



BLACKHAM
Resources Limited

Blackham Resources Limited

October 2019

▶ ASX:BLK

For personal use only

Company Overview

For personal use only

Current operation focused:

- ▶ consistently mining & processing approximately 2Mtpa free milling ore at reduced costs
- ▶ debt reduction and balance sheet enhancement

Sep'19 quarterly results demonstrate a significant turnaround:

- ▶ gold production of 17,565oz @ ASIC of A\$1,519/oz
- ▶ September monthly production of 7,220oz @ AISC of A\$1,025/oz contributed to the strong turn-around

FY20 guidance 70k-80koz @ AISC of A\$1,550-1,750/oz

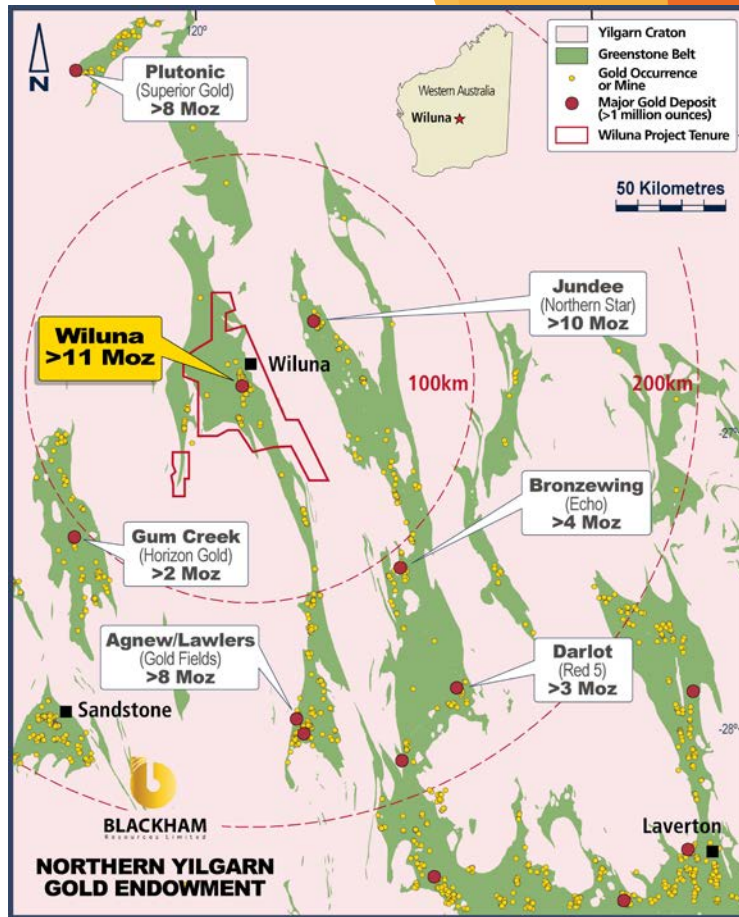
Transitioning to a low capex, low risk sulphide mining & tailings retreatment operation at ~100-120koz pa production

Potential for large scale sulphide operation in the future

Resources 93 Mt @ 2.1 g/t for 6.4Moz Au (57% Indicated), Reserves 25 Mt @ 1.7 g/t for 1.4Moz Au

+1,600 km² of tenure & 55 km of strike across four large gold systems in Australia's biggest gold belt

Experienced Board and renewed Management team



Current strategy - Achievements since 1 July 2019

- ▶ Significant turnaround during Sep'19 quarter, production within guidance, costs below guidance
- ▶ Strong operating cash flows of \$9m in the Sep'19 quarter, an \$18m improvement from the Jun'19 quarter
- ▶ September quarter production levels expected to continue into the Dec'19 quarter:
 - ▶ High grade stockpiles of 132,399 tonnes at 1.54g/t at 30 September 2019, continuing to build in October
 - ▶ Strip ratios continuing to improve (Sep'19 Qtr: 8.3, Jun'19 Qtr: 15.6) with ore now being accessed across multiple open pits (M1 North, Essex, Happy Jack, Bulletin) and continued high grade feed from Golden Age underground
- ▶ Continuing to repay debt, clean up balance sheet and simplify capital structure
 - ▶ Lind convertible note fully discharged, simplifying Blackham's capital structure
 - ▶ \$6m debt reduction in the Sep'19 quarter
 - ▶ Lake Way Transaction completed in October 2019, provides \$10m cash and \$10m contribution towards Williamson pre-production
- ▶ Pre-production activities underway at the Williamson open pit, providing baseload of free milling ore in 2H, FY20
- ▶ Rod Mill refurbishment underway and the associated throughput benefits are expected from Jan'20 onwards, which will enhance mill throughput and reduce unit costs - increasing margins as gold is sold into high prevailing spot price environment
- ▶ Underground mine plan optimisation and engineering work progressing well for the transition to simple sulphide concentrate operation. Compilation and internal presentation of the project's components will be completed during the Dec'19 quarter.
- ▶ Sulphide operation unlocks potential production profile at 120kozpa and presents a low risk pathway to further commercialise the large 6.4 million resource base at Wiluna
- ▶ Process running with a number of parities in respect of funding, which may include change in control

Corporate Information

MILAN JERKOVIC - EXECUTIVE CHAIRMAN

Mr Jerkovic is a qualified geologist with postgraduate qualifications in mining & mineral economics and over 30 years of experience in the mining industry involving resource evaluation, operations, financing, acquisition, development and general management

Mr Jerkovic was previously the CEO of Straits Resources Limited and has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton, Straits Asia Resources (as founding Chairman) Metals X and Geopacific. He is a fellow of the AIMM and a member of the Australasian Institute of Company Directors.

TONY JAMES - NON-EXECUTIVE DIRECTOR

Mr James is a mining engineer with considerable operational, new project development and corporate experience, including roles as Managing Director of Carbine Resources, Atherton Resources and Mutiny Gold. Mr James held a number of senior executive positions with international gold producer Alacer Gold Corporation, including President of its Australian Operations following the merger between Antolia Minerals and Avoca Resources in 2011. He also played a key role in Avoca's initial growth and success, leading the feasibility, development and operations of the Higginsville Gold Operations.

GREG FITZGERALD - NON-EXECUTIVE DIRECTOR

Mr Fitzgerald is a Chartered Accountant with more than 30 years of gold mining and resources related experience, and extensive executive experience in managing finance and administrative matters for listed companies. He held the positions of Chief Financial Officer and Company Secretary for ASX 200 company, Resolute Mining Limited, for more than 15 years.

ANTHONY RECHICHI - CFO

Mr Rechichi is a Chartered Accountant and a highly accomplished senior accounting and finance professional with 20 years of experience in public companies and professional services, predominantly in the gold mining industry. Mr Rechichi spent ten years with Resolute Mining Limited where he most recently performed the role of General Manager - Finance with responsibilities for three operating gold mines.

NEIL MEADOWS - GENERAL MANAGER PROJECTS & BUSINESS IMPROVEMENT

Mr Meadows is a qualified metallurgist with over 30 years experience in the mining and processing industries. He most recently worked as Chief Operating Officer for European Metals Holdings Limited and has previously worked at Karara Mining Ltd, IMX Resources Limited, Queensland Nickel Pty Ltd and at Minara Resources Ltd. His technical qualifications are supported by a Graduate Diploma in Business Administration from Charles Sturt University, along with a Diploma of the Australian Institute of Company Directors.

GUY SIMPSON - GENERAL MANAGER OPERATIONS & PLANNING

Mr Simpson is a Mining Engineer from the WA School of Mines with 25 years experience in underground and open pit gold mines both in Australia and internationally. Formerly General Manager at the Jerritt Canyon Gold Mine in Nevada and General Manager Technical Services at Norton Goldfields, Mr Simpson brings to Blackham a wealth of technical operations experience and a strong business focus.

CAIN FOGARTY - GENERAL MANAGER EXPLORATION & BUSINESS DEVELOPMENT

Mr Fogarty is an Exploration geologist with post-graduate qualifications in mineral economics and 20 years of experience in the mining industry, particularly in near-mine reserve growth, greenfields exploration, and acquisition due diligence. He brings a wealth of multi-commodity, global experience from working with major and junior mining companies in Australia, Africa and China. Prior to joining Blackham, Mr Fogarty worked on the successful exploration and development of Equinox Mineral's copper projects in Zambia, with CSA Global on the Caijiaying Zn-Au mine in China, and with Barrick Gold in near-mine exploration at WA gold mines.

CAPITAL STRUCTURE ¹ ASX:BLK	
Current share price	1.1 cent
Shares on issue	4,407,242,587
Quoted Options	673,638,562
Unquoted Options	189,818,368
Market cap	A\$48.5m
Net Debt (30 September 2019)	A\$2.4 million
Major Shareholders:	MACA Limited - 15.8% Delphi - 8.7%
Milan Jerkovic (Executive Chairman) shareholding	1.61%

1) As at 11 October 2019

For personal use only

CURRENT OPERATIONS

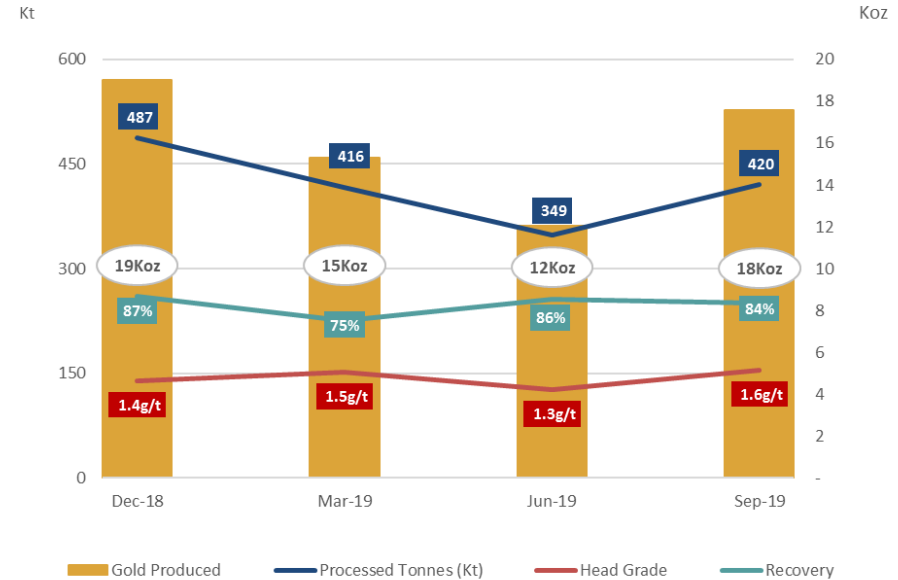
Near Term Operational Focus

- ▶ Continue mining & processing of free milling gold now being accessed in several pits
- ▶ Commenced mining activities at Williamson open pit
- ▶ Study Lennon prospect and Golden Age U/G extensions to enable continuation of U/G mining
- ▶ Assess and complete studies on regional opportunities including neighbouring mines requiring processing solutions
- ▶ Focus on operating costs, mill recovery, availability and utilisation
- ▶ Strong production for Q1 FY20 @ 17,565oz @ A\$1,519/oz
- ▶ Net operating cashflow for Sept'19 quarter of \$8.6 million
- ▶ Production guidance for FY20 of 70,000-80,000oz @ an AISC of A\$1,550-A\$1,750/oz
- ▶ Significant turnaround, production within guidance, costs below guidance



Operational Summary - 2019

- ▶ Operational challenges in FY19 - 65koz production at AISC of A\$1,760/oz
- ▶ Turnaround quarter of Sep'19 - 17,565oz @ AISC of A\$1,519/oz
- ▶ Standalone month of Sep'19 - 7,220oz produced at AISC of A\$1,025/oz from 144kt processed at 1.94 g/t and 80.4% recovery
- ▶ High grade stockpiles of 132kt @ 1.54 g/t were available for processing at 30 Sep'19 and have continued to build in October
- ▶ Strip ratios (Sept19 8.3; June19 15.6) will continue to improve across the operation
- ▶ Golden Age's extensions continue to be delineated with further high grade contributions expected in the Dec'19 quarter
- ▶ Mar'19 and Jun'19 quarters saw significant investment in mining development with benefits now being seen and will continue to do so during the Dec'19 quarter



For personal use only

SULPHIDE TRANSITION PROJECT

Sulphides & Tailings Treatment Transition

- Non-binding term sheet for funding executed. Due diligence commenced.
- Total production approximately 100,000 to 120,000 oz per annum¹
- Plan to transition to concentrate production in FY21
- Based on predominately 0.75Mtpa U/G sourced sulphide ore
- Current total Sulphide reserve approximately 980koz
- Wiluna Tailings reserve 234koz
- Advanced design of flotation and concentrate dewatering plant
- Strong demand from parties to secure gold concentrate offtake
- Free milling ore to be replaced with tailings retreatment at 2Mtpa
- Wiltails design well progressed

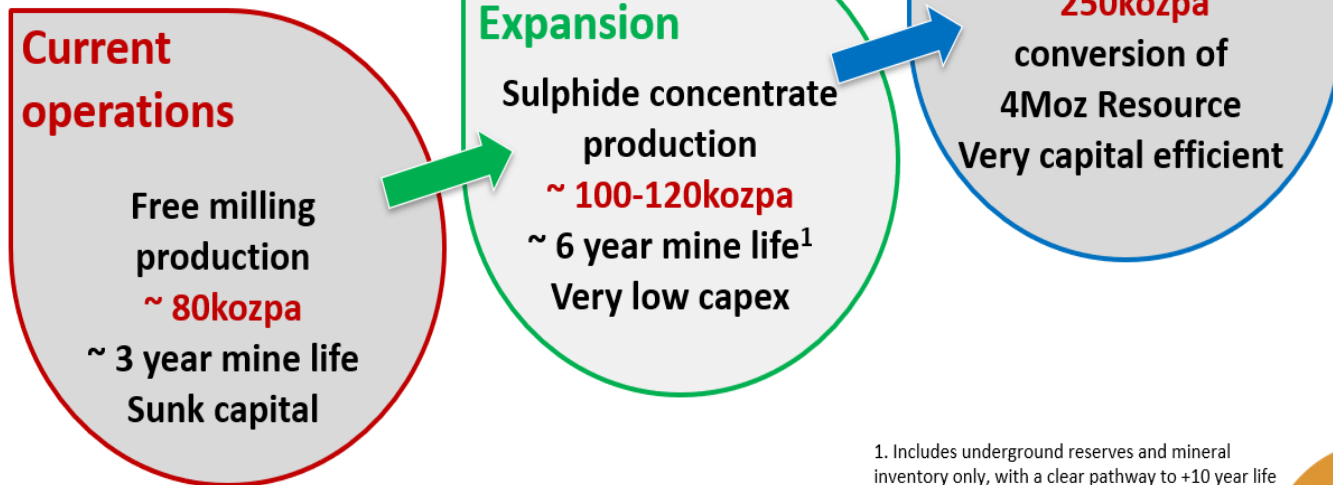
¹Refer ASX Announcement dated 28 February 2019

Sulphides & Tailings Treatment Transition

NEW SULPHIDE EXPANSION PLAN



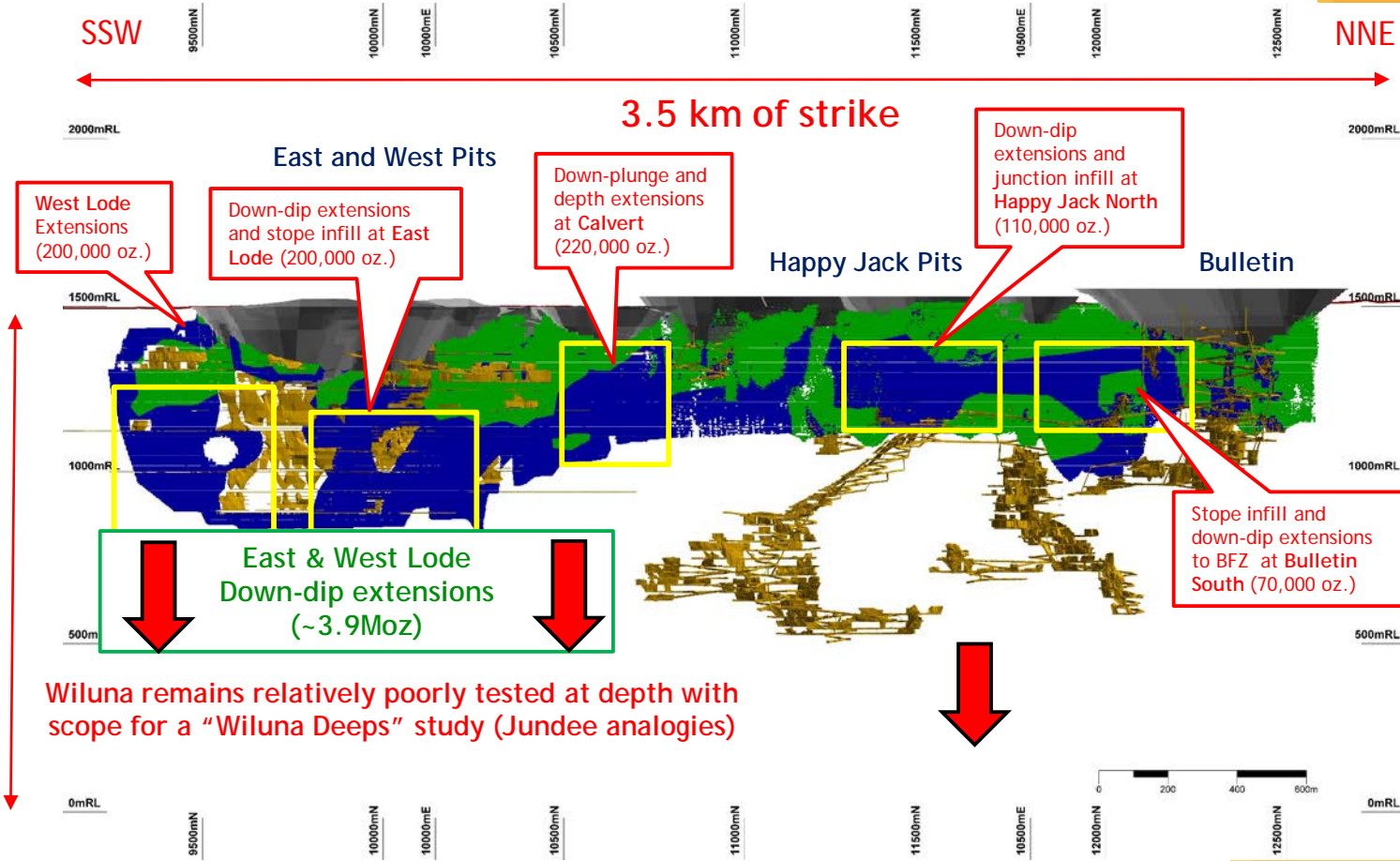
- Increased production
- Focussed on highest margin gold Reserves
- Sensible, staged approach



1. Includes underground reserves and mineral inventory only, with a clear pathway to +10 year life

Targeted Resource to Reserve Conversion

For personal use only



Open Pit Resource
1.5Moz @
2.5g/t

Underground Resource
3.3Moz @
4.7g/t

Summary

- ✓ Free-milling production delivering strong operational cash flow. Improvements are now being seen with strong Sep'19 quarter and should continue during the current financial year
- ✓ Balance sheet improvement continuing
- ✓ Completed “right sizing” of mining, cost cutting initiatives and operational improvements
- ✓ Low cost, low risk, near-term interim expansion to initial 100-120koz pa gold production, initial 6 year mine life and targeting +10 years
- ✓ Allows Blackham to focus on mining its highest margin reserves with flexibility to process free milling and sulphide ores
- ✓ An opportunity remains to extend open pit mine life and convert large underground Resources (20.2Mt @ 4.7g/t Au for 3.1Moz) into Reserves
- ✓ Pathway to ~250,000 oz pa with low operating cost and long mine life in a Tier 1 mining jurisdiction

CONTACT

For further information on Blackham please contact:

Milan Jerkovic

Executive Chairman

Blackham Resources Limited

Office: +61 8 9322 6418

Jim Malone

Investor Relations Manager

Blackham Resources Limited

Mobile: +61 419 537 714

For personal use only

APPENDICES

Gold Ore Resources - June 2019

For personal use only

Matilda-Wiluna Gold Operation Resource Summary												
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 ¹	-	-	-	6.1	1.45	285	3.6	1.30	149	9.7	1.40	435
Wiluna ²	-	-	-	15.6	2.48	1,245	5.3	3.00	510	20.9	2.61	1,755
Williamson ³	-	-	-	2.6	1.30	108	1.5	1.40	66	4.1	1.34	174
Regent	-	-	-	0.7	2.71	61	3.1	2.11	210	3.8	2.22	271
Tailings	-	-	-	34.0	0.62	680	-	-	-	34.0	0.62	680
Stockpiles	0.6	0.80	15	-	-	-	-	-	-	0.6	0.80	15
OP Total	0.6	0.80	15	59.0	1.25	2,379	13.4	2.16	935	73.0	1.42	3,330
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
Matilda ¹	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna ²	-	-	-	6.9	5.49	1,210	11.7	4.42	1,664	18.5	4.82	2,874
Williamson ³	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age ⁴	0.02	6.80	4	0.2	4.91	28	0.3	3.20	28	0.5	4.01	61
Galaxy ⁵	-	-	-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
UG Total	0.02	6.80	4	7.3	5.38	1,254	12.9	4.31	1,793	20.2	4.71	3,051
Grand Total	0.6	0.99	20	66.2	1.71	3,633	26.4	3.22	2,728	93.2	2.13	6,381

¹ Matilda Resource Estimate reported above 0.6g/t cut-off above 950mRL and 2g/t below 950mRL. Coles Find reported above 0.75g/t cut-off above 900mRL and 2.00g/t below 900mRL

² OP Reported within A\$2400/oz shell above 0.5g/t cut-off for oxide and transitional 1.00g/t cut-off for fresh. UG above 2.00g/t below A\$2400/oz shell.

³ OP Reported within A\$2400/oz shell above 0.5g/t cut-off for oxide and transitional and fresh. UG above 2.00g/t below 1290mRL

⁴ Reported above 3.00g/t cut-off.

⁵ Reported above 2.00g/t cut-off in fresh below OP pit depletion.

Gold Ore Reserves - June 2019

For personal use only

OPEN PIT RESERVES												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	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	-	-	-	0.30	2.2	21	0.30	2.2	21	0.30	2.2	21
Williamson	-	-	-	1.05	1.6	53	1.05	1.6	53	1.05	1.6	53
Wiluna	-	-	-	9.75	2.5	785	9.75	2.5	785	2.05	1.8	116
Stockpiles	0.55	0.8	15	-	-	-	0.55	0.8	15	0.55	0.8	15
OP Total	0.55	0.8	15	11.10	2.4	859	11.65	2.3	873	3.94	1.6	205
UNDERGROUND RESERVES												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	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	-	-	-	0.03	4.2	3	0.03	4.2	3	0.03	4.2	3
East West	-	-	-	0.72	5.0	115	0.72	5.0	115	-	-	-
Bulletin ¹	-	-	-	1.03	4.6	155	1.03	4.6	155	-	-	-
UG Total	-	-	-	1.78	4.8	273	1.78	4.8	273	0.03	4.2	3
Wiluna Tailings												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiltails Total	-	-	-	11.2	0.7	234	11.2	0.7	234	11.2	0.7	234
Total	0.55	0.8	15	24.1	1.8	1,366	24.6	1.7	1,381	15.2	0.9	442

1. Bulletin Underground includes reserves from the Essex, Creek Shear and Lennon underground mining areas.

See ASX announcement 27 September 2019 for further information

Disclaimers & Important Information

Forward-Looking Statements

This presentation 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.

Competent Person Statements

The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda-Wiluna Gold Operation ("Operation") is based on information compiled or reviewed by Mr Cain Fogarty, who is a full-time employee of the Company. Mr Cain Fogarty is a Member of the Australian Institute of Geoscientists 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 Fogarty 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.

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

Disclaimers & Important Information (cont.)

The information contained in the report that relates to Ore Reserves for the Bulletin, Creek Shear, Essex and East-West underground mines at the Wiluna Gold Mine is based on information compiled or reviewed by Matthew Keenan. Mr Keenan 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 Keenan 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 Entech Pty Ltd having been engaged by Blackham Resources Ltd to prepare the documentation for the Matilda Gold Project on which the Report is based, for the period ended 30 June 2018. 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 Keenan 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.

The information contained in the report that relates to Ore Reserves for the Open Pits at the Matilda-Wiluna Gold Operation is based on information compiled or reviewed by Simon Hewson. Mr Hewson 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 Hewson 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 of Blackham Resources Limited and having prepared the documentation for the Matilda/Wiluna Gold Project on which the Report is based, for the period ended 30 June 2018. He has 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 Hewson 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.

The information contained in the report that relates to Ore Reserves for Wiluna Tailings at the Matilda-Wiluna Gold Operation is based on information compiled or reviewed by Daryl Evans. Mr Evans 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 Evans is a Fellow 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 Independent Metallurgical Operations Pty Ltd having been engaged by Blackham Resources Ltd to prepare/review the documentation for the Matilda/Wiluna Gold Project on which the Report is based, for the period ended 30 June 2018. 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 Evans 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 Production Targets, 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 Production Targets as reported in the market announcements dated 28th February 2019 continue to apply and have not materially changed.