

30 July 2018

## Quarterly Activities Report

### June 2018

Blackham Resources Ltd ('Blackham' or 'the Company') provides the following update on its activities for the quarter ended 30 June 2018 and thereafter:

### Highlights

#### Matilda-Wiluna Gold Operation

- Operations generate positive cash flows again in the June quarter
- Jun'18 gold production of 19,393oz (Mar'18 quarter: 20,631oz), in line with previous quarter, resulting in a record six months of gold production to Jun'18 of 40,024 oz (Dec'17 half: 30,541oz), a 31% increase on last half
- Record throughput of 535kt milled for the quarter (Mar'18 Qtr: 477kt), a 12% increase on last quarter
- Mill feed grade of 1.44g/t consistent with prior quarter (Mar'18 Qtr: 1.51g/t)
- Process recoveries reduced to 78.6% (Mar'18 Qtr: 89.4%) due to the main ore source being the transitional and fresh ore from the now completed M4 pit, a one-off isolated issue which was the primary constraint to achieving higher production in the quarter and half year, as well as increasing AISC/oz
- Process recoveries in the first three weeks of July are 91% due to the main ore feed source again being Matilda oxide ore
- All in sustaining costs per ounce ('AISC') for the quarter of A\$1,509/oz (Mar'18 Qtr: A\$1,092/oz)
- Stripping ratio for the quarter increased to 7.9 times (Mar'18 Qtr: 2.9 times) representing an investment in next quarter's production and a large contributor to the higher AISC in the Jun'18 quarter
- Average realised gold price of A\$1,685/oz for the half, and A\$1,696/oz for the Jun '18 quarter

#### Corporate

- Current gold forward sales contracts of 26,189oz @ A\$1,742/oz over the next 8 months
- Net debt at 30 June 2018 reduced to \$8.4m (31 March 2018: \$10.4m)
- Board strengthened further with the addition of Mr Tony James as a Non-Executive Director
- Production guidance for FY19 is 77k-89koz @ an AISC of A\$1,250-\$1,450/oz

#### Reserve Development and Exploration

- High grade free milling mineralisation extended at Wiluna Mine
- Multiple high grade extensions identified at Golden Age
- Lake Way drill programme completed during the quarter and awaiting assay results
- Maiden resource published over Wiluna tailings – 620,000oz
- Positive scoping study completed on Wiluna tailings retreatment project ('Wiltails')

#### BOARD OF DIRECTORS

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

#### ASX CODE

BLK

#### CORPORATE INFORMATION

1,266M Ordinary Shares  
 534M Quoted Options  
 55M Unquoted Options

#### PRINCIPAL AND REGISTERED OFFICE

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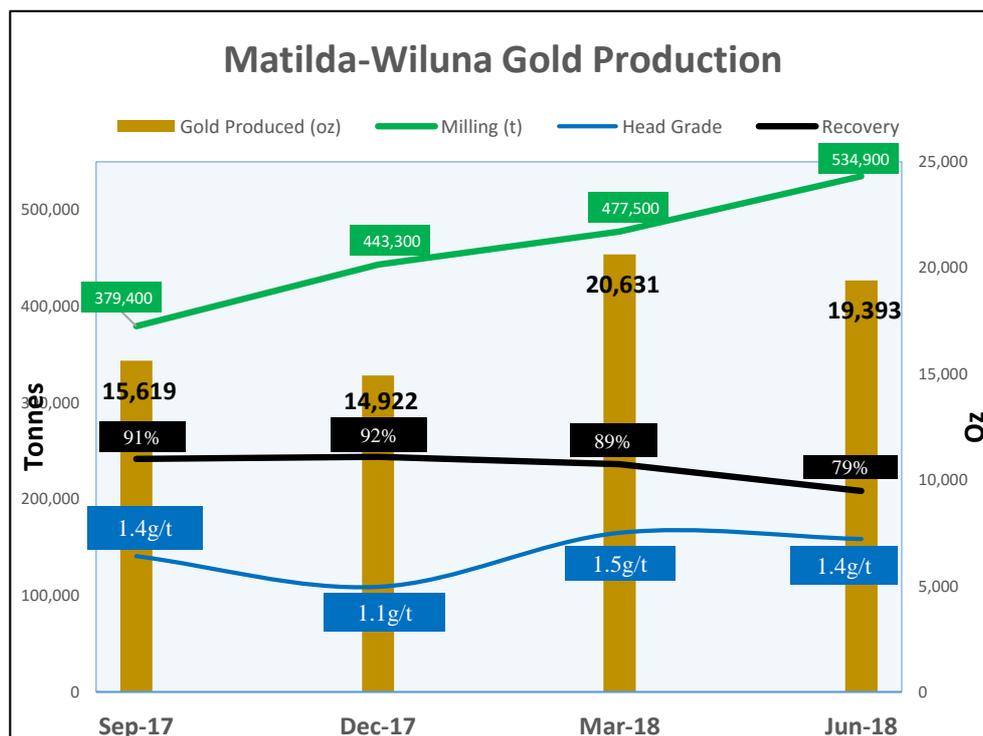
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Blackham Resources Limited (ASX: BLK) ('Blackham' or 'the Company') is pleased to present an operational update for the June 2018 quarter at its 6.5Moz Matilda-Wiluna Gold Operation ('the Operation').

## Gold production

Blackham's gold production for the Jun'18 half of 40,024oz was a 31% increase on the prior half (Dec'17 half: 30,541oz). The Jun'18 quarter's production of 19,393oz confirms the prior quarter's step change in gold production (see Chart 1).

Chart 1 – Gold production



Blackham's processing team have made significant improvements to mill throughput over each of the last four quarters, with record throughput of 535kt milled for the Jun'18 quarter (Mar'18 Qtr: 477kt), a 12% increase. Mill circuit utilisation for the quarter was 97% (Mar'18 Qtr: 95%). Significant improvements were achieved to mill throughput from continued debottlenecking of the crushing, milling and leach circuits.

Resolution of the open pit mine sequencing issues experienced in the Dec'17 half enabled higher mill feed grades being supplied to the mill in the Jun'18 half. Mill feed grade for the Jun'18 quarter was consistent with the previous quarter. During the Dec'17 half, 454,000t @ 0.7g/t of low grade stockpiles were processed through the mill to supplement mined ore due to the mine sequencing issues and higher mill throughput. During the Jun'18 quarter, mill feed from low grade stockpiles was only 24,000t @ 0.7g/t (Mar'18 Qtr: nil).

**Table 1 – Gold production**

Processing	Units	March 18 QTR	June 18 QTR	6 mths ending 30 June 18	YTD
Total tonnes processed	t	477,463	534,891	1,012,354	1,835,057
Grade processed	g/t	1.51	1.44	1.47	1.38
Plant recovery	%	89.4	78.6	83.7	87.3
<b>Gold produced</b>	<b>oz</b>	<b>20,631</b>	<b>19,393</b>	<b>40,024</b>	<b>70,565</b>
Gold sold	oz	20,740	19,663	40,403	71,402
Achieved gold price	A\$/oz	1,674	1,696	1,685	1,654

Gold recoveries reduced to 78.6% in the quarter (Mar'18 Qtr: 89.4%) due to the main ore source being the lower transitional and fresh ore from the now completed M4 pit. Process recoveries in the first three weeks of July are back at 91% due to the main ore source being Matilda oxide ore.

## Mining

**Table 2 – Mining**

Mining	Units	March 18 QTR	June 18 QTR	6 mths ending 30 June 18	YTD
Total UG lateral development	m	143	175	318	420
UG ore mined	t	9,545	11,178	20,723	77,608
UG mined grade	g/t	7.6	7.3	7.4	5.6
Total OP material moved	BCM	1,213,231	1,640,406	2,853,637	7,191,050
OP strip ratio		2.9	7.9	4.8	8.6
OP mined grade	g/t	1.3	1.3	1.3	1.3
OP ore mined	t	667,479	397,793	1,065,272	1,619,234
Total ore mined	t	677,024	408,971	1,085,995	1,696,842
Total mined grade	g/t	1.4	1.5	1.4	1.5
Total mined contained ounces		30,974	19,467	50,442	81,314

## Open pit mining

During the Jun'18 quarter, 1.64MBcm of material (Mar'18 Qtr: 1.21MBcm) and 398kt of ore (Mar'18 Qtr: 667kt) was mined. The stripping ratio increased to 7.9 (Mar'18 Qtr: 2.9) resulting in a higher mining cost per ounce, partly representing an investment in the next quarter's production. Open pit mined grades have been consistent over the last year with significantly less processing of low grade stockpiles during the Jun'18 half.

The Operation's high-grade stockpiles started the quarter at 127kt @ 1.5g/t have decreased to 52kt @ 1.8g/t Au due mainly to the mill throughput significantly outperforming forecast.

## Underground Mining

This quarter saw a 12% improvement on the previous quarter in contained ounces mined out of the underground. Blackham confirmed during Mar'18 that the Golden Age Underground mine plan continues to grow and has been extended for at least a further 6 months to Dec'18. Mining costs and risks have been reduced following Blackham's successful move to an owner operator miner in Oct'17. The Golden Age Underground mine has now generated consistent, positive cash flows for the past four quarters.

Recent exploration results close to existing mine access provide management with confidence it will keep extending the mine life of the Golden Age underground to provide high grade ore feed to the mill (see page 4).

## Reserve and Exploration Drilling

Reserve Definition Drilling continued during the quarter as the Company aims to increase its gold reserves (currently 15Mt @ 2.5g/t for 1.2Moz) by converting more of its ~6.5Moz of gold resources (65Mt @ 3.1g/t) to reserves. Blackham has committed to significant ongoing exploration focusing on this reserve conversion work as well as exploration drilling targeted at new oxide deposits to extend the current free milling mine life. In FY17, Blackham successfully added reserves at a cost of less than \$22/reserve ounce. Resources and Reserves as at 30 June 2018 are currently being re-estimated and will be published during the September quarter.

## Golden Age Drill Programme

Approximately 1,740m of underground diamond drilling was completed in the June quarter. The programme commenced in March 2018 and met with success in defining additional ore in remnant mining areas and the potential for significant extensions indicated below the current mining levels.

The drilling has confirmed that Golden Age mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling.

Significant intercepts from the drilling include:

6.9m @ 15.5 g/t Au 107 g\*m GARD0033  
 2.0m @ 11.8 g/t Au 23 g\*m GARD0036

Successful drilling last quarter has confirmed that Golden Age Lower (Grey) is offset from Golden Age Middle (Pink/Yellow) by a dyke. Drilling this quarter is focused on upgrading the recently identified mineralisation in Golden Age Lower into the mining plan.

Full results were detailed in the ASX release "Multiple High Grade Extensions Identified at Golden Age" on 12<sup>th</sup> June 2018.

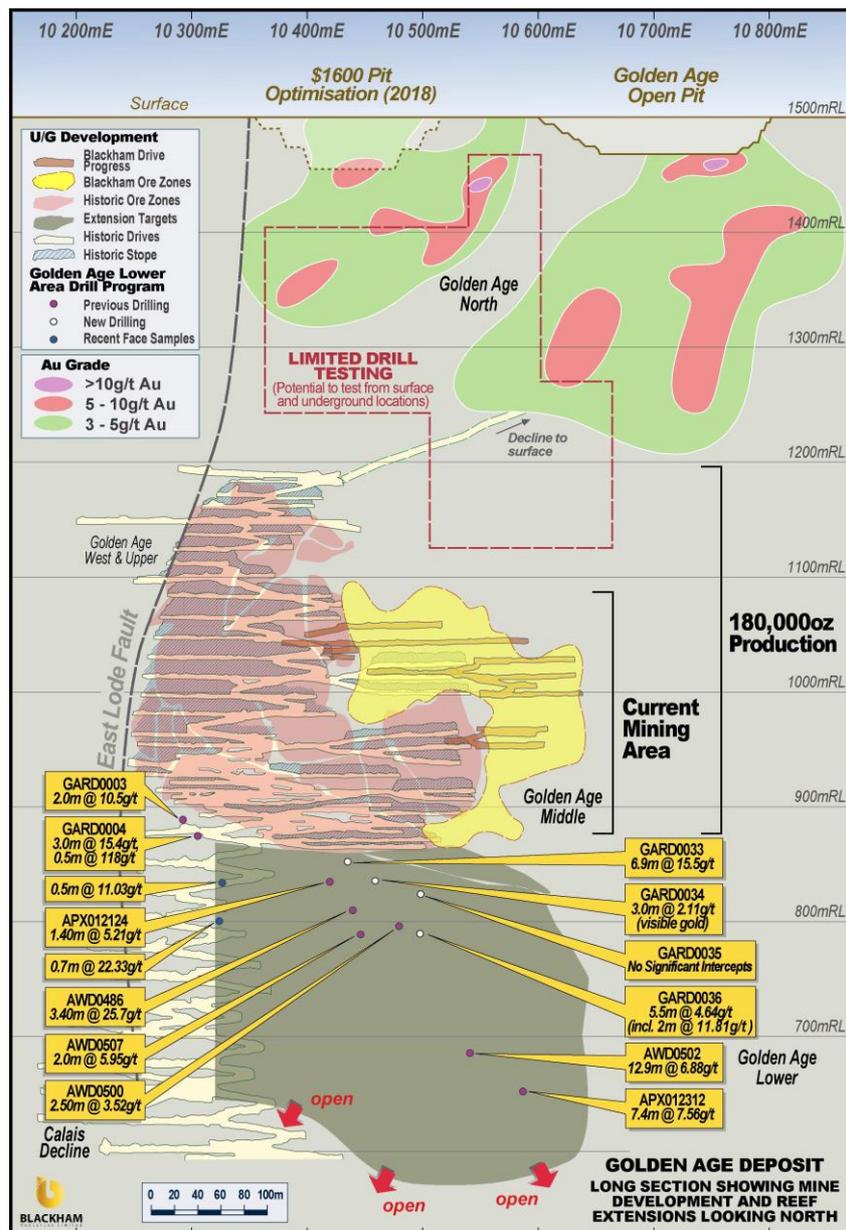


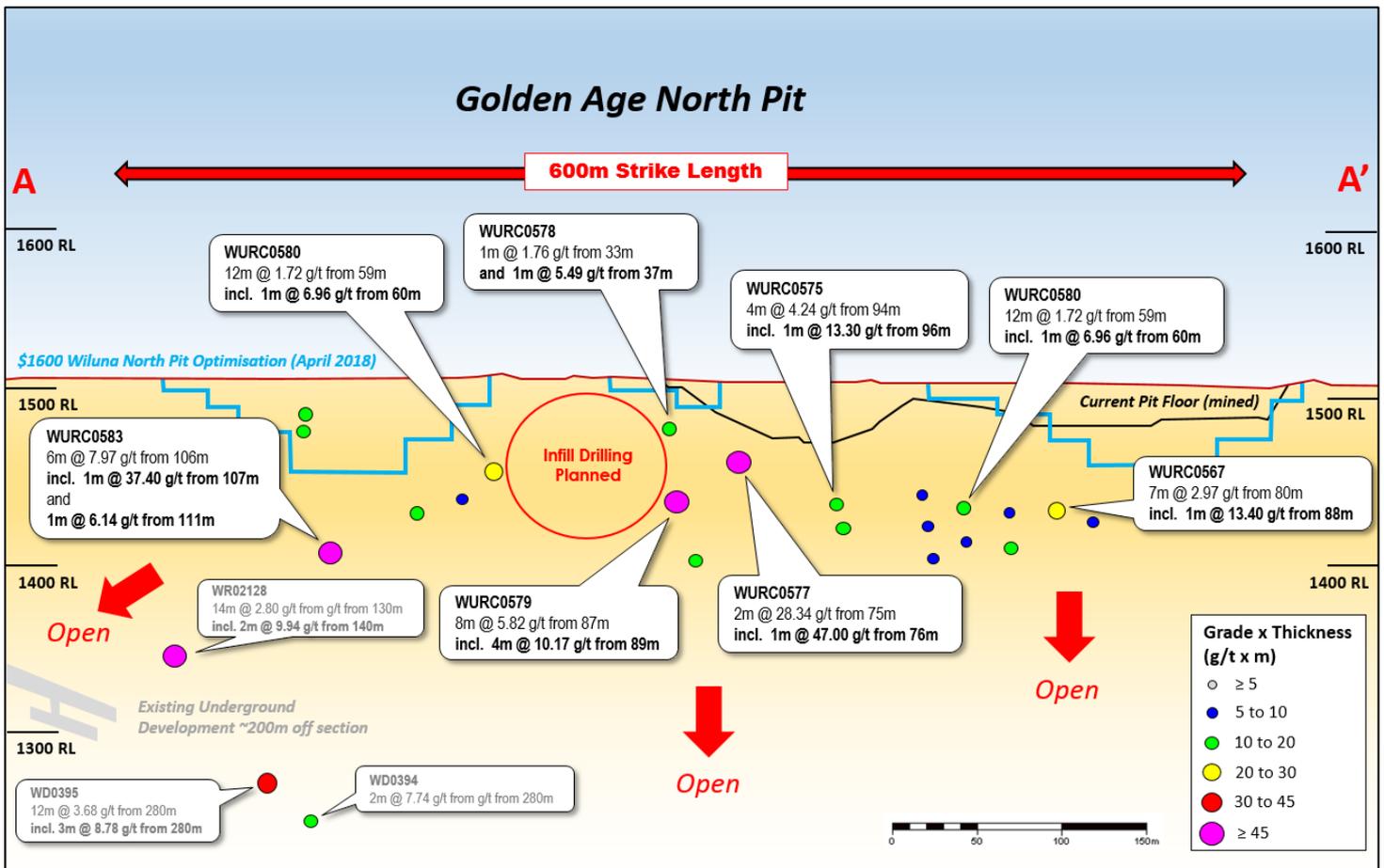
Figure 1. Golden Age long section showing mine development and latest drilling results.

Surface RC drilling completed during the quarter above the underground Golden Age workings has confirmed the continuity of the mineralised structure over a 600m strike and to a depth 370m, with mineralisation remaining open, both laterally and down-dip. Preliminary metallurgical test work indicates mineralisation at Golden Age North is also free-milling and is therefore considered an attractive feed for the Wiluna CIL processing facility. Mining of the Golden Age North pit is scheduled to commence in the latter half of 2018.

Significant intercepts from the drilling include:

<b>2m @ 28.34 g/t</b> from 75m (incl. <b>1m @ 47.0 g/t</b> from 76m)	WURC0577
<b>8m @ 5.82 g/t</b> from 87m (incl. <b>4m @ 10.2 g/t</b> from 89m)	WURC0579
<b>6m @ 7.97 g/t</b> from 106m (incl. <b>1m @ 37.1 g/t</b> from 107m)	WURC0583

Figure 2. NW-SE-oriented long section through Golden Age North. Mineralisation open in multiple directions.



### Lake Way Drill Programme

2,593m (21 holes) of RC drilling and 499m (3 holes) of diamond core drilling were completed at the Lake Way project during the June quarter. The programme marks the recommencement of the resource definition and drill testing of extensions for the large mineralised system overlain by shallow cover at Lake Way (20km south of the Wiluna Mine).

Full results are still pending, and further drill programmes have been planned to infill the existing resource base in preparation for mining. Apart from the immediate extension to the existing Williamson pit there are a number of other highly prospective unmined targets that could be brought into a resource status following additional drilling. The area has the potential to host significant mineralisation and has been poorly tested to date owing to the lake sediments cover.

As part of regional first pass geochemical sampling, a programme of 415 air core holes for 3,786m was completed to the south of the Williamson pit. The data is being assessed and drilling planned for anomalous areas.

## Wiluna Mine Reserve Development

During Jun'18, Blackham's exploration team drilled 74 RC holes (7,008m) focused on delineating further free milling open pit reserves over the 4km's of strike at the Wiluna Mine. This is a continuation of the programme commenced in the March quarter. The current drilling is focused on free milling ores above the top of fresh rock (generally top 60-80m) which can be processed through the current plant.

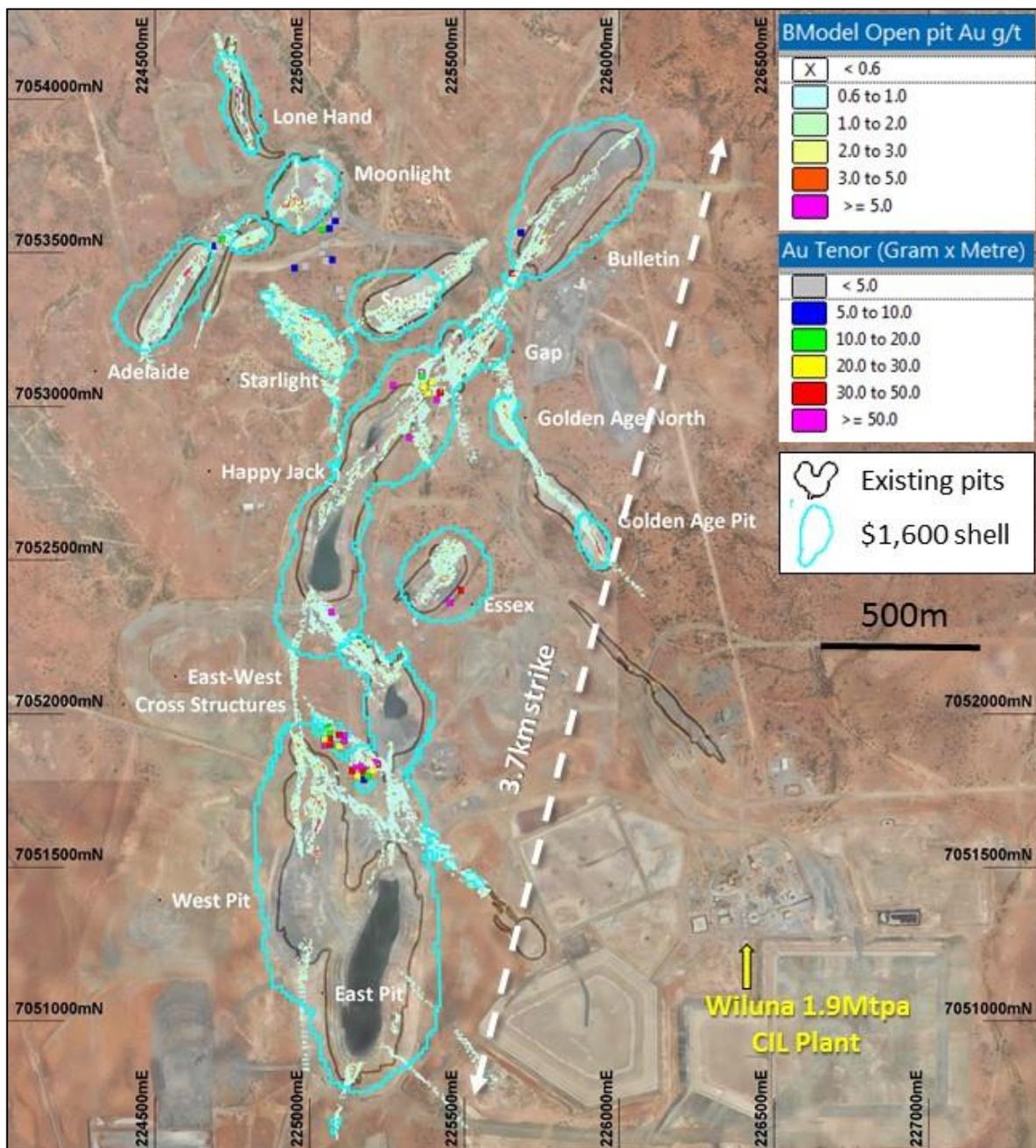


Figure 3. Wiluna existing historical open pits, pit optimisations at A\$1,600 Au / oz showing substantial pit extensions, shallow resource block model (<60m from surface) and latest drill hole locations with Au tenor.

Multiple encouraging intercepts were returned from a number of projects with the most significant being the close to surface intercepts at East-West that highlights the potential for discovering open pit oxide and transitional free-milling resources "under the headframe". Subsequent infill drilling commenced late in the quarter at the East -West prospect and mining is scheduled to commence in September 2018.

Best East West intercepts include:

16m @ 4.41g/t Au from 2m incl. 6m @ 9.53g/t	71g*m
20m @ 4.84g/t from 5m incl. 9m @ 8.76g/t	97g*m
19m @ 3.52g/t from 3m incl. 2m @ 10.63g/t	67g*m
22m @ 2.97g/t from 11m incl. 7m @ 5.90g/t	65g*m
14m @ 4.23g/t from 16m incl. 7m @ 7.66g/t	59g*m
22m @ 2.38g/t from 3m	52g*m
13m @ 3.58g/t from 48m incl. 3m @ 5.30g/t	47g*m

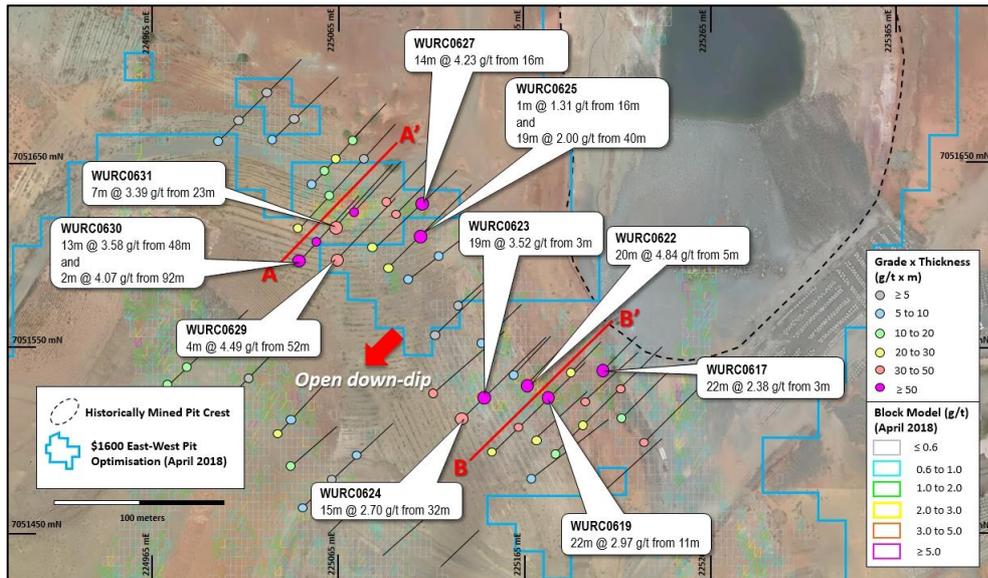


Figure 4. Plan view of significant intercepts from recent drilling at the East-West Cross pit cutback with resource block model grades and the \$1600 pit optimisation modelled (in blue) prior to this drilling.

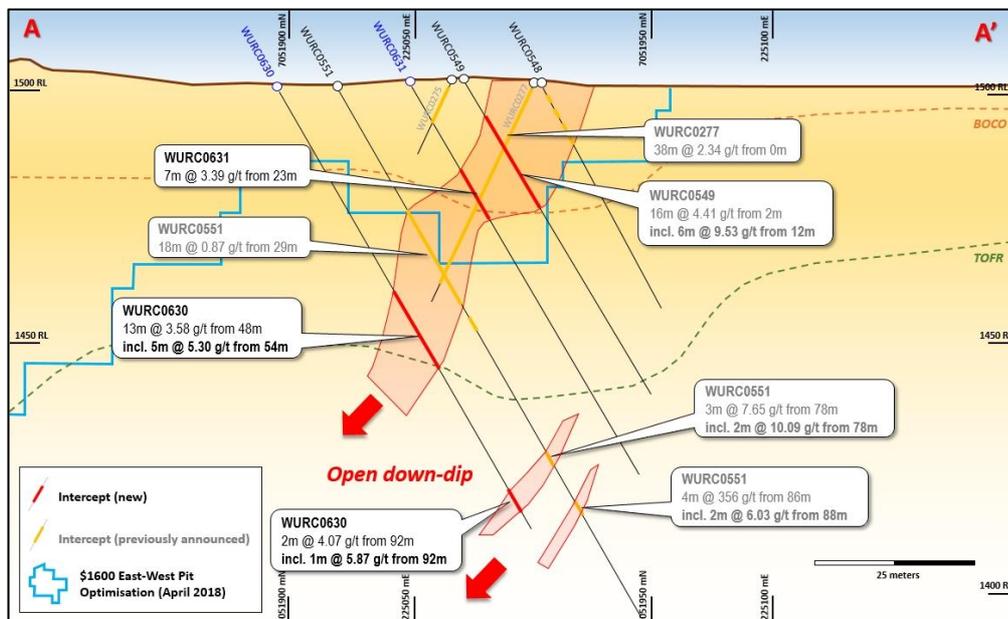


Figure 5. Section A-A' through East-West Cross Structures area. High grade mineralisation is close to surface with the majority lying above the top-of-fresh-rock and within the oxide/transitional zone.

## Wiltails Retreatment

An air core drilling programme (62 holes for 1617m) was completed over historic tailings dams and several pits backfilled by tailings, to better define the grade of the contained material. Details of this programme and a maiden JORC compliant resource estimation of 620,000oz (33.6Mt @ 0.57g/t Au) were announced to the ASX after the end of the reporting period (Wiluna Tailings – Maiden Resource; 24<sup>th</sup> July 2018).

With 620,000 contained ounces and a recovery of 42-50% the tailings form a potentially attractive extension to the processing life for the oxide operation. Consultant, Independent Metallurgical Operations (IMO), is assessing the viability of re-treating the historical Wiluna tailings with initial scoping studies suggesting they can be treated profitably.

Metallurgical work to date has looked at a number of processing solutions. The current base case flowsheet involves a simple whole of ore CIL leach without the need for additional concentration or grinding. As regrinding and concentration of the material is not required, processing costs are estimated at just \$5.50/t of ore. The Wiltails material could be processed through the existing or new CIL tanks. Studies continue to focus on further improvements to the flowsheet and how best to integrate with the existing gold operation.

## Wiluna Expansion Study

The Expansion Preliminary Feasibility Study (“Expansion PFS”) published on 30 August 2017, confirmed the robust economics for a +200kozpa long mine life operation. Key outcomes were life-of-mine AISC of A\$1,058/oz (US\$822/oz), IRR 123% and NPV<sub>8</sub> of \$360M before tax at A\$1,600/oz gold price.

The Expansion Definitive Feasibility Study is well advanced with the bulk of expenditure already incurred. Processing optimisation studies continue with a view to further de-risking the expansion opportunity. Work over the last quarter focused on improvements to the flotation circuit. Wiluna oxide/transition open pit mining is expected to commence this quarter further de-risking the geology and mining risks prior to committing further capital to the sulphide processing plant.

## Wiluna Nickel-Cobalt Project

Blackham’s Wiluna Nickel-Cobalt Project covers 40km’s of strike of the “Perseverance Ultramafics” sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. The project has an inferred JORC 2004 Nickel/Cobalt resource of 80.5Mt at 0.77% Ni, 0.058% Co (0.5% Ni cut-off). Due to high cobalt prices, Blackham has received strong interest from a number of parties interested in acquiring an interest in the project.

## Lake Way Potash Project

Salt Lake Potash Limited (SLP) and Blackham entered a Memorandum of Understanding, as announced by SLP on 12 March 2018, to investigate a potential development of a Sulphate of Potash operation based at Lake Way, near Wiluna. SLP holds approximately 290km<sup>2</sup> of tenure in the Lake Way area for which Blackham has acquired the gold rights. Blackham holds a further 62km<sup>2</sup> at the northern end of the Lake, surrounding the former Williamson Pit that was last mined in 2006 and mining is scheduled to recommence in 2019.

During the quarter, SLP advanced its Scoping Study on the construction of a demonstration plant on Blackham’s tenements over Lake Way. If this project proceeds there will be significant benefits to BLK including:

- Sharing of infrastructure costs and a reduction in tenements holding costs
- Dewatering of the Williamson Pit (scheduled for mining recommencement in 2019)

- Access to approximately 290km<sup>2</sup> of tenements prospective for gold to the south of the Wiluna Mine Sequence
- A royalty on potash production.

SLP has provided an update of their progress in their June 2018 Quarterly Report (ASX:SO4 dated 30 July 2018).

### Corporate and Cash Flows

The Company again improved its net debt position at 30 June 2018, to \$8.4 million (31 March 2018: \$10.4 million), with cash and bullion of \$23.9 million and secured interest-bearing debt of \$32.3 million.

Resolution of the mine sequencing issues experienced in the Dec'17 half have enabled record gold production for the Jun'18 half of 40,024oz @ AISC A\$1,294/oz (Dec'17 half: 30,541oz @ AISC A\$2,063/oz) with mill feed comprising mainly higher grade run of mine ore and with less dependence on low grade stockpiles.

AISC for the Jun'18 half of A\$1,294/oz (Dec'17 half: A\$2,063/oz) resulted from a step change in economics being achieved during the half. Excluding the impact of sustaining capital expenditure, which mainly comprised a tailings dam lift, AISC for the Jun'18 Qtr was A\$1,391/oz, and A\$1,141/oz for the half-year.

**Table 3 – All in Sustaining Costs**

Costs	Units	March 18 QTR	June 18 QTR	6 mths ending 30 June 18	YTD
Mining	A\$/oz	710	966	834	1,018
Processing	A\$/oz	340	422	380	414
Administration	A\$/oz	60	73	66	73
Capitalisation of UG decline development & OP pre-production mining costs, & stockpile movements	A\$/oz	(332)	(184)	(260)	(110)
Royalties, refining costs & silver sales	A\$/oz	109	109	109	103
Sustaining capital expenditure	A\$/oz	187	118	153	106
Overhead costs	A\$/oz	18	5	12	25
<b>All-in Sustaining Cost</b>	<b>A\$/oz</b>	<b>1,092</b>	<b>1,509</b>	<b>1,294</b>	<b>1,629</b>

The lower processing recovery for the Jun'18 quarter (now resolved in July) reduced gold production causing AISC to be slightly higher than guidance. Significantly higher stripping ratios impacted costs, as did abnormally high sustaining capital expenditure (being A\$118/oz for the quarter, mainly for a tailings dam lift).

Blackham's average realised gold price was A\$1,685/oz for the half and A\$1,696/oz for the Jun'18 quarter. The Company currently has gold forward sales contracts of 26,189oz @ A\$1,742/oz over the next 8 months.

### Production, Cost and Capital Guidance for FY19

Production guidance for FY19 is 77k-89koz @ an AISC of A\$1,250-\$1,450/oz. FY19 AISC is expected to be higher than Life of Mine AISC, particularly in the first half, due to the investment required to strip new mining areas in the Matilda Mine and to maintain a high mill throughput.

## Board and executive team further strengthened

On 22 June 2018, Blackham was pleased to announce the appointment of Mr Tony James as a Non-Executive Director of the Company. Blackham continues to strengthen the experience and composition of its Board and management team, which is focused on the successful delivery of the Company's near and longer-term mine plans.

Mr James is a mining engineer with considerable operational, new project development and corporate experience. The appointment of Mr James to the Board comes at a time when Blackham is planning to transition its open pit mining operations from the Matilda Mine back to the free milling orebodies at the Wiluna Mine. Mr James will provide valuable experience in peer reviewing our geological, mining and processing plans at Wiluna moving forward.

## Controlled Placement Agreement

During July 2018, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA provides BLK with up to \$10 million of standby equity capital over the coming 29 month-period. Importantly, Blackham retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of shares issued, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on Blackham to utilise the CPA and Blackham may terminate the CPA at any time, without cost or penalty. If Blackham does decide to utilise the CPA, Blackham is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Blackham and a 10% discount to a Volume Weighted Average Price over a period of Blackham's choosing (again at the sole discretion of Blackham).

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

Mining Centre	OPEN PIT RESOURCES									Total 100%		
	Measured			Indicated			Inferred			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>
Mining Centre	UNDERGROUND RESOURCES									Total 100%		
	Measured			Indicated			Inferred			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>

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. This table does not include the recently announced maiden resource for the Wiluna Tailings.

#### 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 currently re-estimating its resources as at 30 June 2018 which will be reported during the current quarter. The Wiltails resource reported on the 24<sup>th</sup> July 2018 is not reported in the above table and will be reported in the new update. Other than as disclosed in this paragraph 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.

**Blackham Resources Limited**  
**Schedule of Mineral Tenements and Rights at 30 June 2018**

Project	Tenement	Interest held by Blackham
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	M63/0194	100%
Scaddan	R63/0005	100%
Zanthus	E69/2506	100%
Matilda	E53/1644 to E53/1645	100%
Matilda	E53/1791	100%
Matilda	E53/1794	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	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	P53/1637	100%
Wiluna	P53/1642 to P53/1646	100%
Wiluna	P53/1666 to P53/1668	100%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0113	100%
Wiluna	M53/0121 to M53/0123	100%
Wiluna	M53/0147	100%
Wiluna	M53/0224	100%
Wiluna	M53/0253	100%
Wiluna	M53/0796 to M53/0798	100%
Wiluna	M53/0910	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	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%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%

Project	Tenement	Interest held by Blackham
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	M53/0139	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Galaxy	M53/0129 to M53/0131	100%
Galaxy	M53/1097	100%
Regency	M53/1098	100%
Wiluna	P53/1560	100%
Wiluna	R53/0001	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

### ABN

18 119 887 606

### Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	35,409	116,608
1.2	Payments for:	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(19,072)	(90,331)
	(d) staff costs	(4,275)	(13,996)
	(e) administration and corporate costs	(392)	(2,203)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	92	145
1.5	Interest and other costs of finance paid	(934)	(3,193)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	528
1.8	Other (provide details if material)	198	401
1.9	<b>Net cash from/(used in) operating activities</b>	<b>11,026</b>	<b>7,959</b>

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,175)	(5,249)
	(b) tenements (see item 10)		
	(c) investments	-	(256)
	(d) other non-current assets	-	167
2.2	Proceeds from the disposal of:	-	
	(a) property, plant and equipment	(80)	(78)
	(b) tenements (see item 10)	-	-
	(c) investments	5	5
	(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)	-	
	- exploration and evaluation	(2,795)	(6,726)
	- development (incl. pre-production mining)	(2,091)	(8,387)
2.6	<b>Net cash from/(used in) investing activities</b>	<b>(7,136)</b>	<b>(20,524)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	30	38,337
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	2	20
3.4	Transaction costs related to issues of shares, convertible notes or options	(63)	(3,201)
3.5	Proceeds from borrowings	-	14,300
3.6	Repayment of borrowings	(7,500)	(37,479)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Hedge book close out	-	3,007
	- Finance lease repayments	(37)	(146)
3.10	<b>Net cash from/(used in) financing activities</b>	<b>(7,568)</b>	<b>14,838</b>

		Current quarter \$A'000	Year to date (12 months) \$A'000
4	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	24,421	18,470
4.2	Net cash from/(used in) operating activities (item 1.9 above)	11,026	7,959
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(7,136)	(20,524)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	(7,568)	14,838
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>20,743</b>	<b>20,743</b>
	Bank guarantees at end of period	450	450
	Gold bullion at end of period	2,713	2,713
	<b>Total cash and bullion at end of period</b>	<b>23,906</b>	<b>23,906</b>

5	<b>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</b>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	14,743	8,421
5.2	Call deposits	6,000	16,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>20,743</b>	<b>24,421</b>

6	<b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	203
6.2	Aggregate amount of cash flow from loans to these parties included in item	-
6.3.	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

<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	30
7.2	Aggregate amount of cash flow from loans to these parties included in item	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Mr Milan Jerkovic is an officer of Xavier Group Pty Ltd, a company who provides consulting services to the Group.		

<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	32,301	32,301
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		
The loan facilities include:			
- A secured finance facility is held with Orion Fund JV Limited, with an interest rate of 10% p.a. with \$15.5m remaining			
- Two secured finance facilities are held with MACA Limited, with an interest rate of 10% p.a. with \$16.7m remaining			

<b>9</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	1,540
9.2	Development (incl. pre-production mining costs)	5,293
9.3	Production	22,519
9.4	Staff costs	4,178
9.5	Administration and corporate costs	338
9.6	Other	
	- Payments for plant (including payments for sustaining capital expenditure already accrued to 30 June 2018)	4,147
	- Interest payments	763
	- Repayments toward Orion Fund JV Limited Project Facility and MACA Limited Finance Facilities	12,769
	- Working capital movements	1,103
9.7	<b>Total</b>	<b>52,650</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	E28/2588 E69/3422 E53/1290 E53/1297 E53/1288	Zanthus Energy Zanthus Energy Kimba Resources Kimba Resources Kimba Resources	100% 100% 100% 100% 100%	0% 0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

## 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:

Date: 30 July 2018

(Company Secretary)

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.