioning of its Rod Mill and new Ball Mill motor, both of which will provide for significantly higher throughput, thereby increasing production, reducing unit processing costs and improving cash flow.

As highlighted in the Company’s Dec’19 Quarterly Activities Report (refer ASX announcement 16 January 2020), the Company had completed the refurbishment of the Rod Mill prior to the end of 2019. Commissioning was held over during the new-year crossover period. The Rod Mill has now been successfully commissioned, providing 20% additional grinding capacity and throughput. Further optimisation of the milling circuit is now underway.

Also, as disclosed in the Company’s Sep’19 Quarterly Activities Report (refer ASX announcement 14 October 2019), a mill motor failure that disrupted production for several days was finally replaced in recent days. The previously reinstated original mill motor had caused some throughput restrictions, particularly as a result of its inability to operate in the normal high temperatures experienced during summer in Wiluna. Blackham recently received a newly constructed mill motor which was successfully installed and commissioned over this last weekend.

The Company also reports that it is currently assessing its short to medium term planning in the prevailing record Australian dollar gold prices, which have been sustained for some time now. The company anticipates that the current economic environment should provide further opportunities to take advantage of its inherent operational flexibility at the Wiluna operations during the transition to the sulphide operations.

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Greg Fitzgerald – Non-Executive
Director
Tony James – Non-Executive Director
Neil Meadows – Operations Director

ASX CODE

BLK

CORPORATE INFORMATION

4,716M Ordinary Shares
674M Quoted Options
190M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

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Furthermore, Blackham has recently implemented additional hedging activities, with gold forward sales contracts as at the date of this report being for 6,000oz at an average price of A\$2,328/oz, maturing by 30 April 2020. Blackham also has additional revenue protection via put options, which provide the Company the right (but not the obligation) to sell 20,000oz at a minimum price of \$2,018/oz between Feb'20 and Jun'20 inclusive.

This announcement has been approved by the Board of Blackham Resources Limited

For further information on Blackham please contact:

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