

**BOARD OF DIRECTORS**

**Milan Jerkovic**  
(Non-Executive Chairman)  
**Bryan Dixon**  
(Managing Director)  
**Greg Miles**  
(Non-Executive Director)

**ASX CODE**  
BLK

**CORPORATE INFORMATION**  
350.2M Ordinary Shares  
29.1M Unlisted Options  
3.6M Performance Rights

[www.blackhamresources.com.au](http://www.blackhamresources.com.au)

[info@blackhamresources.com.au](mailto:info@blackhamresources.com.au)

**P:** +61 8 9322 6418  
**F:** +61 8 9322 6398

**ABN:** 18 119 887 606

**PRINCIPAL AND REGISTERED OFFICE**  
Blackham Resources Ltd  
L2, 38 Richardson Street  
West Perth WA 6005

**POSTAL ADDRESS**  
PO Box 1412  
West Perth WA 6872

## QUARTERLY REPORT

### September 2017

The Board of Blackham Resources Limited ('Blackham' or 'the Company') provides the following update on its activities for the quarter ended 30 September 2017 and thereafter.

#### KEY POINTS:

##### *Matilda/Wiluna Gold Operation*

- Quarterly gold production totalled 15,619oz (Jun'17 Qtr 15,720oz)
- Open pit cash inflows delayed due to:
  - M4 high grade ore access delayed due to geotechnical instability
  - Higher investment in waste movement in Sep'17 Qtr will result in lower stripping ratios and mining costs for balance of FY18
  - Open pits expected to be cash flow positive in Dec'17 quarter with more high grade ore to be mined
- Underground mine cash flow positive
  - Record underground mined ore of 6,302oz (42,300t @ 4.7g/t)
  - Underground long-hole stopping ceased in mid Oct'17
  - Air leg mining continues to maintain lower risk mining method

##### *Resources & Reserves*

- Resources increased to 65Mt @ 3.1g/t Au for 6.5moz
  - An increase of 27% in one year at a cost of A\$7/oz
  - Adelaide Moonlight Resources currently being revised
- Reserves increased to 15Mt @ 2.5g/t Au for 1.2moz
  - An increase of 115% in one year
  - Wiluna north pits Ore Reserves to be updated after 103% increase to Wiluna North Resource

##### *PFS Expansion Study*

- Expansion Preliminary Feasibility Study (Expansion PFS) confirms robust economics for +200kozpa long mine life operation
  - LOM All in sustaining costs A\$1,058/oz
  - IRR 123% and NPV<sup>8%</sup> 360M before tax @ A\$1,600/oz gold price
- Expansion Definitive Feasibility Study (Expansion DFS) well advanced

##### *Corporate*

- \$10m in cash and bullion at the end of the quarter
- Gold sold during the quarter: 15,850oz @ A\$1,601/oz
- Hedge contracts in place at 30 September: 28,569oz @ A\$1,651/oz
- Re-financing process well advanced
- Lind Partners back-up equity facility in place

## Wiluna/Matilda Gold Operation, Western Australia

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 **65Mt @ 3.1g/t for 6.5Moz Au** all within 20kms of the central processing facility. Blackham has consolidated almost the entire Wiluna Goldfield within a +1,100km<sup>2</sup> tenement package which has historically produced in excess of 4.3 million ounces.

### Operations

Gold production for the Sep'17 quarter was 15,619oz (15,720oz Jun'17 Qtr). The mill feed grade improved slightly on the Jun'17 quarter due to higher proportions of Golden Age underground ore. Mill feed grade was weighed down due to 39% of the ore milled during the quarter being from lower grade stockpiles (0.7g/t). Access to a significant portion of M4 open pit ore was delayed into the Dec'17 qtr due to wall instability which has now been rectified.

**Table 1 – Operation Summary**

		Sep'17 Qtr	Jun'17 Qtr
Total Milled	t	379,467	416,100
Mill Feed Grade Au	g/t	1.4	1.3
Overall Plant Recovery	%	91.5	91.7
<b>Total Produced Au</b>	<b>Oz</b>	<b>15,619</b>	<b>15,720</b>

### Open Pit Mining

**Table 2 – Open Pit Mining Summary**

Open Pit Mining		Sep'17 Qtr	Jun'17 Qtr
HG Ore	t	164,469	264,951
HG Au	g/t	1.39	1.28
LG Ore	t	47,972	131,014
LG Au	g/t	0.68	0.71
Total Ore	t	212,441	395,965
Ore	BCM	91,447	194,516
Waste	BCM	2,449,383	2,274,408
Total Material	BCM	2,540,830	2,468,924
Stripping Ratio	BCM:BCM	26.8	11.7

Open pit mining total movement was above budget for the quarter and open pit ore grades improved as the Matilda M4 pit advanced deeper. Higher investment in waste movement in Sept Qtr will lead to lower stripping ratios and mining costs for the remainder of FY18.

Mining at Galaxy focussed on the extraction of another bench in Stage 1 and the establishment of an interim bench, which created access to more high-grade ore.

The Galaxy pit will be mined by the end of Jun'18 with expected high grade ore of 370,000t @ 1.7g/t over the next 9 months at a total stripping ratio of 3 to 1 which includes low grade ore to be stockpiled.



Photo 1: Galaxy pit looking north

M4 focussed on ore extraction and opening up access to ore as quickly possible. Wall instability to the western wall at the northern end of the pit and to an interim wall at the southern end of the pit delayed access to M4 ore until the Dec'17 quarter.



Photo 2: M4 Southern end looking north digging to 1055mRL

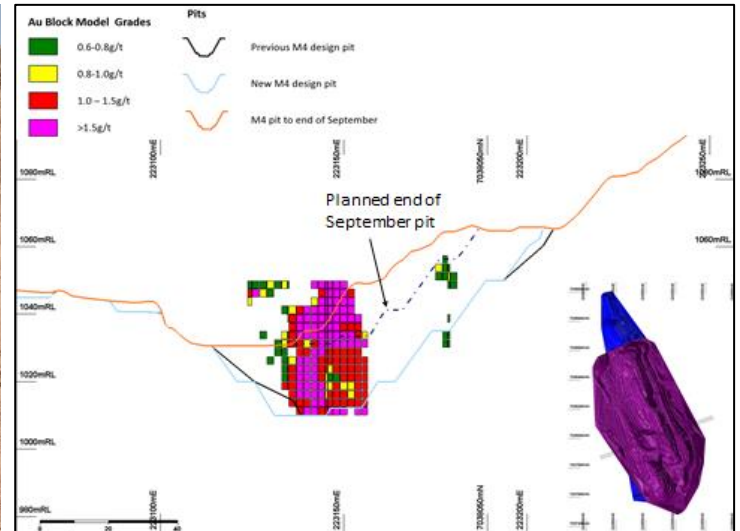


Fig 1: M4 Southern cross section showing delayed access to ore

Photo 2 shows a series of small localised failures in an interim wall (24 year old wall) which delayed the access to ore in the southern area during the Sep'17 quarter. Fig 1 shows the effect of the slip to the interim wall on delaying high grade ore until the Dec'17 quarter.

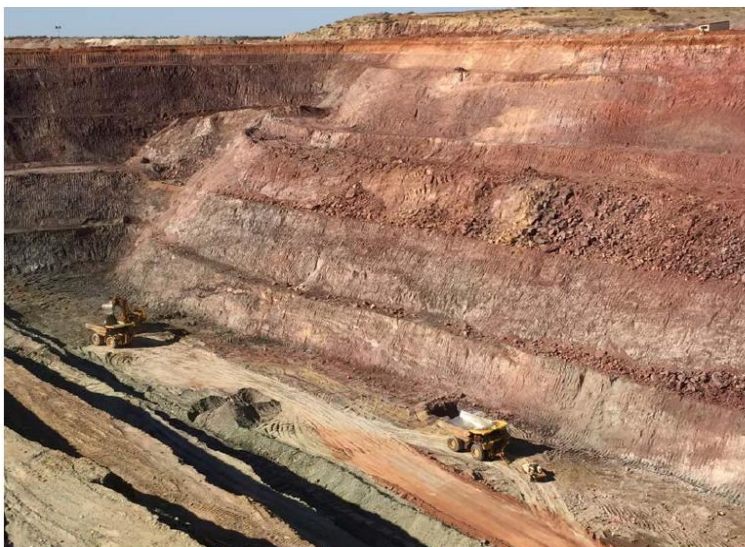


Photo 3: M4 northern end looking north digging to 1022mRL

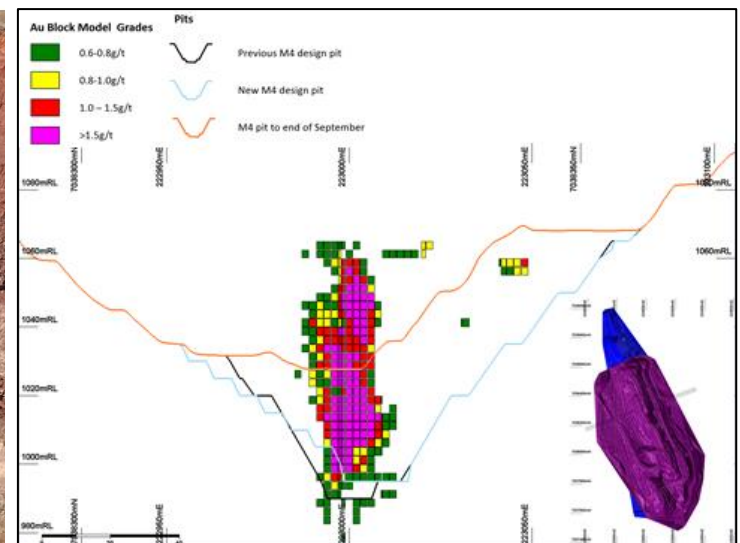


Fig 2: M4 northern-cross section showing new wall design

Photo 3 shows current mining in the north end of the M4 pit with areas of the western floor bunded off due to a series of slips in the western wall. A new pit design has been completed using 5m berms and 5m benches allowing access to the ore at the bottom of the planned pit (see Fig 2) which is expected to be mined over the next 6 months.

Mining at the current M4 by the end of Jun'18 is expected to deliver 816,000t @ 1.6g/t over the next 9 months at a 5 to 1 stripping ratio.

Open pit operations are expected to be cash flow positive for the remainder of FY18 due to access to high grade ore in the sweet spots of both Galaxy and the M4 pits combined with lower strip ratios

and reduced mining costs over the remainder of FY18. With increased ore access we intend to stand down a digger fleet during the December quarter which will significantly reduce mining costs.

## Underground Mining

Golden Age underground mining was above budget in terms of tonnage and grade for the Sep'17 quarter with record underground mined 6,302oz ore (42,320t @ 4.74g/t). The underground mine was cash flow positive for the Sep'17 quarter.

**Table 3 – Underground Mining Summary**

<b>Underground Mining</b>		Sep'17 Qtr	Jun'17 Qtr
Ore Mined - Dev	t	1,756	6,860
Ore Mined - Stope	t	39,564	14,584
Ore Mined	t	41,320	21,444
Au Grade Mined	g/t	4.74	4.6
Mined Metal	oz	6,302	3,189

Longhole development ceased in early July 2017 and longhole stopping was completed in mid-October 2017.

Blackham has now switched to an owner operator air leg mining method to mine the Golden Age orebody. Air leg mining is considered a lower risk mining method for Golden Age due to the pinching, swelling and nuggetty nature of the orebody.

Golden Age reserves total 60kt @ 6.4g/t for 12,000oz, all of which is planned to be mined by June 2018. The Golden Age deposit is currently being re-evaluated from a geology and mining view point. Significant high grade resources remain and the Company is currently evaluating the opportunities for extending the reserves into FY19.

## Process Plant

**Table 4 – Processing Summary**

		Sep'17 Qtr	Jun'17 Qtr
Total Milled	t	379,467	416,100
Mill Feed Grade Au	g/t	1.40	1.28
Overall Plant Recovery	%	91.5	91.7
<b>Total Produced Au</b>	<b>Oz</b>	<b>15,619</b>	<b>15,720</b>

**Crushing circuit** – The crushing circuit achieved 68% utilisation for the quarter (Jun'17 Qtr 67%) and incorporated operating on two stage crushing for 10 days whilst the secondary crusher was fully rebuilt. Whilst the crushing circuit was converted to two-stages the reduced throughput affected total mill throughput. The crushing circuit has operated at and above nameplate capacity since the rebuilding of the secondary crusher.

**Mill Throughput** – tonnes milled were 9% down on last quarter. The mill throughput was affected by a combination of the secondary crusher rebuild and a larger proportion of the harder ores from Golden Age and Galaxy being processed. Debottlenecking of the mill 1 discharge during the quarter has improved the milling capacity on softer Matilda ores. FY18 throughput is targeted at 1.73Mt.

**Grade profile** – Mill head grade improved 9% on the back of a higher proportion of Golden Age ore being processed. However, mill grade was weighed down significantly due to 39% of the ore feed coming from low grade stock piles (25% Jun'17 Qtr) as a result of the mining access issues previously noted around the M4 pit. The grade profile is expected to improve for the rest of FY18 due to opening up access to the higher ore grades deeper into both the M4 and Galaxy pits.

**Leach, Elution Circuits and Gold Room** - The leach circuit is working well with total plant recoveries operating at 91.4% during the quarter.

## **Operating Costs**

C1 Cash costs of production reduced to A\$1,390/oz (Jun'17: \$1,439/oz). Cost per ounce is expected to continue reducing in future periods with better production levels.

During the Sep'17 Qtr, gold sold totalled 15,850oz @ A\$1,601/oz.

## **Expansion Plans for +200,000ozpa Gold Production**

On 30 August 2017, the Company was pleased to announce the successful results of the Expansion Preliminary Feasibility Study ('PFS'). The PFS demonstrated robust economics and improved economies of scale supporting the expansion of the Wiluna/Matilda Operation. Historically, over the last 20 years, the Operation has relied predominately on an underground feed. Blackham's comparative advantage to previous operators is the 15Mt @ 2.3g/t Au (85% at Reserve classification) in open pit feed, which is included in the Expansion PFS Mine Plan.

Blackham's principal success to date has been identifying, consolidating and defining orebodies all within 20kms of the existing Wiluna Gold Plant. The Expansion PFS brings into Reserves approximately 1.2Moz (15Mt @ 2.5g/t) – an increase of 116% in one year.

**Table 5 – Expansion PFS Highlights**

• <b>Initial Gold Production</b>	<b>1.47Moz Au over initial 9 years</b>		
• <b>Open Pit Mining Inventory</b>	<b>15Mt @ 2.3g/t for 1.1Moz</b>		
• <b>Underground Mining Inventory</b>	<b>4Mt @ 4.7g/t for 608koz</b>		
• <b>Expanded processing capacity</b>	<b>up to 3.3Mtpa</b>		
• <b>Gold Production average</b>	<b>207,000ozpa (first 6 yrs after expansion)</b>		
• <b>LOM All in sustaining costs</b>	<b>A\$1,058/oz or US\$836/oz</b>		
• <b>Project cash flows \$571M*</b>	<b>Initial Capex</b>	<b>\$114M</b>	
• <b>NPV8%*</b>	<b>\$360M*</b>	<b>IRR*</b>	<b>123%</b>

\* assumes A\$1,600/oz gold price and before corporate and tax

There is still further opportunity to grow the open pit reserves from resources and targets at Matilda, Lake Way, Wiluna North, Wiluna East West and Regent.

In addition the Wiluna underground has 20Mt @ 4.8g/t for 3.0Moz of Mineral Resources outside the mine plan with the economics still to be fully evaluated which will include assessing bulk mining opportunities.

The Board approved Expansion DFS is well advanced and is aimed at monetarising a larger portion of its 6.5Moz Matilda/Wiluna Gold Resources. The management team have allowed additional time to complete the Expansion DFS due to significant drilling success growing the size of the resources and to allow further work to de-risked the Expansion. The Expansion DFS is now expected to be completed by the end of the Jun'18 quarter.

## **Wiluna Resource and Reserve Drilling**

A total of 2,362m of RC and diamond infill drilling targeting the Happy Jack to Bulletin lodes was completed during the quarter. Drilling also included geotechnical holes to assess pit wall stability and metallurgical holes to provide samples for test work.

A program of underground diamond drill holes aimed at increasing the confidence level of the southern extensions of the Bulletin underground resource commenced with 21 holes for 2,040m completed during the quarter. Holes are targeting areas currently classified as Inferred which have the potential to be mined in the first three years of re-commencement of underground mining at Bulletin. Results from this drilling will be reported once all assays have been received and compiled. This drilling will provide the basis for a resource and reserve update as part of the Expansion DFS.

A 24 hole RC program for 1,675m was completed testing the northern extensions of the M4 and M6 deposits at Matilda. Results indicate that there may be potential to extend these pits further north.

## Resources

On 12 October 2017, the Company provided the market with a revised Mineral Resource estimate for the Wiluna North open pits at the Wiluna Gold Operation. Mineral Resource estimates are currently underway for the Adelaide – Moonlight areas and will be reported in the Dec'17 quarter.

Highlights included:

- Wiluna North open pit resources now sit at 7.3Mt @ 2.69g/t for 630koz (81% Indicated)
  - Increase of 310,000oz or 103%
  - High grades for open pit
  - Previous Reserves of 180,000oz @ 2.7g/t Au
  - Updates to pit designs and Ore Reserves underway
- Wiluna open pit resources now total 17Mt @ 2.8g/t for 1.5Moz which have been delineated at a cost of \$7/resource ounce
- Resource continuity confirmed with likely pit stretching over 3.5kms

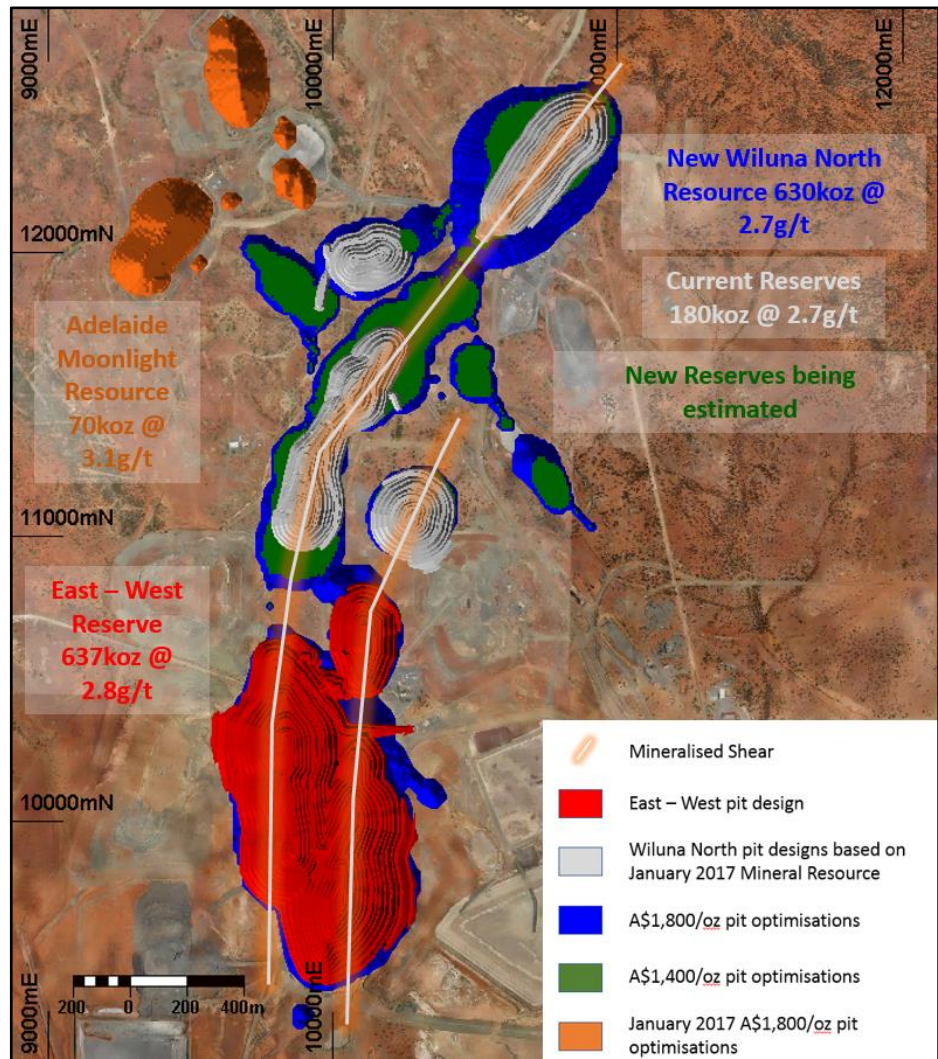


Figure 3 - Location of mineralised shear zones over 3.5km strike length with East-West design pit, Wiluna North PFS design pits and resource pit optimisation suggests likely significant increase in reserves

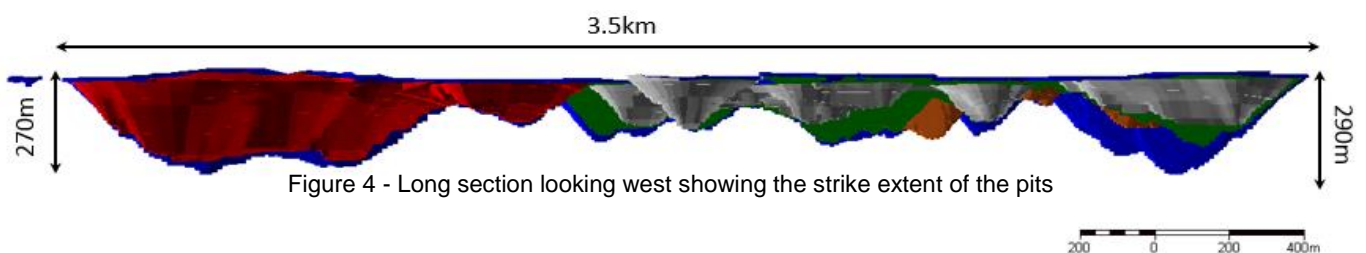


Figure 4 - Long section looking west showing the strike extent of the pits

This latest Mineral Resource estimate for the Wiluna North lodes is based on an additional ~23,000m of RC and diamond drilling completed between March and May 2017 which was very successful in proving the continuity of mineralisation. This drilling has resulted in extensions to mineralisation at the Happy Jack - Gap lodes and confirmed the presence of additional footwall lodes to the west of the main Bulletin lode. Mining studies which will allow an updated open pit Ore Reserve estimate for Wiluna North are underway.

Total gold Resources for the Wiluna/Matilda Operation (including depletions to the end of June 2017) now total **65Mt @ 3.1g/t** for **6.5Moz** (49% Indicated).

**Table 6 - Wiluna/Matilda Operations October 2017  
Measured, Indicated and Inferred Resources (JORC 2012)**

<b>Matilda Gold Project Resource Summary</b>												
<b>OPEN PIT RESOURCES</b>												
<b>Mining Centre</b>	<b>Measured</b>			<b>Indicated</b>			<b>Inferred</b>			<b>Total 100%</b>		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
<b>Matilda Mine OP</b>	0.9	1.5	44	6.1	1.7	340	4.1	1.4	185	11.1	1.6	<b>569</b>
<b>Galaxy</b>	0.7	1.4	32	0.1	3.7	5	0.2	2.8	16	1.0	1.6	<b>53</b>
<b>Williamson Mine</b>				3.3	1.6	170	3.8	1.6	190	7.1	1.6	<b>360</b>
<b>Wiluna OP<sup>1</sup></b>				13.6	2.6	1150	3.3	3.3	355	16.9	2.8	<b>1,505</b>
<b>Regent</b>				0.7	2.7	61	3.1	2.1	210	3.8	2.2	<b>271</b>
<b>Stockpiles</b>				0.4	0.9	11				0.4	0.9	11
<b>OP Total</b>	<b>1.6</b>	<b>1.5</b>	<b>76</b>	<b>24</b>	<b>2.2</b>	<b>1,737</b>	<b>15</b>	<b>2.1</b>	<b>956</b>	<b>40</b>	<b>2.1</b>	<b>2,769</b>
<b>UNDERGROUND RESOURCES</b>												
<b>Mining Centre</b>	<b>Measured</b>			<b>Indicated</b>			<b>Inferred</b>			<b>Total 100%</b>		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
<b>Golden Age</b>	0.1	4.2	8	0.2	7.1	46	0.6	3.8	75	0.9	4.5	<b>129</b>
<b>Wiluna</b>				8.2	5.5	1441	14.6	4.4	2086	23	4.8	<b>3,527</b>
<b>Matilda Mine UG</b>				0.1	2.5	10	0.6	3.6	70	0.7	3.6	<b>80</b>
<b>UG Total</b>	<b>0.1</b>	<b>4.2</b>	<b>8</b>	<b>9</b>	<b>5.5</b>	<b>1,497</b>	<b>16</b>	<b>4.4</b>	<b>2,231</b>	<b>24</b>	<b>4.8</b>	<b>3,736</b>
<b>Grand Total</b>	<b>1.7</b>	<b>1.5</b>	<b>84</b>	<b>33</b>	<b>3.1</b>	<b>3,234</b>	<b>30</b>	<b>3.3</b>	<b>3,187</b>	<b>65</b>	<b>3.1</b>	<b>6,505</b>

1) Wiluna Open Pit Resources include the East, West, Happy Jack, Creek Shear, Golden Age North, Gap, Bulletin, Essex, Adelaide and Moonlight orebodies reported from inside an A\$1,800/oz optimised resource shell.

2) Mineral Resources are reported inclusive of Ore Reserves and include all exploration and resource definition drilling information, where practicable, up to 30<sup>th</sup> June 2017.

3) The Measured component of the Matilda and Galaxy open pit Mineral Resources is based on grade control drilling and the grade is reported on a diluted basis

4) Underground Mineral resources for Matilda are reported below an RL of 950m and above a 2.0g/t lower cut

5) Indicated and Inferred Mineral Resources at Galaxy are below the design pit and reported above a 2.0g/t lower cut

6) Mineral Resource estimates are not precise calculations. The figures in the above table are rounded to two significant figures

7) Resource depleted to 30 June 2017

Over the last 120 years the Wiluna Operation has produced 4.3Moz of gold from predominately refractory ores. All of the pits are located within a 4km radius of the refractory processing facility which has operated for 19 of the last 24 years. This large open pit resource base will underpin the base load feed for the expansion of the Wiluna processing plant. The Expansion PFS released on the 30 August 2017 confirmed the robust economics and economies of scale supporting the Operations expansion.

## Corporate

On 31 August 2017, the Company announced that it had secured funds to continue to advance its Expansion Definitive Feasibility Study and manage its balance sheet whilst it continues to demonstrate improving operational cash flows from the Operation. The funding arrangement is underpinned by the ability to draw up to AU\$72m from The Australian Special Opportunity Fund, a New York-based institutional investor, managed by The Lind Partners (together, the 'Lind Facility'). The Company plans to utilise its operating cash flows to fund the Expansion but will also require a suitable funding solution. The Lind Facility provides the Company with time to choose the optimal funding solution. Blackham's final funding solution for the Expansion is aimed at;

- securing a fully funded solution for the Expansion;
- minimising dilution to existing Blackham shareholders;
- providing flexible funding solutions to ensure continuation of exploration and reserve definition;  
and
- facilitating an increase in the Company's current hedge facilities to manage gold price risk.

The Company had A\$37.1 million in outstanding debt at 30 September 2017. During July, the Company made a voluntary prepayment of \$2.8M toward its debt facilities. The Company has appointed financial advisors who began engaging potential financiers with a view to re-sizing and re-profiling the current debt facility. The Company has had strong interest in the financing of the Expansion Plan. The robust economics and 1.2Moz reserve announced with the Expansion PFS have helped discussions with potential financiers. This re-financing process is well advanced.

At 30 September 2017, the Company had A\$9.8M in cash and bullion.

The Company had 28,569oz of gold hedging commitments at 30 September 2017, at an average price of A\$1,651/oz.

On 19<sup>th</sup> September 2017, Peter Rozenauers resigned as a Non-Executive Director of the Company.

Blackham currently has a market cap of approximately A\$75 million.

For further information on Blackham please contact:

Bryan Dixon  
Managing Director  
Blackham Resources Limited  
Office: +618 9322 6418

Jim Malone  
Investor Relations  
Blackham Resources Limited  
Mobile: +61 419 537 714

John Gardner  
Media Enquiries  
Citadel Magnus  
Office: +618 6160 4901

### **Competent Persons Statement**

*The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda/Wiluna Gold Operation is based on information compiled or reviewed by Mr Bruce Kendall, who is a full-time employee and security holder of the Company. Mr Kendall 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 Kendall 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 and security holder 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 14 March 2016, 17 June 2016, 27 June 2016 and 23 January 2017 continue to apply and have not materially changed with exception of the Wiluna open pit resources as outlined in this announcement.

### **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.*

**Blackham Resources Limited – STILL TO BE UPDATED**  
**Schedule of Mineral Tenements and Rights at 30 September 2017**

<b>Project</b>	<b>Tenement</b>	<b>Interest held by Blackham</b>
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202 to E63/1203	100%
Scaddan	M63/0192 to M63/0194	100%
Zanthus	E69/2506	20% of basement rights, 100% above basement
Zanthus	E28/2588	100%
Zanthus	E69/3422	100%
Matilda	E53/1290	100%
Matilda	E53/1297	100%
Matilda	E53/1644	100%
Matilda	E53/1791	100%
Matilda	E53/1852	100%
Matilda	L53/0021 to L53/0022	100%
Matilda	L53/0051	100%
Matilda	L53/0062	100%
Matilda	L53/0140	100%
Matilda	M53/0034	100%
Matilda	M53/0041	100%
Matilda	M53/0052 to M53/0054	100%
Matilda	M53/0188	100%
Matilda	M53/0955	100%
Wiluna	E53/1912	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	P53/1666 to E53/1668	100%
Wiluna	M53/0797 to M53/0798	100%
Wiluna	P53/1637	100%
Wiluna	E53/1908	100%
Wiluna	E53/1288	100% of gold and base metal rights
Wiluna	M53/0045	100% of gold and base metal rights
Wiluna	M53/0049	100% of gold and base metal rights
Wiluna	M53/0113	100% of gold and base metal rights
Wiluna	M53/0121 to M53/0123	100% of gold and base metal rights
Wiluna	M53/0147	100% of gold and base metal rights
Wiluna	M53/0224	100% of gold and base metal rights
Wiluna	M53/0253	100% of gold and base metal rights
Wiluna	M53/0796	100% of gold and base metal rights
Wiluna	M53/0910	100% of gold and base metal rights
Wiluna	P53/1355 to P53/1357	100% of gold and base metal rights
Wiluna	P53/1372	100% of gold and base metal rights
Wiluna	P53/1396 to P53/1397	100% of gold and base metal rights
Wiluna	G53/0021 to G53/0022	100% of gold and base metal rights
Wiluna	E53/1645	100%
Wiluna	L53/0020	100%
Wiluna	L53/0023 to L53/0024	100%
Wiluna	L53/0030	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0053	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%

<b>Project</b>	<b>Tenement</b>	<b>Interest held by Blackham</b>
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%
Wiluna	L53/0202	100%
Wiluna	M53/0006	100%
Wiluna	M53/0024 to M53/0027	100%
Wiluna	M53/0030	97.9%
Wiluna	M53/0032	100%
Wiluna	M53/0040	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0050	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0092	100%
Wiluna	M53/0095 to M53/0096	100%
Wiluna	M53/0129 to M53/0131	100%
Wiluna	M53/0139	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Galaxy	M53/1097	100%
Regency	M53/1098	100%
Wiluna	P53/1560	100%
Wiluna	P53/1637	100%
Wiluna	R53/0001	100%
Scaddan	R63/0005	100%

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Blackham Resources Limited	
<b>ABN</b>	<b>Quarter ended (“current quarter”)</b>
18 119 887 606	30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	24,630	24,630
1.2 Payments for		
(a) exploration & evaluation	(1,780)	(1,780)
(b) development	(3,860)	(3,860)
(c) production	(27,805)	(27,805)
(d) staff costs	(2,187)	(2,187)
(e) administration and corporate costs	(444)	(444)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	(607)	(607)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	21	21
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(12,015)</b>	<b>(12,015)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,001)	(1,001)
(b) tenements (see item 10)	-	-
(c) investments	(4)	(4)
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,005)</b>	<b>(1,005)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	1,800	1,800
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	5	5,000
3.4	Transaction costs related to issues of shares, convertible notes or options	(14)	(14)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,843)	(2,843)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Hedge book close-out	2,807	2,807
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,755</b>	<b>1,755</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	18,470	18,470
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,015)	(12,015)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,005)	(1,005)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,755	1,755
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,205</b>	<b>7,205</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,205	9,974
5.2	Call deposits	-	8,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,205</b>	<b>18,474</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

158

-

Directors' fees.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	23
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mr Milan Jerkovic, a director of Blackham Resources Limited, is an officer of Xavier Group Pty Ltd who provides services to Blackham Resources Limited.

<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities	36,677	36,677
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

A secured finance facility is held with Orion Mine Finance. It is comprised of:

- \$14m Non-Amortising Loan with an interest rate of 12% p.a.; and
- \$23m Project Finance Facility with an interest rate of 10% p.a.

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	587
9.2	Development	866
9.3	Production	25,044
9.4	Staff costs	2,187
9.5	Administration and corporate costs	483
9.6	Other (Loan Principal and Interest Payments)	14,819
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>43,986</b>

<b>10.</b>	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E63/0521 P53/1559	Scaddan Wiluna	70% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	M53/1098 R63/0005	Wiluna (Regency) Scaddan	0% 0%	100% 100%



### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  
(Company Secretary)

Date: 26 October 2017

Print name: Mike Robbins

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.