

Blackham's February record

LIKE John Howard's "Lazarus with a triple bypass", Wiluna gold miner Blackham Resources has completed an astonishing comeback three months into its turnaround, with record production in February and strong growth as it recovers from its near-death experience last year.



Gold bars from Blackham's Wiluna operations.

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The company bettered January's record 6498 ounces with 6713oz, and milling rates were up 2% to an annualised 1.95 million tonnes per annum, while feed grade improved to 1.5 grams per tonne gold, a 13% improvement on prior month.

December production had been 5500oz.

More importantly, all-in sustaining costs at the Matilda-Wiluna operations were down 21% to \$912/oz, while the average realised gold price during the month was \$1670/oz.

Costs in November had been \$2247/oz.

Much of the improvement is down to accessing the high grade zones in the M4 and Galaxy pits late last December, leading to low stripping ratios.

The result may have been even better, but there were significant rainfall and lightning events during the month that restricted mining operations.

The high grade stockpiles of ore also continued to grow to 144,000 tonnes at 1.7 grams per tonne, and Blackham said milled grade and gold production are expected to continue to improve during March with the increasing stockpile grade.

Blackham executive chairman Milan Jerkovic expressed confidence that the turnaround strategy would generate significant cashflows this year.

It closed a well supported a \$35.9 million entitlement offer last month and ended February with cash and bullion on hand of \$31.4 million and debts of \$43.8 million.

The company endured an existential crisis at the end of 2017, capping off a challenging initial 14 months of operation that included a pit wall slippage and production that constantly underperformed expectations, leading to the collapse of a \$60 million recapitalisation plan with Pacific Road Capital.

Reserves at Wiluna support a mine plan of 3.5 years targeting production of around 250,000oz of gold, and the company is looking to develop a rolling five-year mine life.

Shares in Blackham last traded at 6.4c, giving the company a market capitalisation of \$80 million