

9 April 2018

ASX Announcement

RECORD QUARTER OF GOLD PRODUCTION FOR BLACKHAM

Highlights

- Operations continued to generate strong cash flows in March
- New record monthly gold production in Mar'18 of 7,419oz (Feb'18: 6,713oz), an 11% increase on last month
 - 165kt milled for the month (Feb'18: 150kt)
 - Mill feed grade improved to 1.6g/t (Feb'18: 1.5g/t)
- New record quarterly gold production of 20,631oz (Dec'17 Qtr: 14,922oz), a 38% increase on last quarter
 - 477kt milled for the quarter (Dec'17 Qtr: 443kt)
 - Mill feed grade improved to 1.5g/t (Dec'17 Qtr: 1.1g/t)
- All in sustaining costs ("AISC") reduced to A\$1,092/oz for quarter (Dec'17 Qtr: A\$1,882/oz), representing a 42% decrease on last quarter
- Average realised gold price of A\$1,669/oz for the quarter
- Current gold forward sales contracts – 27,400oz @ A\$1,724/oz over the next 9 months
- Cash and bullion of \$29.2 million and secured debt of \$40.0 million at 31 Mar'18
- Production guidance reconfirmed at 40-45koz @ A\$1,100-1,200/oz AISC for this half

Blackham Resources Limited (ASX: BLK) ("Blackham" or "the Company") is pleased to present an operational update for the March 2018 quarter at its 6.5Moz 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 gold production for the March quarter of 20,631oz (Dec'17 Qtr: 14,923oz) with a record month of production in Mar'18 of 7,419oz.

The March quarterly open pit mining stripping ratio was a low 2.5:1 (waste:ore) (Dec'17 Qtr: 10.2:1). The low stripping ratio and increased gold production resulted in Blackham achieving a record low AISC of A\$1,092/oz for the quarter (Dec'17 Qtr: A\$1,882/oz) with an average realised gold price during the quarter of A\$1,669/oz. The Operation's high grade stockpiles total 127kt @ 1.5g/t Au, being lower than forecast in Jan'18 due to lower mining material movements.

BOARD OF DIRECTORS

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

CORPORATE INFORMATION

1,265M Ordinary Shares
492M Quoted Options
4.2M Unquoted Options

POSTAL ADDRESS

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ASX CODE

BLK

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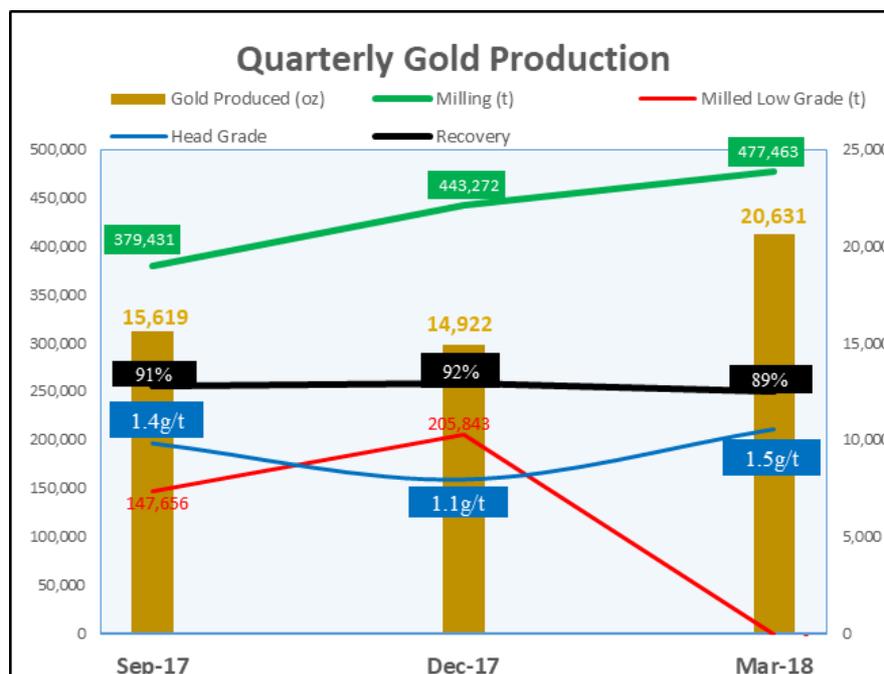
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Table 1 – Gold production improving and costs decreasing

	Sep'17 Qtr	Dec'17 Qtr	Mar'18 Qtr
Total Milled (kt)	379.4	443.3	477.5
Mill Feed Grade (g/t Au)	1.4	1.1	1.5
Overall Plant Recovery	91.5%	92.3%	89.4%
Gold Produced (oz)	15,619	14,922	20,631
AISC (A\$/oz)	\$2,236	\$1,882	\$1,092



The March quarter's production increased 38% from the previous quarter, primarily from gaining access to higher grade zones in the M4 and Galaxy pits which was achieved late in the Dec'17 quarter. During the Sep'17 and Dec'17 quarters 248,000t and 206,000t of low grade stockpiles were processed respectively at an average grade of 0.7g/t, significantly reducing mill feed grade for those quarters (see above Chart). During the March quarter throughput increased 8% on the prior quarter. Plant recoveries decreased slightly as deeper ore from the M4 pit was processed.

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

"The March operational results demonstrate a continuation of the step change in project economics that commenced in December 2017. Record production and significantly reduced costs underpinned a quarter of strong operational cashflows, whilst building stockpiles. We remain confident that 2018 will be a transformational year that will generate significant operating cash flows and value for Blackham and its shareholders."

For further information on Blackham please contact:

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Matilda-Wiluna Gold Operation

Measured, Indicated & Inferred Resources (JORC 2012) as at 30 June 2017

OPEN PIT RESOURCES												
Mining Centre	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 ¹				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
UNDERGROUND RESOURCES												
Mining Centre	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
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.