BLACKHAM
Resources Limited

ANNUAL REPORT

30 JUNE 2018

CONTENTS

Company Directory

DIRECTORS

Milan Jerkovic	(Executive Chairman)
Bryan Dixon	(Managing Director)
Greg Fitzgerald	(Non-Executive Director)
Anthony James	(Non-Executive Director)
Geoffrey Jones	(Non-Executive Director)

COMPANY SECRETARY

Anthony Rechichi

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 3, 1 Altona Street
West Perth WA 6005

www.blackhamresources.com.au

SHARE REGISTRY

Link Market Services Limited
Level 12, 250 St Georges Terrace
PERTH WA 6000
Ph: +1300 554 474
Fax: +612 9287 0303

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
Code: BLK

SECURITIES ON ISSUE AT 30 JUNE 2018

Ordinary shares:	1,265,518,664
Listed options:	534,430,433
Unlisted options:	3,600,000
Zero Exercise Price Options:	51,596,895

AUDITOR

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

BANKERS

National Australia Bank
100 St Georges Terrace
PERTH WA 6000

ABN: 18 119 887 606

Chairman's Letter

Dear Shareholders,

During the past 12 months, your Company continued its journey to establishing itself as a profitable gold producer. A number of operating, technical, financing and corporate challenges needed to be overcome to produce a significant turnaround in the second half of the financial year. Operations were difficult in the first half of the year; however the underlying resolve of the Blackham team was demonstrated by the strong performance in the six months to June 2018. The processing plant has showed continuous improvement and valuable learnings were applied to improve mine planning. I would personally like to thank the whole Blackham team for their continued dedication and resolve to grow our Company.

I would like to acknowledge and thank our shareholders for their continued support. Shareholders represent the backbone of our Company and this was particularly evidenced by the strong level of acceptances in our renounceable rights offer completed in February. Blackham continues to work hard to reward shareholders, and commensurate with this objective, has taken steps to strengthen its Board of Directors. The diverse skills on Blackham's Board will provide sound technical and commercial guidance necessary to achieve operational excellence, define our longer-term strategy and crystallise value for our shareholders.

The upcoming financial year will see Blackham reap the benefits of the hard work performed in FY18. FY19 will include a transformation to Blackham's free-milling operations with mining of oxide and transitional material commencing at Wiluna. Your Company's ambition is to establish a rolling five-year free-milling plan and it is committed to supporting growth through exploration. In parallel, the Company will continue to work on unlocking significant value from its sulphide reserves and resources. Blackham is focussed on progressing its sulphide expansion plans to a Definitive Feasibility Study. The Expansion PFS confirmed gold production averaging 207,000ozpa is achievable on a very capital-efficient basis for a likely long mine life. The Expansion PFS provided the following key results:

- Initial Gold Production - 1.47Moz Au over initial 9 years
- Gold Production average - 207,000ozpa (first 6 yrs after expansion)
- LOM All in sustaining costs - A$1,058/oz
- Project cash flows - $571m with Initial Capex of $114m (based on A$1,600/oz gold price)
- NPV (@8%) - $360m and an IRR of 123% (based on A$1,600/oz gold price)

The Company continues to work on options to optimise and enhance the expansion plan.

I would like to thank the whole Blackham team, for their continued belief and work ethic to make Blackham a long-term success story. I look forward to witnessing the continued growth of our Company, and its people, as we strive for that next level of performance.

The regional scale and quality of our resource base is unique for a company of our size and as we deliver plans to unlock the vast geological potential, I expect shareholders will be rewarded.

Thank you

Milan Jerkovic
Executive Chairman
28 September 2018

Review of Operations

The Matilda-Wiluna Gold Operation ('Operation') is located in Australia's largest gold belt which stretches from Norseman to Wiluna and passes through Kalgoorlie and Leinster. Over the last seven years, Blackham has consolidated the entire Wiluna Goldfield within one tenement package covering over 1,100km^2. This consolidated tenement package has historically produced over 4.4 million ounces. In October 2016, Blackham produced first gold from the Operation.

HIGHLIGHTS

Since publishing the Blackham 2017 Annual Report, the Company has delivered the following results:

- Gold production has seen a positive step change since Jan'18
- Plant throughput has increased in every quarter of this financial year
- Operations have been significantly de-risked, including the successful transition to owner miner in the underground
- Total open pit & underground Resources have grown to Gold Resources of 96Mt @ 2.2g/t for 6.7Moz JORC 2012 (58% of which are Measured and Indicated Resources)
- Wiluna open pit resources of 19Mt @ 2.5g/t for 1.5Moz which have been delineated at a cost of $7/oz
- Significant amounts of free milling mineralisation continue to be identified at Wiluna, Golden Age and Lake Way
- A mining reserve of 1.2Moz underpinned by open pit mine reserves
- Expansion studies are working towards completion of the DFS with further work being performed, aimed at turning the Operation into one of Australia's more significant mines; and
- Board and operations team has been significantly strengthened.

CHALLENGES

During the year, the Company and its management experienced a number of challenges:

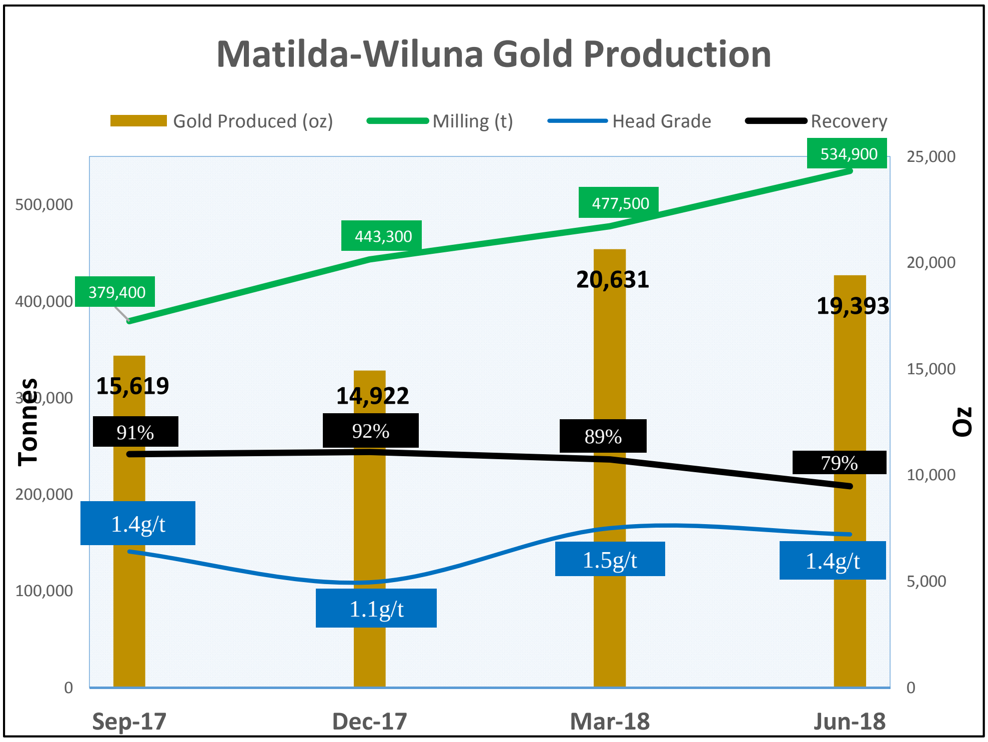
- A series of geotechnical issues at its Matilda mine increased costs and delayed ore to the plant during the Dec'17 half, resulting in a significant proportion of the mill feed during the Dec'17 half being drawn from low grade stockpiles
- A $60 million dollar funding package fell over on 14 December 2017
- Management successfully re-capitalised the Company through a $36 million, fully underwritten, renounceable entitlement offer which was 87% subscribed for by existing shareholders

The management team has continued to focus on the continual improvement and optimisation of the mine plan and the safe and efficient running of the Operation, whilst also exploring options for a sustainable, longer term operation.

OPERATIONS

Gold production during the year was 70,565oz, with demonstrably stronger performance for the six months to 30 June 2018. The Jun'18 half saw an increase in production of 31% on the previous half. This was driven by lower open pit mining strip ratios, higher mill grade and continuous improvements made by the processing team to the plant.

CHART 1 – GOLD PRODUCTION



Mill throughput improved in each successive quarter of FY18 with record throughput achieved in the Jun'18 quarter (535kt milled). Blackham's processing team achieved significant improvements to mill throughput from continued de-bottlenecking of the crushing, milling and leach circuits.

Mining during the six months to December 2017 involved extensive stripping, enabling access to higher grade zones in the M4 and Galaxy pits during the second half of the year. In the six months to December 2017, geotechnical incidents and related mine sequencing issues experienced, resulted in 43% of mill feed from low grade stockpiles. This compared to low grade stockpile feed of only 24,000t @ 0.7g/t in the second half of the year. Resolution of the open pit mine sequencing issues experienced in the December half enabled higher mill feed grades being supplied to the mill in the June half.

Significant efforts have been made by the mining team to reduce geotechnical risks at the Matilda mine. With higher grade ore expected to be mined from the Wiluna mine from October 2018, geotechnical risks to production are expected to be reduced, and additional mining areas available, are likely to lower the risk of mine sequencing issues. MACA Mining, the open pit mining contractor, has brought two additional large excavators and additional trucks to the Operation to increase material movements. This has allowed the open pit mining to move from 4 dig shifts to 5 dig shifts with an aim of investing in high grade stockpiles.

The successful move in November 2017 to an owner operator in the underground, with predominately air leg mining method, has significantly de-risked mining of the Golden Age Underground orebody. The air leg mining method is considered a lower-risk method and has resulted in lower tonnes being mined at a higher grade. Golden Age has consistently generated cash and is forecast to continue doing so.

TABLE 1 – FY18 GOLD PRODUCTION STATISTICS

	Units	6 months to December 2017	6 months to June 2018	30 June 2018	30 June 2017
Mining					
UG ore mined	t	56,885	20,723	77,608	65,596
UG mined grade	g/t	4.9	7.4	5.6	4.2
Open pit material moved	BCM	4,337,413	2,853,637	7,191,050	9,077,975
Open pit strip ratio	Waste/Ore	16.2	4.8	8.6	13.7
Open pit mined grade	g/t	1.2	1.3	1.3	1.0
Open pit ore mined	t	553,962	1,065,272	1,619,234	1,258,020
Total ore mined	t	610,847	1,085,995	1,696,842	1,323,616
Total mined grade	g/t	1.6	1.4	1.5	1.2
Total mined contained ounces	oz	30,841	50,442	81,283	51,068
Processing					
Tonnes processed	t	822,703	1,012,354	1,835,057	965,300
Grade processed	g/t	1.3	1.5	1.4	1.4
Plant recovery	%	91.8	83.7	87.3	91.7
Gold produced	**oz**	**30,541**	**40,024**	**70,565**	**39,413**
Gold sold	oz	30,999	40,403	71,402	37,826
Achieved gold price	A$/oz	1,615	1,685	1,654	1,591
Costs					
Mining	A$/oz	1,258	834	1,018	2,584
Processing	A$/oz	460	380	414	589
Administration	A$/oz	82	66	73	168
Capitalisation of UG decline development, OP pre-production mining costs and stockpile movements	A$/oz	86	(260)	(110)	(1,593)
Royalties, refining costs & silver sales	A$/oz	99	109	103	93
Sustaining capital expenditure	A$/oz	44	153	106	-
Overhead costs	A$/oz	34	12	25	34
All-in sustaining cost	**A$/oz**	**2,063**	**1,294**	**1,629**	**1,875**

The improvement in operation during the Jun'18 half resulted in gold production of 40,024oz @ ASIC A$1,294/oz (Dec'17 half: 30,541oz @ AISC A$2,063/oz).

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 September quarter, due to the investment required to strip new mining areas in the Matilda Mine, increase stockpiles and to maintain a high mill throughput.

RESOURCE SUMMARY

The Matilda-Wiluna Gold Operation's gold Resources of 96Mt @ 2.2g/t for 6.7Moz are to JORC 2012 standard (see below) and are all within a 20km radius of the Wiluna Gold Plant. 70Mt @ 1.7g/t for 3.9Moz (58% of total resources) are in the Measured and Indicated Resource category.

The Operations free milling gold resources are 24.5Mt @ 1.65g/t for 1.3Moz.

Table 2: Matilda & Wiluna Gold Operation Gold Resources

Matilda/Wiluna Gold Operation Resource Summary												
Open Pit Resources												
Mining Centre	**Measured**			**Indicated**			**Inferred**			**Total**		
	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	1.14	4	7.0	1.44	323	3.6	1.30	151	10.7	1.39	477
Wiluna[2]	-		-	15.4	2.38	1,181	3.1	3.21	324	18.6	2.52	1,505
Williamson[3]	-		-	4.1	1.68	219	1.6	1.58	79	5.6	1.65	298
Regent	-		-	0.7	2.71	61	3.1	3.11	210	3.8	2.22	271
Tailings	-		-	34.0	0.62	680	-		-	34.0	0.62	680
Stockpiles	-		-	0.5	0.84	15	-	-	-	0.5	0.84	15
OP Total	**0.1**	**1.14**	**4**	**61.7**	**1.25**	**2,479**	**11.4**	**2.08**	**763**	**73.2**	**1.38**	**3,246**
Underground Resources												
Mining Centre	**Measured**			**Indicated**			**Inferred**			**Total**		
	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]	-		-	8.0	5.37	1,376	13.5	4.33	1,885	21.5	4.72	3,262
Williamson[3]	-		-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age[4]	0.02	6.80	4	0.1	7.66	24	0.5	3.77	63	0.6	4.46	91
Galaxy[5]	-		-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
UG Total	**0.0**	**6.80**	**4**	**8.3**	**5.31**	**1,416**	**15.0**	**4.24**	**2,049**	**23.3**	**4.63**	**3,469**
Grand Total	**0.1**	**2.12**	**8**	**70.0**	**1.73**	**3,895**	**26.4**	**3.31**	**2,812**	**96.5**	**2.16**	**6,715**

For more information on the resource please refer to ASX announcement dated 13th September 2018.

RESOURCE AND RESERVE DEFINITION DRILLING

During the year, Blackham completed several projects aimed at strengthening and lengthening its gold reserves and ongoing exploration drilling targeted at new oxide deposits, to extend the current free milling mine life. The Company completed 20,700m of drilling between March and July 2018. This drilling, detailed below, is not included in the resources listed in Table 2 above. Blackham has managed to maintain its free milling resources at 1.3Moz and has replenished its depleted production during the first 8 months of the year.

In the six months to June 2018, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. In addition, revised mining and metallurgical studies, completed in the six months to June 2018, have confirmed that transitional ores are amenable to CIL processing. Blackham has confirmed the Wiluna free-milling material is an attractive feed stock for the current operating mill and are expecting to commence mining the higher grade ore at Wiluna in October 2018, only six months after commencing its oxide infill drilling program.

Blackham remains focused on extending the life of the Golden Age underground in line with the recent exploration success, close to existing mine access both at Golden Age lower and close to surface. From March to May 2018, Blackham completed a surface RC and underground diamond drilling programmes. Results released to the market in June identified high grade extensions at Golden Age confirming that 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 surface drilling include:

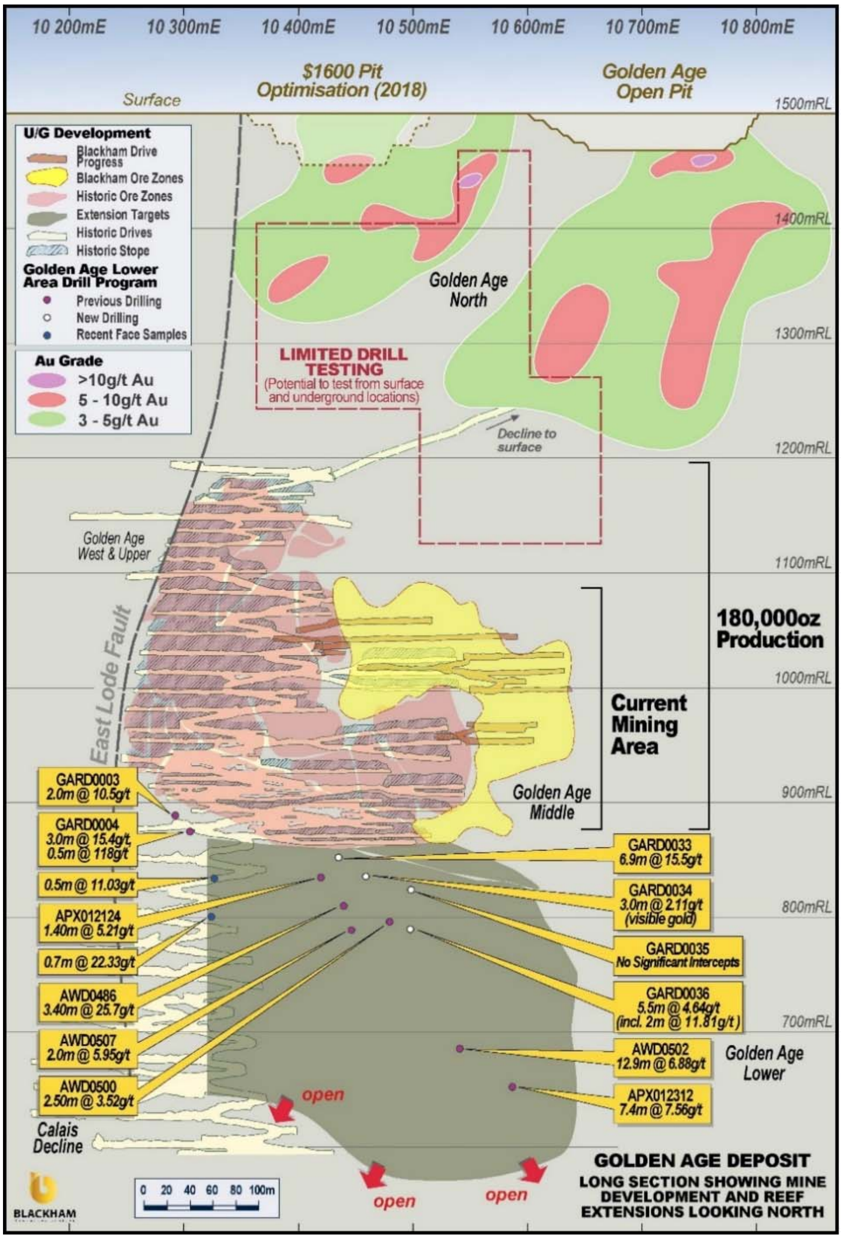
• **2m @ 28.34g/t** from 75m	WURC0577
• **8m @ 5.82g/t** from 87m	WURC0579
• **6m @ 7.97g/t** from 106m (incl. **1m @ 37.1 g/t** from 107m)	WURC0583
• **8m @ 9.10g/t** from 87m (incl. **3m @ 21.46g/t**)	WURC0668
• **8m @ 4.50g/t** from 74m	WURC0677
• **9m @ 3.62g/t** from 33m	WURC0667
• **4m @ 6.68g/t** from 48m	WURC0671

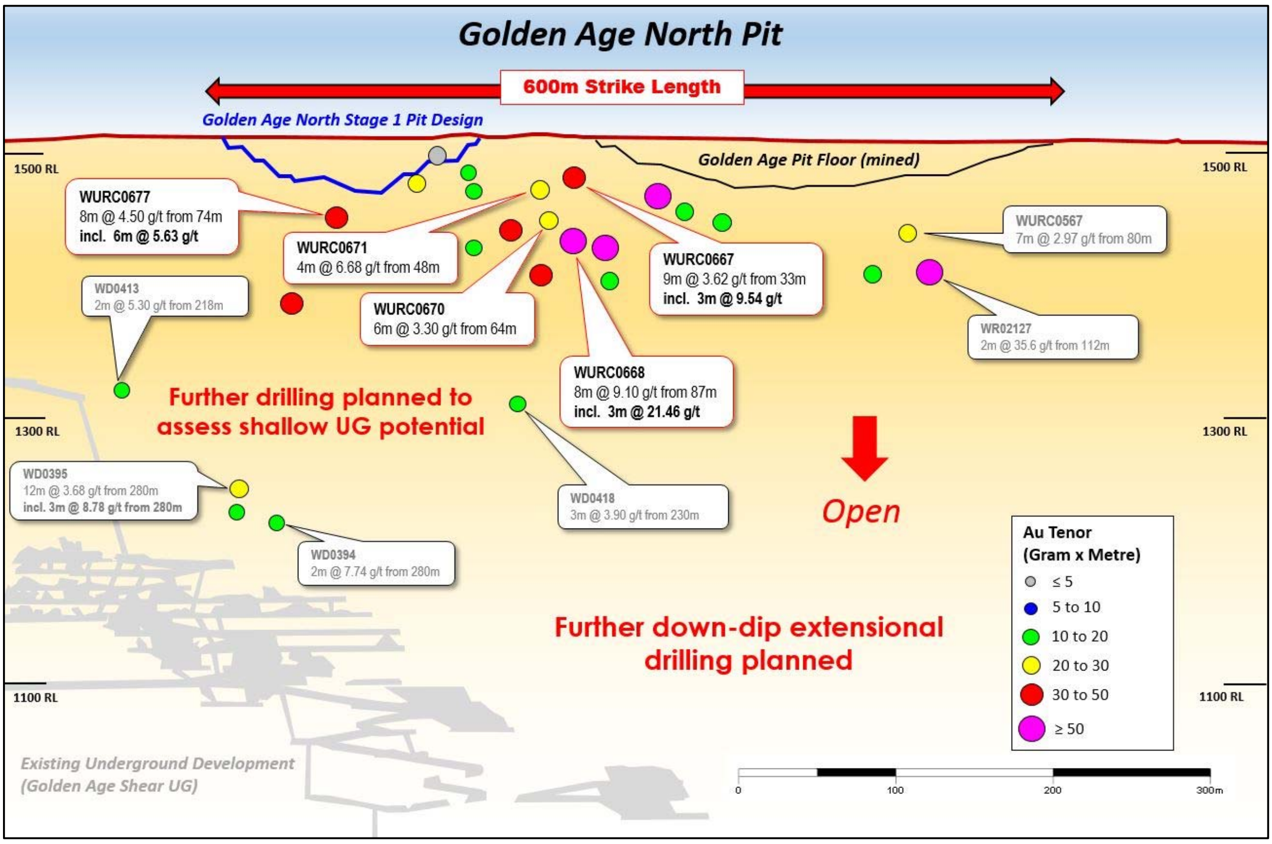
Significant intercepts from the underground drilling include:

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

Surface RC drilling above the underground Golden Age workings have confirmed the continuity of the mineralised structure over a 600m strike and to a depth of 370m, with mineralisation remaining open, both laterally and down-dip.

Metallurgical test work indicates mineralisation at Golden Age North is also free-milling, consistent with the Golden Age underground. Mining of the Golden Age North pit is scheduled to commence in the latter half of 2018.





The Lake Way drill programme was completed in the June quarter and is aligned with Blackham's strategy to extend the free-milling life to five years. Results from the RC and DD program confirm extensions to shallow high-grade mineralisation south of the planned pit cutback.

Significant intercepts from Williamson include:

11m @ 11.17g/t from 39m incl. **2m @ 53.05g/t**	123g*m	WMRC0049
6m @ 9.90g/t from 17m	71g*m	WMRC0042
2m @ 25.49g/t from 116m	53g*m	WMRC0046
10m @ 4.18g/t from 47m incl. **2m @ 9.37g/t** & **2m @ 5.77g/t**	42g*m	WMDD0006
4.3m @ 8.26g/t from 21.7m incl. **1m @ 28.86g/t**	36g*m	WMDD0007

WILTAILS RETREATMENT

With 620,000 contained ounces, and a recovery of 42-50%, the tailings form an attractive, potential 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 STUDIES

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, IRR 123% and NPV_8 of $360m before tax at a A$1,600/oz gold price.

The Expansion Definitive Feasibility Study ("Expansion DFS") is well advanced with the bulk of expenditure already incurred. Processing optimisation studies continue with a view to further de-risking the expansion opportunity. Recent work over the June quarter focused on improvements to the flotation circuit. Wiluna oxide/transition open pit mining during FY19 will further de-risk the geology and mining risks prior to committing further capital to the sulphide processing plant.

RESERVES

Reserves at 30 June 2018 are currently being re-estimated and will be published shortly.

Bryan Dixon
Managing Director
28 September 2018

Directors' Report

Your directors submit the financial report of Blackham Resources Limited ('Blackham' or the 'Company') and its controlled entities (the 'Group') for the year ended 30 June 2018.

DIRECTORS

The names of Directors who held office during or since the end of the financial year:

Milan Jerkovic **B.App.Sc (Geol), GDip (Mining), GDip (Mineral Economics), FausImm Maicd**
Executive Chairman

Mr Jerkovic is a geologist with over 30 years' experience in the mining industry including resource evaluation, operations, financing, acquisition, project development and general management. Mr Jerkovic is currently chairman of Geopacific Resources, director of Metals X Limited and principal of the Xavier Group. He was previously the CEO of Straits Resources Limited, has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia and was the founding chairman of Straits Asia Resources.

- Appointed: 27 November 2015
- Committee memberships: Audit & Risk (Chairman), Remuneration & Nomination until his resignation from both committees on 28 February 2018
- Other listed board memberships: Geopacific Resources Limited, Metals X Limited
- Previous listed board memberships: Nil for the last three years
- Interest in shares: 7,337,477
- Interest in options: 13,028,326

Bryan Dixon **BCom, CA, ACIS**
Managing Director

Mr Dixon has substantial experience in the mining sector and in the management of public and listed companies. Mr Dixon has previously been employed by an international accounting firm, Resolute Mining Limited and Archipelago Resources Plc. Mr Dixon is a Chartered Accountant and specialises in acquisition, feasibility, project development, operations and financing of mining projects.

- Appointed: 7 July 2006
- Committee memberships: Nil
- Other listed board memberships: Hodges Resources Ltd, Lithium Australia NL
- Previous listed board memberships: Nil for the last three years
- Interest in shares: 11,340,000
- Interest in options: 14,050,000

Greg Fitzgerald **BBus, CA**
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 until his resignation in 2017.

- Appointed: 19 February 2018
- Committee memberships: Audit & Risk (Chairman), Remuneration & Nomination (Chairman)
- Other listed board memberships: Nil
- Previous listed board memberships: Nil for the last three years
- Interest in shares: None
- Interest in options: None

Anthony James **BEng, AWASM, FAusImm**
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 Ltd, Atherton Resources Ltd and Mutiny Gold Ltd. At Atherton Resources, Mr James achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At Mutiny Gold, Mr James led the implementation of a revised development strategy for the Deflector copper-gold deposit in Western Australia that resulted in the successful merger of Mutiny Gold and Doray Minerals Ltd.

Prior to this, Mr James held a number of senior executive positions with international gold producer Alacer Gold Corporation following the merger of Anatolia Minerals and Avoca Resources in 2011. As the Chief Operations Officer of Avoca Resources, he played a key role in Avoca's initial growth and success, leading the feasibility, development and operations of the Trident Underground Mine and the Higginsville Gold Operations.

- Appointed: 22 June 2018
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed board memberships: Carbine Resources Limited, Apollo Consolidated Limited
- Previous listed board memberships: Atherton Resources Limited (to November 2015)
- Interest in shares: None
- Interest in options: None

Geoffrey Jones **BE (Civil), FIEAust, CPEng**
Non-executive Director

Mr Jones is a Civil Engineer with over 30 years' experience in construction, engineering, mineral processing and project development in Australia and overseas. He has previously worked for Baulderstone Hornibrook, John Holland, Minproc Engineers and Signet Engineering before serving over six years as Group Project Engineer for Resolute Mining Limited, where he was responsible for the development of its mining projects in Australia, Ghana and Tanzania. He also founded a project management and engineering consultancy concentrating on the management of projects for ASX listed companies in the resources sector.

Mr Jones was General Manager of Sedgman Limited's metals engineering business and also responsible for the strategic development of its metals engineering division internationally, prior to joining GR Engineering Services Limited as Chief Operating Officer in 2011. Geoff was appointed Managing Director of GR Engineering Services Limited in July 2013.

- Appointed: 1 August 2018
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed board memberships: GR Engineering Services Limited, Ausgold Limited, Marindi Metals Limited
- Previous listed board memberships: Azumah Resources Limited (to July 2018), Energy Metals Limited (to February 2017)
- Interest in shares: None
- Interest in options: None

Greg Miles **BSc, GDip (Geol)**
Non-executive Director

- Appointed: 17 October 2011
- Resigned 1 August 2018

Peter Rozenauers **BMe (Hons I), MAppFin, MAusImm**
Non-executive Director

- Appointed: 17 June 2015
- Resigned 19 September 2017

Anthony Rechichi **FCA, BCom**
Company Secretary - appointed 17 September 2018

Mr Rechichi is a Chartered Accountant and accomplished senior accounting and finance professional with over 18 years of experience in public companies and professional services, predominantly in the gold mining industry. Prior to joining the team at Blackham, Mr Rechichi spent ten years with Resolute Mining Limited where he most recently performed the role of General Manager – Finance, playing a key role in long term budgeting and forecasting across three operating mines with a key focus on cost control, treasury management, financial reporting and taxation planning and compliance. Mr Rechichi is also the Chief Financial Officer of the Group.

Mike Robbins
Company Secretary – resigned 17 September 2018

Mr Robbins has over 20 years resource industry experience gathered at both operational and corporate levels, both within Australia and overseas. During that time, he has held numerous project and corporate office management positions and is also Chief Financial Officer and Company Secretary for three other listed entities.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:
- production of gold from the Matilda-Wiluna Gold Operation; and
- gold exploration and development.

REVIEW AND RESULTS OF OPERATIONS

Production

Gold production in the financial year was 70,565oz, with demonstrably stronger performance for the six months to 30 June 2018. The second half of the year saw a 31% increase in production on the previous half. This was driven by lower open pit mining strip ratios, higher mill grade and continuous improvements made by the processing team to the plant. Mill throughput improved in each successive quarter of FY18 with record throughput achieved in the Jun'18 quarter (535kt milled).

Mining during the six months to December 2017 involved extensive stripping, enabling access to higher grade zones in the M4 and Galaxy pits during the second half of the year. In the six months to December 2017, geotechnical incidents and related mine sequencing issues experienced resulted in a high proportion of mill feed from low grade stockpiles (454,000t @ 0.7g/t). This compared to low grade stockpile feed of only 24,000t @ 0.7g/t in the second half of the year.

The successful move in November 2017 to an owner operator with predominately air leg mining method has significantly de-risked mining of the Golden Age Underground orebody. The air leg mining method is considered a lower-risk method and has resulted in lower tonnes being mined at a higher grade. Golden Age has consistently generated cash and is forecast to continue to do so.

TABLE 3 – FY18 GOLD PRODUCTION STATISTICS

	Units	6 months to December 2017	6 months to June 2018	30 June 2018	30 June 2017
Mining					
Open pit strip ratio	BCM/BCM	16.2	4.8	8.6	13.7
Total ore mined (UG and open pit)	t	610,847	1,085,995	1,696,842	1,323,616
Total mined grade	g/t	1.6	1.4	1.5	1.2
Total mined contained ounces	oz	30,841	50,442	81,283	51,068
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Tonnes processed	t	822,703	1,012,354	1,835,057	965,300
Grade processed	g/t	1.3	1.47	1.38	1.4
Plant recovery	%	91.8	83.7	87.3	91.7
Gold produced	**oz**	**30,541**	**40,024**	**70,565**	**39,413**
All-in sustaining cost	**A$/oz**	**2,063**	**1,294**	**1,629**	**1,875**

Exploration and Resource Definition Drilling

During the year, Blackham completed several projects aimed at increasing its gold reserves and ongoing exploration drilling targeted at new oxide deposits to extend the current free milling mine life. Reserves at 30 June 2018 are currently being re-estimated and will be published imminently.

In the six months to June 2018, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. Blackham believes the Wiluna free-milling material is an attractive feed stock for the current operating mill and has fast tracked mining approvals to access these mining areas in FY19.

The Lake Way drill programme was completed in the Jun'18 quarter and is aligned with Blackham's strategy to extend the free-milling life to five years. Results from the RC and diamond drilling programmes confirm extensions to shallow high-grade mineralisation south of the planned pit cutback.

Blackham remains focused on extending the life of the Golden Age underground in line with the recent exploration success close to existing mine access. Results released to the market in June identified high grade extensions at Golden Age, confirming that mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling.

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 on 24 July 2018.

Wiluna Expansion Study

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 June quarter focused on improvements to the flotation circuit. Wiluna oxide/transition open pit mining is expected to commence in the first quarter of this year, further de-risking the geology and mining risks prior to committing further capital to the sulphide processing plant.

Results

The loss after tax for the financial year was $20,027,000 (2017: $6,844,000). The Group's net assets at the end of the year were $103,126,000 (2017: $86,325,000).

Equity Placements

On 19 February 2018, the Company announced that it had raised gross proceeds of $35.9 million through a placement of 898 million shares at a price of $0.04 per share.

Other equity financing

The Australian Special Opportunity Fund (ASOF) facility was terminated on 17 January 2018. A total of $2,400,000 was drawn down over the term of the facility.

Debt financing
The company refinanced its non-amortising term loan ("Term Loan") with Orion Fund JV Limited ("Orion"), via a new, secured $14.3 million financing arrangement with its key mining contractor, MACA Limited.

The Orion Term Loan was fully repaid in February 2018. The company has a separate fully drawn Project Financing Facility of $23 million that remains in place with Orion, which was reduced to $15.5 million by 30 June 2018.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments of which the directors are aware which could significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Events Subsequent to Reporting Date sections of the Directors' Report.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend for the 2018 financial year and no amount has been paid or declared by way of a dividend to the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

Convertible Security Funding Agreement
On 25 September 2018, Blackham announced the execution of an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ("Lind") for up to A$23 million in total capital. The initial funding commitment of A$7.5 million is to be funded within 20 business days of execution.

Lind's initial A$7.5 million investment will be provided as a Secured Convertible Note ("Convertible Note 1") with a 24 month term, the proceeds of which will be used, along with Blackham's current cash, to fully repay the short term secured debt owed to Orion Fund JV Limited. With the Orion debt fully repaid, Blackham will be able to re-direct operational cash flows to expand its reserves and finalise the Wiluna Expansion Definitive Feasibility Study.

The Funding Agreement includes repayment provisions that allow for conversion into Blackham shares ("Shares"), optional cash payments, or early repayment at the Company's sole discretion at any time. A lock-up provision restricts conversion of debt into Shares for four and a half months until 14 February 2019, two weeks after the expiry of the Company's 534 million listed options which are exercisable at 8 cents per Share. Any proceeds from the exercise of listed options will be directed to repaying Convertible Note 1.

Key Aspects of the Funding Agreement
The Funding Agreement is underpinned by the ability to draw up to $23,000,000 in a number of tranches from Lind. The terms of the Funding Agreement expressly allow Blackham to carry out additional private placements of equity and debt funding or engage in other financing transactions.

For Convertible Note 1, Lind will initially advance $7.5 million to Blackham who will issue a secured redeemable convertible note with a face value amount of $9 million, inclusive of interest. Blackham has the right to redeem Convertible Note 1 at any time which, if repaid within six months, can be redeemed at a discounted face value of A$8.25 million. Lind cannot convert Convertible Note 1 into Shares prior to 14 February 2019.

After 14 February 2019, the Company will repay the amounts owed to Lind via monthly instalments of 1/12th of the face value, which can be paid, at the Company's option each month, in cash or Shares; if in Shares, at a price being the minimum of $0.08 per share or 90% of five daily VWAPs during a specified period of time ("Conversion Price"). Additionally, the Company can use cash to redeem the entire outstanding amount at any time for no penalty, subject to Lind having the right to elect to convert 30% of the Face Value at the Conversion Price.

As part of the consideration payable for this Funding Agreement, the Company will issue 72 million Blackham options to Lind with an exercise price of 8 cents and an expiry of 5 years from issue. Security will be provided to Lind by way of the issue of 50 million collateral Shares that will be credited at the end of the Funding Agreement.

The parties have agreed that no more than 114,000,000 Shares ('Initial Maximum Share Number') can be issued under Convertible Note 1 without shareholder approval. As the Initial Maximum Share Number is within the Company's ASX Listing

Rule 7.1 placement capacity, shareholder approval is not required for Convertible Note 1 to proceed. The Company will ratify the issue of Convertible Note 1 at its annual general meeting and seek shareholder approval for the issue of Convertible Note 1 to the extent it can convert into Shares above the Initial Maximum Share Number.

Drawdown of $6 million is expected within seven business days with the remaining $1.5 million of Convertible Note 1 to be received within 20 business days of the date of the Funding Agreement.

Further drawdowns via convertible securities under the Financing Agreement would provide Blackham with the option to obtain additional funding, if necessary, and would be subject to prior shareholder approvals, mutual agreement by both parties and Blackham maintaining a minimum market capitalisation of A$80 million. Any further drawdowns would be funded, on equivalent terms to Convertible Note 1, including the issue of further options in connection with each tranche (also subject to prior shareholder approvals). Lind has the right to reinvest up to A$3 million in a convertible note on similar terms to Convertible Note 1, subject to shareholder approval. Lind has agreed not to acquire 10% or more of the total fully paid ordinary Shares in the capital of the Company.

Controlled Placement Agreement
During July 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Blackham with up to $10 million of standby equity capital over the coming 27 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).

Issue of shares
Pursuant to the abovementioned Convertible Security Funding Agreement, the Company issued 50,000,000 collateral shares to Lind Asset Management XIV, LLC on 26 September 2018.

Furthermore, pursuant to the abovementioned Controlled Placement Agreement, the Company issued 25,000,000 collateral shares to Acuity Capital Investment Management ATF Acuity Capital Holdings Trust on 26 September 2018.

Apart from the above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

The number of directors' meetings held (including meetings of the Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Director's meeting Eligible	Director's meeting Attended	Audit and Risk Committee Eligible	Audit and Risk Committee Attended	Remuneration and Nomination Committee Eligible	Remuneration and Nomination Committee Attended
Milan Jerkovic(i)	10	10	2	2	1	1
Bryan Dixon	10	10	n/a	n/a	n/a	n/a
Greg Fitzgerald(ii)	4	4	1	1	2	2
Anthony James(iii)	-	-	n/a	n/a	n/a	n/a
Greg Miles	10	9	3	3	3	3
Peter Rozenauers(iv)	2	2	n/a	n/a	n/a	n/a

(i) Mr Jerkovic resigned from the Audit & Risk Committee and Remuneration & Nomination Committee on 28 February 2018.
(ii) Mr Fitzgerald was appointed as a director on 19 February 2018. Mr Fitzgerald was appointed to the Audit & Risk Committee and Remuneration & Nomination Committee on 28 February 2018.
(iii) Mr James was appointed as a director on 22 June 2018.
(iv) Mr Rozenauers resigned as a director on 19 September 2017.

ENVIRONMENTAL ISSUES

The Group is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Group's contracts or licences.

OPTIONS

Options on issue at the date of this report:

Grant date	Expiry date	Exercise price	Number
12 August 2016	12 August 2019	$0.5700	200,000
2 December 2016	1 June 2019	$1.0000	1,000,000
1 September 2017	29 February 2020	$0.3080	2,000,000
19 February 2018	31 January 2019	$0.0800	491,957,703
11 May 2018	31 January 2019	$0.0800	42,472,730
11 May 2018	31 December 2021	$0.0000	51,596,895
Total			**589,227,328**

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of the Company were issued during the year ended 30 June 2018 and up to the date of this report on the exercise of options granted:

Exercise date	Exercise price	Number
25 October 2017	$0.2560	67,969
5 April 2018	$0.0800	11,000
6 April 2018	$0.0800	18,750
Total		**97,719**

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of the Company were issued during the year ended 30 June 2018 and up to the date of this report on the exercise of performance rights granted:

Exercise date	Number
24 July 2017	400,000
25 October 2017	150,000
Total	**550,000**

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings. The Group was not a party to any such proceedings during the year.

INDEMNIFYING OFFICERS AND AUDITORS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Group's auditor.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001*is attached to the Director's Report.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

REMUNERATION FRAMEWORK

In April 2017, Blackham engaged an independent expert to design a transparent and comprehensive remuneration approach that would attract, retain and motivate the right calibre of person for the business. A revised Remuneration Policy was proposed which:

- *(a) was simple and transparent;*
- *(b) promotes the interests of the Company over the medium and long term;*
- *(c) encourages a 'pay for performance' culture; and*
- *(d) is reflective of good corporate governance.*

This original framework was adopted by the Board.

Following the January 2018 recapitalisation, the Board agreed to re-engage the independent expert to further assist with providing a more simplified framework more aligned with the Company's peers. Further consultative work was also undertaken with other parties, including direct advice from some of the Company's peers and from the recently appointed Blackham Non-Executive Director and Chairman of the Remuneration and Nomination Committee, Mr Greg Fitzgerald.

Outcome of the Independent and Consultative Reviews

As a result, at the Board's absolute discretion, the Board, the Executive and Key Management Personnel are eligible to participate in the incentive arrangements of the Company. The incentive plan focuses the efforts of the executive and management team on business performance, business sustainability, business growth and long term value creation. It provides for clear 'line of sight' objectives to maximise the effectiveness of the participants' total incentive awards; and facilitates the meaningful accumulation of Shares by participants to enforce an ownership mentality which in addition to having a retentive benefit, also further aligns management interests with those of the Shareholders. The revised Remuneration Policy, including the incentive plan, has been tailored to increase goal congruence between Shareholders and executives. Two methods have been applied to achieve this aim, being the Operations and Growth Incentive Plan (short term) and the Value Creation Plan (long term) both of which are administered under the Blackham Employee Option Plan ("EOP").

REMUNERATION FRAMEWORK OVERVIEW

Category	Definition of pay category	Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total Fixed Remuneration ('TFR')	Pay for meeting role requirements
Incentive pay	Pay for delivering the plan and growth agenda for the Group which must create value for shareholders. Incentive pay will be linked to achievement of 'line-of-sight' performance goals *It reflects 'pay for performance'*	Short Term Incentive ('STI')	Incentive for the achievement of annual objectives Incentive for the achievement of sustained business value
Reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. *It reflects 'pay for results'*	Long Term Incentive ('LTI')	Reward for performance over the long term

The incentive opportunities under the revised Remuneration Policy contain a maximum amount of Total Incentive Opportunity ('TIO'), as shown below:

MAXIMUM TOTAL INCENTIVE OPPORTUNITY AS A PERCENTAGE OF TFR ON AN ANNUAL BASIS

Plan:	**BLK Ops & Growth**	**BLK Value Creation**	
Performance period:	**1 year (STI)**	**3 year vest (LTI)**	
Award:	**Cash**	**ZEPO's**	**TIO**
Managing Director	48%	36%	84%
Other Executives	48%	15-25%	63-73%

The LTI as a percentage of TFR shown in the above table has been calculated on the basis that LTIs will only be granted once every three years. For example, the FY18 grant to the Managing Director equates to 109% of his TFR, and this expense will be amortised over the 3 year term of the LTIs to show a LTI opportunity per annum equal to 36% of TFR (i.e. 109% divided by 3 years). The maximum amount of TIO will only be delivered to Directors, the Executive and/or Key Management Personnel if the highest performance levels for each of the performance hurdles are achieved. The actual value of incentives may be zero if the performance hurdles are not met.

It should be noted that the main changes to the original framework were the increase in TFR rates to the independent expert's target values, the removal of the Medium Term Incentives and the decrease in the LTI vesting period from four years to three years.

The Total Annual Remuneration (i.e. TFR + STI + LTI) for the Managing Director and the Executive team has been set at a level that is in line with the average Total Annual Remuneration for a peer group of Australian based gold miners.

Performance Hurdles
Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following performance hurdles:

Short Term Incentive ('STI') performance metrics *(paid in the form of a cash bonus and to ensure goal alignment, are consistent amongst all the Executive):*

Company performance (80%)

- Company operating cash flow
- Cost per tonne milled
- Production target gold ounces
- Safety measures (Total Reportable Injury Frequency Rate "TRIFR")
- Reserve/resource growth

Individual performance (20%)

- Individual specific goals and supervisory discretion

Long Term Incentive ('LTI') performance metrics *(paid in ZEPO's and to ensure goal alignment, are consistent amongst all the Executive):*

- Performance versus ASX Gold Index (*)
- Reserves increased
- Resources maintained

(*) – the hurdle relating to the performance versus the ASX Gold Index will see 50% of this portion of the ZEPO's vest if BLK's share price outperforms the ASX Gold Index. 100% of this portion of the ZEPO's will vest if the BLK share price outperforms the ASX Gold Index by at least 50%. The payout will increase on a straight line basis between these two points.

Vesting conditions for LTI performance hurdles will be tested once only at the end of every 3 year measurement period i.e. as at 31 December 2020.

The introduction of the STIs and LTIs are effective and measured from 1 January 2018 (i.e. from the start of the recapitalisation period). The initial STI covered the 6 month period ended 30 June 2018 and the subsequent STIs will be for 12 month periods aligned to each financial year. The LTI will be for the 3 year period from 1 January 2018 to 31 December 2020 (i.e. a 3 year testing period).

EXECUTIVE CHAIRMAN REMUNERATION

In the announcement dated 15 January 2018, Blackham committed to strengthening the composition of the Board and management team to focus on the successful implementation of the recapitalisation strategy and delivery of the near and longer-term mine plan. Mr Jerkovic assumed the role of Executive Chairman of Blackham as part of the recapitalisation strategy. Whilst in the role of Executive Chairman, it was agreed by the Board, that Mr Jerkovic would be entitled to the following:

- Fixed Remuneration - $25,000 per month
- 10,000,000 ZEPO's.

The Board agreed remuneration for Mr Jerkovic is based on the calendar-year 2018 turnaround story of the Company and the hurdles have been aligned accordingly. Mr Jerkovic's appointment to the role of Executive Chairman is a short-term extraordinary appointment and therefore sits outside the recommended ordinary remuneration framework in place for the other Key Management Personnel.

The performance hurdles agreed with Mr Jerkovic are:

- 75% of the ZEPO's will be in the form of a STI which will be subjected to performance hurdles around Company performance, normalisation of trade payables, repayment of the Orion debt, Board and Executive team composition (including review and actioning), building of ore stockpiles and advancing the 5 year free milling LOM plan. This is divided into two discrete periods, with the first period being the 6 months ended 30 June 2018 and the second period being the 6 months ending 31 December 2018.
- 25% of the ZEPO's to be in the form of an LTI on the same terms and conditions as the other ZEPOs to be issued to the Managing Director and the Executive team (i.e. with a 3 year term).

Please note that the Medium Term Incentives mentioned as part of Mr Jerkovic's package in the announcement on 15 January 2018, have been replaced with STIs under the revised remuneration framework.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2017 ANNUAL GENERAL MEETING ('AGM')

At the 2017 AGM the remuneration resolution received a "first strike", representing a "no" vote from 56.1% of shareholders voting at the meeting, either personally or by proxy.

Since the AGM, the board has invested considerable time and effort engaging with stakeholders and has reviewed the remuneration structure accordingly.

The board believes that the remuneration policy and practices described in this report address the key concerns of stakeholders that were expressed.

KEY MANAGEMENT PERSONNEL

The key management personnel of the Company consisted of the following directors and executives:

Directors	Position
Milan Jerkovic	Executive Chairman
Bryan Dixon	Managing Director
Greg Fitzgerald	Non-executive Director - commenced on 19 February 2018
Anthony James	Non-executive Director – commenced 22 June 2018
Greg Miles	Non-executive Director – resigned on 1 August 2018
Peter Rozenauers	Non-executive Director – resigned on 19 September 2017
Key Management Personnel ("KMP")	**Position**
Richard Boffey	General Manager –Matilda-Wiluna Gold Operation -until 31 March 2018; then Chief Operations Officer from 1 April 2018
Jonathan Lea	Chief Geological Officer – commenced 1 February 2018
Bruce Kendall	Chief Geological Officer – resigned 16 February 2018
Anthony Rechichi	Chief Financial Officer

Mr Greg Miles resigned from the board on 1 August 2018 and Mr Geoffrey Jones was appointed as a Non-executive Director on that same day. There have been no other changes since the end of the reporting period to the key management personnel of the Company.

The details of the Key Management Personnel's remuneration have been set out in the following tables.

REMUNERATION STRUCTURE FOR KEY MANAGEMENT PERSONNEL

Managing Director and Executive Remuneration

Remuneration is based on the following components approved by the Remuneration and Nomination Committee;

- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave

Table 1: Contract terms for Key Management Personnel:

Name	Title	Term of Agreement	Notice Period by Executive	Notice Period by Company	Termination benefit
Milan Jerkovic	Executive Chairman	Open	3 months notice	3 months notice	n/a
Bryan Dixon	Managing Director	Open	3 - 6 months notice	6 months notice	Up to 12 months
Greg Fitzgerald	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Anthony James	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Greg Miles (resigned 1 August 2018)	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Richard Boffey	Chief Operations Officer	Open	4 weeks written notice	4 weeks written notice. 6 months written notice in the event of a "change of control"	n/a
Jonathan Lea	Chief Geological Officer	Open	8 weeks written notice	8 weeks written notice	n/a
Anthony Rechichi	Chief Financial Officer	Open	90 days written notice	90 days written notice	n/a

KEY MANAGEMENT PERSONNEL REMUNERATION

Table 2: Remuneration for the year ended 30 June 2018

	Short term					Post employment	Long term					Performance related	
2018	**Salary & fees**	**STI**	**Discretionary cash bonus**	**Non-monetary benefits***	**Annual leave**	**Super-annuation**	**Long service leave**	**LTI**	**Performance rights**	**Termination payments**	**Total**	**At risk – STI**	**At risk - LTI**
	$	$	$	$	$	$	$	$	$	$	$	%	%
Directors													
Milan Jerkovic	205,481	[viii]148,059	-	5,929	-	19,521	-	6,980	(76,457)	-	309,513	48%	(22%)
Bryan Dixon[i]	487,000	[ix]53,825	-	5,929	-	-	-	27,918	(194,074)	-	380,598	14%	(44%)
Greg Fitzgerald[ii]	33,744	-	-	-	-	3,206	-	-	-	-	36,950	-	-
Anthony James[iii]	1,791	-	-	-	-	170	-	-	-	-	1,961	-	-
Greg Miles[iv]	85,000	-	-	-	-	-	-	-	-	-	85,000	-	-
Peter Rozenauers[v]	-	-	-	-	-	-	-	-	-	-	-	-	-
Other KMP													
Richard Boffey	294,521	[ix]39,788	-	-	24,422	27,979	1,212	(9,578)	(35,106)	-	343,238	12%	(13%)
Bruce Kendall[vi]	138,487	-	[x]60,000	5,230	10,655	13,156	123	44,467	27,052	7,340	306,510	20%	23%
Jonathan Lea[vii]	94,064	[ix]27,852	-	698	7,167	8,936	-	7,965	-	-	146,682	19%	5%
Anthony Rechichi	251,599	[ix]31,831	[x]15,000	4,450	18,772	23,902	244	9,102	-	-	354,900	13%	3%
Total	**1,591,687**	**301,355**	**75,000**	**22,236**	**61,016**	**96,870**	**1,579**	**86,854**	**(278,585)**	**7,340**	**1,965,352**		

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

i) An aggregate amount of $540,825 (2017: $361,667) was paid or was due and payable to Warrior Strategic Pty Ltd, a company controlled by Mr Bryan Dixon, for the provision of corporate and management services to the Company in lieu of Mr Dixon's remuneration. Mr Dixon's remuneration was reset last year to bring his fixed remuneration closer to the average for a peer group of Australian based gold miners.

ii) Mr Greg Fitzgerald was appointed on 19 February 2018.

iii) Mr Anthony James was appointed on 22 June 2018.

iv) An aggregate amount of $85,000 (2017: $55,000) was paid or was due and payable to Hidden Asset Pty Ltd, a company controlled by Mr Greg Miles, for the provision of corporate and management services to the Group in lieu of Mr Miles' remuneration.

v) Mr Peter Rozenauers resigned on 19 September 2017.

vi) Mr Kendall resigned 16 February 2018.

vii) Mr Lea was appointed on 1 February 2018.

viii) Mr Jerkovic's STI metrics are described in the "Executive Chairman Remuneration" section. The STI opportunity for the 6 months ended 30 June 2018 was 3,750,000 Zero Exercise Price Options. 48% of these ZEPO's are expected to vest due to achieving threshold performance for cost per tonne milled and gold production and above target performance for safety. The fair value of the ZEPO's to vest for the 6 month period has been shown as STI remuneration in the table above.

ix) The STI remuneration represents the estimated amounts to be paid in cash on or around October 2018 and relates to incentives offered for the 6 month period ended 30 June 2018. The STI opportunity equates to 48% of their fixed remuneration over this period, and in line with their performance, an average of 55% of this STI opportunity was earned due to a combination of better than target performance for cost per tonne milled, threshold performance for operating cashflows and gold production and on target performance for safety and reserve/resource growth.

x) The discretionary cash bonus was awarded for achieving personal KPI objectives during the year.

xi) The discretionary cash bonus was awarded for the period prior to the introduction of the new remuneration framework and reflect a reward for services rendered over and above that expected from a person in that position.

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 3: Remuneration for the year ended 30 June 2017

	Short term				Post employment	Long term	Share-based payments				Performance related	
2017	**Salary & fees**	**Discretionary cash bonus**	**Non-monetary benefits***	**Annual leave**	**Super-annuation**	**Long service leave**	**Options**	**Performance rights**	**Termination payments**	**Total**	**At risk – STI**	**At risk - LTI**
	$	$	$	$	$	$	$	$	$	$	%	%
Directors												
Milan Jerkovic	93,750	-	-	-	8,906	-	-	79,199	-	181,855	0%	44%
Bryan Dixon(i)	331,667	30,000	6,115	-	-	-	-	117,595	-	485,377	6%	(i)24%
Alan Thom(ii)	216,180	30,000	4,809	-	-	-	-	117,595	-	368,584	8%	(ii)32%
Greg Miles(iii)	55,000	-	-	-	-	-	-	-	-	55,000	0%	0%
Peter Rozenauers	-	-	-	-	-	-	-	-	-	-	0%	0%
Other KMP												
Richard Boffey	242,010	20,000	-	20,239	22,991	439	13,005	19,580	-	338,264	6%	10%
Alan Thom(ii)	58,820	-	1,306	-	-	-	-	-	-	60,126	0%	0%
Bruce Kendall(iv)	220,000	8,462	5,581	16,926	20,900	232	330,427	362,948	-	965,476	1%	72%
Jeffrey Dawkins(v)	180,000	-	6,115	(10,424)	17,100	-	11,168	-	24,219	228,178	0%	5%
Anthony Rechichi(vi)	8,545	-	-	657	812	-	-	-	-	10,014	0%	0%
Total	**1,405,972**	**88,462**	**23,926**	**27,398**	**70,709**	**671**	**354,600**	**696,917**	**24,219**	**2,692,874**		

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

i) An aggregate amount of $361,667 (2016: $360,000) was paid or was due and payable to Warrior Strategic Pty Ltd, a company controlled by Mr Bryan Dixon, for the provision of corporate and management services to the Company in lieu of Mr Dixon's remuneration.

ii) An aggregate amount of $305,000 (2016: $335,000) was paid or was due and payable to Aston Corporation Pty Ltd, a company controlled by Mr Alan Thom, for the provision of corporate and management services to the Group in lieu of Mr Thom's remuneration. On 13 April 2017, Mr Thom resigned as director and commenced as Expansion Study Manager.

iii) An aggregate amount of $55,000 (2016: $43,750) was paid or was due and payable to Hidden Asset Pty Ltd, a company controlled by Mr Greg Miles, for the provision of corporate and management services to the Group in lieu of Mr Miles' remuneration.

iv) At the reporting date, 100% of the performance rights issued to Mr Kendall were exercised.

v) Mr Jeffrey Dawkins resigned as Chief Financial Officer on 30 June 2017.

vi) Mr Anthony Rechichi commenced as Chief Financial Officer on 26 June 2017.

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 4: Share holdings of key management personnel:

Name	Held at the start of the year	Performance rights exercised	Participation in February 2018 Entitlement Offer(iv)	Disposed	Net Change/Other(i)	Held at the end of the year
Directors						
Milan Jerkovic	1,280,826	-	6,056,651	-	-	7,337,477
Bryan Dixon	4,690,000	-	8,100,000	(1,450,000)	-	11,340,000
Greg Fitzgerald	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-
Greg Miles	1,012,500	-	250,000	-	-	1,262,500
Peter Rozenauers	127,583	-	-	-	(127,583)	-
Other KMP						
Richard Boffey(ii)	-	150,000	-	-	-	150,000
Bruce Kendall(iii)	-	400,000	-	-	(400,000)	-
Jonathan Lea	-	-	-	-	-	-
Anthony Rechichi	-	-	-	-	-	-
Total	**7,110,909**	**550,000**	**14,406,651**	**(1,450,000)**	**(527,583)**	**20,089,977**

i) "Net Change/Other" represents the number of shares held at the time of resignation.

ii) Mr Boffey received 150,000 shares on the successful completion of Milestone 1 relating to performance rights.

iii) Mr Kendall received 400,000 shares on the successful completion of Milestone 1 & 2 relating to performance rights.

iv) Shares were purchased at an issue price of $0.04 per share and received 1 free attaching option (exercisable at $0.08 on or before 31 January 2019) for every 2 new shares issued.

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 5: Option holdings of key management personnel:

Name	Held at the start of the year	Granted as remuneration	Participation in February 2018 Entitlement Offer(iii)	Grant date	Fair value at grant date	Vesting conditions	Expiry	Exercise price	Other	Held at the end of the year
		Number	Number							
Directors										
Milan Jerkovic(i)	500,000	-	-	-	-	-	-	-	(500,000)	-
	-	-	3,028,326	19/02/2018	n/a	n/a	31/01/2019	$0.08	-	3,028,326
	-	1,250,000	-	11/05/2018	(iv)$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,250,000
	-	1,250,000	-	11/05/2018	(iv)$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	1,250,000
	-	7,500,000	-	11/05/2018	(v)$0.0768	STI - Company performance	31/12/2021	$0.00	-	7,500,000
Bryan Dixon	-	-	4,050,000	19/02/2018	n/a	n/a	31/12/2021	$0.08	-	4,050,000
	-	5,000,000	-	11/05/2018	(iv)$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	5,000,000
	-	5,000,000	-	11/05/2018	(iv)$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	5,000,000
Greg Fitzgerald	-	-	-	-	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-	-	-	-	-
Greg Miles	-	-	125,000	-	n/a	n/a	31/01/2019	$0.08	-	125,000
Peter Rozenauers	-	-	-	-	-	-	-	-	-	-
Other KMP										
Richard Boffey(i)	700,000	-	-	-	-	-	-	-	(700,000)	-
	-	2,600,000	-	11/05/2018	(iv)$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00		2,600,000
	-	2,600,000	-	11/05/2018	(iv)$0.0768	Reserves & resources increased	31/12/2021	$0.00		2,600,000
Bruce Kendall(ii)	600,000	-	-	-	-	-	-	-	(600,000)	-
Jonathan Lea	-	1,426,415	-	11/05/2018	(iv)$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,426,415
	-	1,426,415	-	11/05/2018	(iv)$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	1,426,415
Anthony Rechichi	-	1,630,188	-	11/05/2018	(iv)$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,630,188
	-	1,630,189	-	11/05/2018	(iv)$0.0768	Reserves & resources	31/12/2021	$0.00	-	1,630,189
Total	**1,800,000**	**31,313,207**	**7,203,326**	**-**	**-**	**-**	**-**	**-**	**(1,800,000)**	**38,516,533**

(i) "Other" represents options expired during the year.
(ii) "Other" represents options held upon resignation (16 February 2018).
(iii) Shares were purchased at an issue price of $0.04 per share and received 1 free attaching option (exercisable at $0.08 on or before 31 January 2019) for every 2 new shares issued.
(iv) The vesting date of the LTI options is 31 December 2020.
(v) The vesting date of Mr Jerkovic's STI options is 31 December 2019

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 6: Performance rights holdings of key management personnel:

		Granted as Remuneration								
Name	Held at the start of the year	Number	Grant date	FV at grant date	Vesting conditions	Expiry	Exercise price	Rights Exercised	Expired	Held at the end of the year
Directors										
Milan Jerkovic	250,000	-	-	-	-	-	-	-	(250,000)	-
Bryan Dixon	1,500,000	-	-	-	-	-	-	-	(1,500,000)	-
Greg Fitzgerald)	-	-	-	-	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-	-	-	-	-
Greg Miles	-	-	-	-	-	-	-	-	-	-
Peter Rozenauers	-	-	-	-	-	-	-	-	-	-
Other KMP										
Richard Boffey	500,000	-	-	-	-	-	-	(150,000)	(350,000)	-
Bruce Kendall	400,000	-	-	-	-	-	-	(400,000)	-	-
Jonathan Lea	-	-	-	-	-	-	-	-	-	-
Anthony Rechichi	-	-	-	-	-	-	-	-	-	-
Total	**2,650,000**	**-**	**-**	**-**	**-**	**-**	**-**	**(550,000)**	**(2,100,000)**	**-**

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The earnings of the Group for the five years to 30 June 2018 are summarised below:

		2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Sales revenue	**($'000)**	118,252	47,331	-	-	-
(Loss) after income tax	**($'000)**	(20,027)	(6,844)	(8,009)	(4,570)	(1,654)
Share price at financial year end	**$ per share**	0.07	0.28	0.70	0.16	0.21
Basic (loss) per share	**cents per share**	(2.95)	(2.28)	(3.73)	(3.04)	(1.79)

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the years ended 30 June 2018 and 30 June 2017.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

	Transactions with related parties $'000	Balances outstanding $'000
Orion JV Fund Limited[(i)]	883	-
Xavier Group Pty Ltd[(ii)]	324	41

(i) Entity related to Peter Rozenauers

(ii) Entity related to Milan Jerkovic.

All transactions were made on normal commercial terms and conditions and at market rates.

[End of audited Remuneration Report.]

Signed in accordance with a resolution of the Board of Directors pursuant to section 298(2)(a) of the Corporations Act 2001.

Bryan Dixon
Managing Director
Perth, 28 September 2018

Competent Persons Statement

The information contained in the report that relates to Exploration Targets and Exploration Results at the Wiluna Gold Project is based on information compiled or reviewed by Mr Jonathan Lea, who is a full-time employee and security holder of the Company. Mr Lea 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 Lea 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 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 13 September 2018 continue to apply and have not materially changed.

The information contained in the report that relates to Ore Reserves for the Wiluna underground mines are 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 2017. 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 Wiluna Gold Operation is based on information compiled or reviewed by Steve O'Grady. Mr O'Grady 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 O'Grady 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 Intermine Engineering Consultants 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 2017. 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 O'Grady 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 relating to the Ore Reserve estimate was reported to the ASX on the 30th of August 2017. 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 the estimates have not materially changed.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Blackham Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2018

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Continuing operations			
Revenue from gold and silver sales	1	118,252	47,331
Cost of production relating to gold sales	2	(113,458)	(39,868)
Gross profit before depreciation and amortisation		**4,794**	**7,463**
Depreciation and amortisation relating to gold sales	2	(17,443)	(13,024)
Gross loss from operations		**(12,649)**	**(5,561)**
Administration expenses		(4,118)	(3,611)
Non-capital exploration expenditure		(1,349)	(830)
Depreciation of non-mine site assets		(60)	(43)
Share-based payments	3	(508)	(1,517)
Finance costs	3	(4,486)	(3,168)
Other income	4	1,022	317
Other expenses		(568)	-
Treasury – realised gain	5	3,007	6,309
Treasury – unrealised (loss)/gain	5	(318)	1,260
Loss before income tax expense for the year from continuing operations		**(20,027)**	**(6,844)**
Income tax expense	6	-	-
Loss after income tax expense for the year from continuing operations		**(20,027)**	**(6,844)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year, net of tax		**(20,027)**	**(6,844)**
		Cents	**Cents**
Basic and diluted loss per share attributable to ordinary equity holders of Blackham Resources Limited (cents per share)	7	(2.95)	(2.28)

The accompanying notes form part of these financial statements

BLACKHAM Resources Limited

Consolidated Statement of Financial Position

AS AT 30 JUNE 2018

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Current assets			
Cash and cash equivalents	16	20,742	18,470
Gold bullion awaiting settlement	17	2,713	1,191
Trade and other receivables	23	2,132	1,647
Inventories	24	11,870	12,804
Financial assets	19	965	1,278
Total current assets		**38,422**	**35,390**
Non-current assets			
Other receivables	23	-	350
Inventories	24	1,504	1,504
Plant and equipment	11	55,264	49,922
Mine properties – areas in production	12	77,508	87,863
Mine properties – areas in development	13	3,348	1,206
Exploration and evaluation expenditure	14	15,733	10,662
Total non-current assets		**153,357**	**151,507**
Total assets		**191,779**	**186,897**
Current liabilities			
Trade and other payables	25	30,243	36,015
Interest-bearing liabilities	18	21,823	16,240
Total current liabilities		**52,066**	**52,255**
Non-current liabilities			
Interest-bearing liabilities	18	10,478	23,383
Provisions	26	26,109	24,934
Total non-current liabilities		**36,587**	**48,317**
Total liabilities		**88,653**	**100,572**
Net assets		**103,126**	**86,325**
Equity			
Issued capital	21	145,459	109,960
Reserves	22	4,621	6,310
Accumulated losses		(46,954)	(29,945)
Total equity		**103,126**	**86,325**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated			
	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
At 1 July 2017	**109,960**	**6,310**	**(29,945)**	**86,325**
Loss after income tax for the year	-	-	(20,027)	(20,027)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(20,027)	(20,027)
Transactions with owners in their capacity as owners:				
Share-based payments expense	625	1,329	-	1,954
Shares issued, net of transactions costs	34,874	-	-	34,874
Expiry of options	-	(3,018)	3,018	-
At 30 June 2018	**145,459**	**4,621**	**(46,954)**	**103,126**
At 1 July 2016	**52,356**	**4,854**	**(23,101)**	**34,109**
Loss after income tax for the year	-	-	(6,844)	(6,844)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(6,844)	(6,844)
Transactions with owners in their capacity as owners:				
Share-based payments expense	61	1,456	-	1,517
Shares issued, net of transactions costs	57,543	-	-	57,543
At 30 June 2017	**109,960**	**6,310**	**(29,945)**	**86,325**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $'000	2017 $'000
Cash flows from operating activities			
Proceeds from gold sales		116,608	46,103
Payments to suppliers and employees		(107,199)	(26,833)
Interest received		157	286
Interest paid		(7,237)	(1,218)
Hedge premium income		3,007	6,324
Other		899	13
Net cash flows from operating activities	16	**6,235**	**24,675**
Cash flows from investing activities			
Purchase of plant and equipment		(5,289)	(6,605)
Proceeds from disposal of plant and equipment		126	22
Payments for exploration and evaluation		(6,467)	(13,760)
Payments for mine properties		(9,081)	(94,401)
Proceeds from pre-production gold sales		-	12,897
Net cash flows used in investing activities		**(20,711)**	**(101,847)**
Cash flows from financing activities			
Proceeds from issue of equities		38,327	61,069
Payment of share issue costs		(2,278)	(3,528)
Proceeds from loan, net of fees		14,178	6,934
Repayment of loans		(33,500)	-
Repayment of finance lease		(146)	(158)
Change in bank guarantees		167	(617)
Net cash flows from financing activities		**16,748**	**63,700**
Net increase/(decrease) in cash held		2,272	(13,472)
Cash and cash equivalents at beginning of the year		18,470	31,942
Cash and cash equivalents at end of the year		**20,742**	**18,470**

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

Basis of preparation

These consolidated financial statements and notes represent those of Blackham Resources Limited (the 'Company' or 'Blackham') and its controlled entities (the 'Group').

The financial statements were authorised for issue on 28 September 2018 by the directors of the Company.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), International Financial Reporting Standards ('IFRS') and the *Corporations Act 2001*;
- are presented in Australian dollars, which is the Company's and Group's functional and presentation currency, with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/91;.
- have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2017. Refer to note 35 for further details;
- Does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note 35 for further details.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $20,027,000 for the year ended 30 June 2018. As at that date, the consolidated entity had net current liabilities of $13,644,000. There would be inherent uncertainties regarding the Group's ability to continue as a going concern if the Group did not achieve its forecasted production quantities. Despite this, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors, which will assist the Group to meet its working capital requirements, as well as extinguish its current debt with Orion Fund JV Limited ("Orion") and MACA Limited ("MACA") as shown in note 18 of these financial statements:

- In light of the recent operating improvements (the operation has generated positive net operating cash flows since the Group's capital restructure in early 2018), the Group has forecasted to achieve positive cash flows from its operations which will generate sufficient cash inflows to meet the repayment of trade debts when they become due and payable;
- On 25 September 2018, Blackham announced that it had executed a convertible security funding agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ("Lind") for up to A$23 million in total capital. The initial funding commitment of $7.5 million is to be funded within 20 business days of execution. Further details of the Lind facility are disclosed in note 33; and
- During July 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Blackham with up to $10 million of standby equity capital over the coming 27 month period. Further details of CPA are disclosed in note 33.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of the Company at the end of the reporting period. A list of controlled entities (subsidiaries) at year end is contained in note 28.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined as non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

KEY ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The judgements, estimates and assumptions material to the financial report are found in the following notes:

Note 2: Cost of goods sold
Note 12: Mine properties – areas in production
Note 13: Mine properties – areas in development
Note 14: Exploration and evaluation expenditure
Note 24: Inventories
Note 26: Provisions
Note 27: Share-based payments

THE NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group.
Information is considered relevant and material if, for example:

- The amount is significant due to its size and nature;
- The amount is important for understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Production and growth assets;
- Cash, debt and capital;
- Operating assets and liabilities; and
- Other disclosures.

A brief explanation is included under each section.

Performance for the year

This section focuses on the results and performance of the Group. This covers both profitability and the return to shareholders via earnings per share combined with cash generation.

1. REVENUE FROM GOLD AND SILVER SALES

	Consolidated	
	2018 $'000	2017 $'000
Gold and silver sales		
- gold sales at spot price	119,872	47,383
- loss on gold forward contracts	(1,743)	(88)
Total gold sales	**118,129**	**47,295**
- silver sales	123	36
Total gold and silver sales	**118,252**	**47,331**

Accounting Policies

GOLD SALES

Revenue is recognised and measured at the fair value consideration received or receivable, when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group.

2. COST OF GOODS SOLD

	Consolidated	
	2018 $'000	2017 $'000
Cost of goods sold		
Costs of production	100,686	53,186
Royalties	7,234	2,789
Depreciation of mine plant and equipment	2,477	1,420
Amortisation of mine properties	14,966	11,604
Open pit waste removal movements	4,896	(5,486)
Underground costs capitalised	(253)	(8,717)
Stockpile movements	32	(847)
Gold in circuit movements	863	(1,057)
Total	**130,901**	**52,892**

Accounting Policies

COSTS OF PRODUCTION

Cash costs of production include direct costs incurred for mining, processing and mine site administration, net of costs capitalised to pre-strip and production stripping assets.

ROYALTIES

Royalty expenses under existing royalty regimes are payable on sales and are therefore recognised as the sale occurs.

DEPRECIATION

Depreciation of mine specific plant and equipment and buildings and infrastructure is charged to the statement of comprehensive income on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan), except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is ounces of gold produced.

2. COST OF GOODS SOLD (CONT'D)

Depreciation of non-mine specific plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 10% to 33%
- Motor vehicles 6% to 33%
- Office furniture and equipment 6% to 50%
- Buildings and infrastructure 4%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

AMORTISATION

Mine properties are amortised on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan). The unit of account is ounces of gold produced.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

3. EXPENSES

	Consolidated	
	2018 $'000	2017 $'000
Share-based payments expense		
Employees/service providers	580	1,188
Directors	(72)	329
Share-based payments expense recognised in the statement of comprehensive income	**508**	**1,517**

SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees and consultants. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and consultants in exchange for the rendering of services under an employee share plan.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

		Consolidated	
	Note	2018 $'000	2017 $'000
Finance costs			
Interest		4,151	2,132
Borrowing costs		(320)	553
Unwinding on discount of rehabilitation provision	26	655	483
Total		**4,486**	**3,168**

3. EXPENSES (CONT'D)

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

UNWINDING OF DISCOUNT ON PROVISIONS

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 26.

4. OTHER INCOME

	Consolidated	
	2018 $'000	**2017 $'000**
Other income		
- interest revenue	153	298
- research and development tax rebate	528	-
- other income	341	19
Total	**1,022**	**317**

Accounting Policies

OTHER INCOME

Interest revenue is recognised as it accrues using the effective interest rate method. Other revenue is recognised when it is received or when the right to receive payment is established.

5. TREASURY GAINS AND LOSSES

		Consolidated	
		2018 $'000	**2017 $'000**
Treasury – realised gain/(loss)			
- hedge premium income		3,007	6,328
- diminution in fair value of derivative financial assets		-	(19)
Total		**3,007**	**6,309**
Treasury – unrealised gain/(loss)			
Unrealised gain on forward contracts	8	(325)	1,269
Gain/(loss) on financial assets		7	(9)
Total		**(318)**	**1,260**

6. INCOME TAX

	Consolidated	
	2018 $'000	2017 $'000
The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
Total	-	-

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	2018 $'000	2017 $'000
Net loss before income tax	(20,027)	(6,844)
Prima facie tax on loss from ordinary activities before income tax at 30% (2017: 30%)	(6,008)	(2,053)
Add the tax effect of:		
Permanent differences	(2)	513
Effect of current year temporary differences not recognised	636	(6,283)
Effect of current year tax losses not recognised	5,374	7,823
Income tax expense reported in the income statement	**-**	**-**

(b) Unrecognised deferred tax assets and (liabilities)

	Consolidated	
	2018 $'000	2017 $'000
Cash and cash equivalents	-	6
Trade and other receivables	(32)	(3)
Financial assets	(264)	(381)
Plant and equipment	(966)	-
Exploration and development expenditure	(4,713)	(3,199)
Mine properties	(16,229)	(16,033)
Trade and other payables	62	215
Interest-bearing liabilities	61	339
Provisions	8,086	7,480
Equity	1,219	1,221
Deferred tax assets which have not been recognised	12,776	10,355
Balance at the end of the year	-	-

The directors have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised.

6. INCOME TAX (CONT'D)

(c) Tax losses

	Consolidated	
	2018 $'000	**2017 $'000**
The group has estimated carried forward tax losses which are available indefinitely for offset against future taxable income, subject to meeting the relevant statutory tests:		
Revenue losses		
Income tax losses	111,532	93,619
Losses used against deferred tax liabilities	(42,585)	(34,517)
Gross tax losses for which no deferred tax asset has been recognised	68,947	59,102
Tax effected at 30%	20,684	17,731
Capital losses		
Estimated capital losses for which no deferred tax asset is recognised	-	-

Accounting Policies

INCOME TAX

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense/benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/benefit is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

7. EARNINGS PER SHARE

	Consolidated	
	2018 $'000	2017 $'000
Loss after income tax for the year	(20,027)	(6,844)

	No. of Shares ('000s)	No. of Shares ('000s)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted EPS:	678,796	299,513

Accounting Policies

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

8. PHYSICAL GOLD DELIVERY COMMITMENTS

	Gold for physical delivery		Contracted gold sale price		Value of committed sales		Mark-to-market(i)	
Open contracts	2018 Ounces	2017 Ounces	2018 $/oz	2017 $/oz	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Within one year								
- Spot deferred contracts	-	7,120	-	1,703	-	12,124	-	626
- Fixed forward contracts	28,389	28,203	1,738	1,649	49,337	46,494	944	643
	28,389	**35,323**			**49,337**	**58,618**	**944**	**1,269**

(i) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

Accounting Policies

GOLD FORWARD CONTRACTS

As part of the risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty of the gold forward contracts is MKS (Switzerland) S.A..

9. OPERATING SEGMENT INFORMATION

The Group has one reportable segment which is gold production for the years ended 30 June 2018 and 30 June 2017. The Chief Operating Decision Maker ("CODM") is the Board of Directors and the Executives. There is currently one operating segment identified, being the operating of the of the Matilda-Wiluna Gold Operation based on internal reports reviewed by the Chief Operating Decision Maker in assessing performance and allocation of resources.

Major customers

During the year ended 30 June 2018, approximately $71,044,000 (2017: $27,514,000]) and $47,086,000 (2017: $32,677,000) of the Group's external revenue was derived from sales to MKS and Osisko respectively through the Matilda-Wiluna Gold Operation operating segment.

Accounting Policies

OPERATING SEGMENTS

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

10. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year (2017: Nil).

Accounting Policies

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Production and growth assets

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of the Group.

11. PLANT AND EQUIPMENT

	Consolidated						
	Plant & Equipment $'000	Motor Vehicles $'000	Furniture & Equipment $'000	Buildings & Infrastructure $'000	Tails Dam $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2017	**33,450**	**708**	**899**	**7,677**	**4,136**	**3,052**	**49,922**
Additions	493	-	-	-	-	7,717	8,210
Depreciation expense	(1,635)	(129)	(185)	(421)	(167)	-	(2,537)
Transfers between classes	2,404	16	294	1,476	-	(4,190)	-
Other	(136)	-	-	-	-	-	(136)
Disposals	(187)	(4)	(4)	-	-	-	(195)
Net carrying amount at 30 June 2018	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**
At 30 June 2018							
Cost	37,131	860	1,364	9,323	4,266	6,579	59,523
Accumulated depreciation	(2,742)	(269)	(360)	(591)	(297)	-	(4,259)
Net carrying amount	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**
Net carrying amount at 1 July 2016	**2,352**	**308**	**288**	**4**	**-**	**194**	**3,146**
Additions	-	-	-	-	-	7,174	7,174
Depreciation expense	(892)	(124)	(147)	(170)	(130)	-	(1,463)
Transfers between classes	1,715	536	279	1,786	-	(4,316)	-
Transfers from mine properties – areas in development	30,455	-	479	6,057	4,266	-	41,257
Other	(180)	-	-	-	-	-	(180)
Disposals	-	(12)	-	-	-	-	(12)
Net carrying amount at 30 June 2017	**33,450**	**708**	**899**	**7,677**	**4,136**	**3,052**	**49,922**
At 30 June 2017							
Cost	34,434	857	1,074	7,847	4,266	3,052	51,530
Accumulated depreciation	(984)	(149)	(175)	(170)	(130)	-	(1,608)
Net carrying amount	**33,450**	**708**	**899**	**7,677**	**4,136**	**3,052**	**49,922**

PLANT AND EQUIPMENT SECURED UNDER FINANCE LEASES

Refer to note 18 for further information on plant and equipment secured under finance leases.

11. PLANT AND EQUIPMENT (CONT'D)

Accounting Policies

PLANT AND EQUIPMENT

Plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Gains and losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

12. MINE PROPERTIES – AREAS IN PRODUCTION

		Consolidated		
2018	**Note**	**Mine Properties $'000**	**Stripping Activity Asset $'000**	**Total $'000**
Cost		104,217	23,527	127,744
Less amortisation		(27,298)	(22,938)	(50,236)
		76,919	**589**	**77,508**
Balance at 1 July		82,377	5,486	87,863
Transferred from mine properties – areas in development	13	7,385	-	7,385
Additions		505	16,840	17,345
Transferred from exploration and evaluation expenditure	14	1,020	-	1,020
Rehabilitation provision adjustment	26	598	-	598
Amortisation charged to costs of production	2	-	(21,737)	(21,737)
Amortisation during production	2	(14,966)	-	(14,966)
Balance at 30 June		**76,919**	**589**	**77,508**

		Consolidated		
2017	**Note**	**Mine Properties $'000**	**Stripping Activity Asset $'000**	**Total $'000**
Cost		94,709	6,687	101,396
Less amortisation		(12,332)	(1,201)	(13,533)
		82,377	**5,486**	**87,863**
Balance at 1 July		-	-	-
Transferred from mine properties – areas in development	13	54,109	-	54,109
Borrowing costs capitalised		2,302	-	2,302
Additions		9,217	6,687	15,904
Transferred from exploration and evaluation expenditure	14	28,299	-	28,299
Rehabilitation provision adjustment	26	54	-	54
Amortisation charged to costs of production		-	(1,201)	(1,201)
Amortisation during production	2	(11,604)	-	(11,604)
Balance at 30 June		**82,377**	**5,486**	**87,863**

Accounting Policies

MINE PROPERTIES – AREAS IN PRODUCTION

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

12. MINE PROPERTIES – AREAS IN PRODUCTION (CONT'D)

A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

Stripping activity asset

Once access to the ore is attained, all waste that is removed from that point forward is considered production stripping activity. The amount of production stripping costs deferred is based on the extent to which the current strip ratio of ore mined exceeds the life of mine strip ratio of the identified component. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is identified based on the mine plan.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is amortised over the expected useful life of the identified component (determined based on economically recoverable mine plan), on a unit-of-production basis. The unit of account is tonnes of ore mined.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Determination of mineral resources, ore reserves and mine plan

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC" Code). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and the mine plan and may ultimately result in reserves and mine plan being restated.

Stripping asset

The Group capitalises stripping costs incurred during the development and production phase of mining. As a result, the Group distinguishes between the production stripping that relates to the extraction of inventory and that which relates to the stripping asset.

The Group has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these identified components.

These assessments are undertaken for each individual identified component based on life of mine strip ratio. Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each identified component. Changes in the expected strip ratio is accounted for prospectively from the date of change.

13. MINE PROPERTIES – AREAS IN DEVELOPMENT

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Balance at 1 July		1,206	40,083
Pre-production expenditure capitalised, net of gold sales		-	28,939
Pre-production expenditure capitalised		7,429	-
Transferred to mine properties – areas in production	12	(7,385)	(54,109)
Construction expenditure capitalised		-	26,344
Transferred to plant and equipment	11	-	(41,257)
Expansion study expenses		2,098	1,206
Balance at 30 June		**3,348**	**1,206**

Accounting Policies

MINE PROPERTIES – AREAS IN DEVELOPMENT

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

KEY JUDGMENTS

Production start date

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete and ready for its intended use. At this time, any costs capitalised to 'mine properties – areas in development' are reclassified to 'mine properties – areas in production' and 'property, plant and equipment'. Some of the criteria will include, but are not limited, to the following:

- availability of the plant;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal at commercial rates of production.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

14. EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated 2018 $'000	Consolidated 2017 $'000
Reconciliation of movements during the year			
Balance at 1 July		10,662	26,608
Exploration expenditure capitalised during the year		7,212	12,945
Transferred to mine properties – areas in production	12	(1,020)	(28,299)
Written off during the year		(1,121)	(592)
Balance at 30 June		**15,733**	**10,662**

Accounting Policies

EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the mine development expenditure and classified under non-current assets as development properties.

The value of the Groups interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

KEY JUDGMENTS

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	Consolidated 2018 $'000	Consolidated 2017 $'000
Within one year	1,521	3,365

15. IMPAIRMENT OF ASSETS

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ('CGU') to which the asset belongs and where the carrying values exceed the estimated recoverable amount, the assets or CGU are written down to their recoverable amount.

The recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The relevant CGU for Blackham Resources Limited is the Matilda-Wiluna Gold Mine.

DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves". The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs, ore grades and/or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

IMPAIRMENT OF MINE PROPERTIES, PLANT AND EQUIPMENT

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose ('fair value'), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations).

Fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life of mine ('LOM') plans. Consideration is also given to analysts' valuations, and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants.

The Group has estimated its unmined resource values based on a dollar value per gold equivalent ounce basis, taking into account a range of factors although principally the current market rate for similar resources. However, where the value per ounce from the reserves/resources included in the CGU's discounted cash flow model (i.e. in the LOM) is less than this market rate determination, the lower value per ounce from the CGU's discounted cash flow model is used when calculating that CGU's value of unmined ounces. Where appropriate, the value per ounce is also discounted accordingly for any future costs which would be required to exploit the in-situ resources.

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. Life of mine operating and capital cost assumptions are based on the Group's latest budget and LOM plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

15. IMPAIRMENT OF ASSETS (CONT'D)

KEY ASSUMPTIONS FOR THIS REVIEW:
Gold price (A$ per ounce): A$1,570/oz – A$1,730/oz.

Commodity prices are estimated with reference to external market forecasts. The rates applied to the valuation have regard to observable market data.

Discount rate % (post tax): 8%-14%

In determining the fair value the CGU, the future cash flows were discounted using rates based on the Blackham's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU (where applicable).

Value of unmined resources ($A per ounce) is the lower of:

- A$56/oz, and;
- the value per ounce of the gold ounces in the discounted cash flow model of the CGU at the respective gold price and discount rate ranges.

Operating and capital costs:
Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

Sensitivity analysis
Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of the CGU that has been subject to impairment testing:

	Increase $'000	Decrease $'000
Change of:		
Gold price by 2.5%	23,622	(24,298)
Discount rate by 2%	(21,895)	25,683
Value of unmined resources by 2.5%	6,441	(6,441)

Changes in the specific assumptions above are assumed to move in isolation, while all other assumptions are held constant.

Cash, debt and capital

This section outlines how the Group manages its cash, capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

16. CASH AND CASH EQUIVALENTS

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

	Consolidated	
	2018 $'000	**2017 $'000**
Cash and cash equivalents in the statement of financial position and statement of cash flows		
Cash at bank and on hand	14,732	9,970
Short-term deposits	6,010	8,500
Total	**20,742**	**18,470**

	Consolidated	
	2018 $'000	**2017 $'000**
Reconciliation of loss after income tax to the net cash flow from operating activities		
Loss after income tax	**(20,027)**	**(6,844)**
Adjustments for		
Depreciation and amortisation	17,503	13,191
Equity based payments	139	1,517
Treasury – unrealised (gain)/loss	325	(1,269)
Loss/(profit) on disposal of fixed asset	69	(10)
Non-capital exploration expenditure	1,349	830
Unwinding of discount on rehabilitation provision	655	483
Finance costs	378	1,066
Other	310	28
Changes in net assets and liabilities		
Receivables	(2,039)	(1,419)
Inventories	934	(2,504)
Payables	6,639	19,606
Net cash inflow/(outflows) from operating activities	**6,235**	**24,675**

	Consolidated	
	2018 $'000	**2017 $'000**
Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance lease	-	269
Entitlement Offer facilitation fee	794	-

17. GOLD BULLION AWAITING SETTLEMENT

	Consolidated	
	2018 $'000	2017 $'000
Current		
Gold bullion awaiting settlement	2,713	1,191

At balance date, gold bullion awaiting settlement comprised 1,679 ounces valued at a weighted average realisable value of $1,615/oz (2017: 805oz @ $1,479/oz).

Accounting Policies

GOLD BULLION AWAITING SETTLEMENT

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Gold bullion awaiting settlement is initially recognised at the expected selling price and adjustments for variations in the gold price are made at the time of final settlement, which is within a matter of days.

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the fair value.

18. INTEREST-BEARING LIABILITIES

	Consolidated	
	2018 $'000	2017 $'000
Current interest-bearing liabilities		
Secured loan – Orion	15,500	-
Secured loan – MACA	6,173	-
Finance lease liabilities	150	177
Secured loan– non-amortising, including interest payable	-	16,063
	21,823	**16,240**
Non-current interest-bearing liabilities		
Secured loan– MACA	10,300	23,000
Finance lease liabilities	178	383
	10,478	**23,383**

Accounting Policies

BORROWINGS AND BORROWING COSTS

Loans and borrowings are initially recognised at the fair value of the consideration received.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

18. INTEREST-BEARING LIABILITIES (CONT'D)

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

INTEREST-BEARING LIABILITIES

As announced to the ASX on 15 January 2018, the Company refinanced its Orion Non-Amortising Term Loan via a new, secured $14.3 million financing arrangement with its key mining contractor, MACA Limited ("MACA"), allowing Blackham to satisfy the maturity repayment date of the Non-Amortising Term Loan, whilst not having any principal repayment obligations under the MACA Loan until March 2019. Additionally, $15.7 million of trade payables due to MACA was placed into a repayment schedule. The interest rates under the MACA loans is initially 10% per annum.

Upon completion of the Entitlements Offer, the Company repaid $2.3 million toward the $23 million Project Financing Facility in place with Orion and a further $0.2 million of that facility was converted to equity.

SECURED LOANS – ORION FUND JV LIMITED ("ORION")

After the successful refinancing arrangement with MACA, the Group repaid $16.9 million in full and final settlement of the non-amortising term loan (2017: $16.1 million outstanding), which included $3.9 million of accrued interest (2017: $3.1 million). The non-amortising loan attracted an interest rate of 12% per annum in the current year (2017: 12%).

At balance date, the Group had $15.5 million (2017: $23 million) outstanding on the project financing facility, secured against the Group's assets, having repayment dates of:

- $1,250,000 on 31 July 2018
- $1,250,000 on 31 August 2018
- $7,600,000 on 30 September 2018
- $5,400,000 on 30 November 2018

The project financing facility attracted an interest rate of 10% per annum in the current year (2017: 10%).

The Group has entered into a general security deed to secure the Group's obligations under the relevant documents encompassing the Orion Funding Facility. The securities granted to Orion will rank first and have priority over all other indebtedness of the Group. Additionally, obligations under a gold streaming agreement, with a related company of Orion, is also secured under the general security deed up until the repayment of all amounts owing.

The Group has entered into various tripartite agreements and priority and consent deeds with third parties who are counterparties to agreements and whose rights under those agreements may be affected by the entry into the various financing and security agreements between the Group and Orion.

SECURED LOANS – MACA LIMITED ("MACA")

At balance date, the Group had $16.4 million (2017: nil) outstanding with MACA Mining Limited, having a maturity repayment date of 31 May 2020, secured against the Group's assets. The facility attracted an interest rate of 10% per annum in the current year (2017: nil).

Repayment dates are:

- $1,250,000 on 31 July 2018
- $1,250,000 on 31 August 2018
- $169,136 on 30 September 2018
- $1,000,000 monthly from March 2019 to April 2020
- $300,000 on 31 May 2020

In addition to the MACA loan amount of $16.4 million, there were $9.2 million of mining contractor costs included in trade payables, which is also secured against the Group's assets.

The Group has entered into a general security deed to secure the Group's obligations under the relevant documents encompassing the MACA Debt Facility. The securities granted to MACA will rank second and have priority over all other indebtedness of the Group.

18. INTEREST-BEARING LIABILITIES (CONT'D)

The Group has entered into various tripartite agreements and priority and consent deeds with third parties who are counterparties to agreements and whose rights under those agreements may be affected by the entry into the various financing and security agreements between the Group and MACA.

FINANCE LEASE LIABILITIES

The Group holds hire purchase agreements for the acquisition of computers and mobile equipment which had a written down value of $433,000 at 30 June 2018 (2017: $582,000). The agreements incorporate fixed rates between 2% and 5%, monthly repayments and expiry dates between June 2019 and July 2021. Finance lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position revert to the lessor in the event of default.

FINANCING ARRANGEMENTS

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2018 $'000	**2017 $'000**
Unused at the reporting date		
Secured loans	-	-

19. FINANCIAL ASSETS

	Consolidated	
	2018 $'000	**2017 $'000**
Derivative financial asset	944	1,269
Other	21	9
Total	**965**	**1,278**

Gold forward contracts have been marked-to-market at 30 June 2018 as per note 8.

There were 28,389 ounces of forward sales contracts @ $1,738/oz in place at 30 June 2018. The Group realised $3,007,000 during the year by closing out its hedge book in July 2017.

Accounting Policies

FINANCIAL ASSETS

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition and subsequently measured at amortised costs or fair value depending on the business model for those assets and the contractual cash flow characteristics.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, held-for-trading investments, derivative financial instruments, cash and short-term deposits.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Gold price volatility and exchange rate risks

Any revenue the Group derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

Interest rate risks

The Group's exposure to market interest rates relates to cash deposits held at variable rates. The Board regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

Sensitivity analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2018, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated	
	2018 $'000	**2017 $'000**
Change in loss/equity		
Increase in interest rate by 100 basis points	197	154
Decrease in interest rate by 100 basis points	(197)	(154)

CREDIT RISK

The maximum exposure to credit risk at reporting date is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Board. The Board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+. All of the Group's surplus funds are invested with AA and A+ Rated financial institutions.

LIQUIDITY RISK

The responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

Financing arrangements

Refer to note 18 for the analysis of unused borrowing facilities at reporting date.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

2018	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	30,243	-	-	-	30,243
Interest-bearing – fixed rate						
Secured loan – MACA	10%	6,173	10,300	-	-	16,473
Secured loan – Orion	10%	15,500	-	-	-	15,500
Finance lease liability	3%	150	117	61	-	328
Total non-derivatives		**52,066**	**10,417**	**61**	**-**	**62,544**

2017	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	36,015	-	-	-	36,015
Interest-bearing – fixed rate						
Secured loan – Orion non-amortising	12%	16,063	-	-	-	16,063
Secured loan – Orion project finance facility	10%	-	23,000	-	-	23,000
Finance lease liability	3%	177	177	206	-	560
Total non-derivatives		**52,255**	**23,177**	**206**	**-**	**75,638**

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets held for trading
- Derivative financial instrument – receivable in relation to equity swap

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

FAIR VALUE HIERARCHY

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

20. FINANCIAL RISK MANAGEMENT (CONT'D)

- **LEVEL 1**
  Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **LEVEL 2**
  Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **LEVEL 3**
  Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

VALUATION TECHNIQUES

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is:

- *Market approach:*
  Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2018			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	21	-	-	21
- gold forward contracts	-	944	-	944

	30 June 2017			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	9	-	-	9
- gold forward contracts	-	1,269	-	1,269

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting Policies

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

FINANCIAL INSTRUMENTS

RECOGNITION AND INITIAL MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loan and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

DERECOGNITION

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

21. ISSUED CAPITAL

	Consolidated	
	2018 $'000	2017 $'000
Ordinary shares – issued and fully paid	145,459	109,960

	Number ('000s)	$'000
Movement in ordinary shares on issue		
At 1 July 2016	253,267	52,356
Issued on exercise of options	4,365	1,070
Issued on conversion of performance rights	4,750	-
Placement	76,471	60,000
Issued in lieu of payment	75	61
Transaction costs	-	(3,527)
On issue at 30 June 2017	**338,928**	**109,960**
At 1 July 2017	338,928	109,960
Issued on exercise of options	98	20
Issued on conversion of performance rights	550	-
Placement	913,211	38,306
Issued in lieu of payment	12,732	625
Transaction costs	-	(3,452)
On issue at 30 June 2018	**1,265,519**	**145,459**

Accounting Policies

ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

22. RESERVES

	Consolidated	
	Number ('000s)	$'000
Share-based payments reserve consists of:		
Share options	589,627	3,211
Performance rights	-	1,410
	589,627	**4,621**
Balance at 1 July 2016	42,132	4,854
Options expired	(2,400)	-
Options issued	2,425	759
Options exercised	(4,365)	-
Options forfeited	(100)	-
Performance rights issued	400	697
Performance rights converted	(4,750)	-
Balance at 30 June 2017	**33,342**	**6,310**
Balance at 1 July 2017	33,342	6,310
Options expired	(26,649)	(2,998)
Options issued	588,057	1,783
Options exercised	(98)	-
Options forfeited	(875)	(2)
Performance rights expired	(3,600)	(507)
Performance rights converted	(550)	35
Balance at 30 June 2018	**589,627**	**4,621**

Accounting Policies

SHARE-BASED PAYMENT RESERVES

Options and performance rights are issued to suppliers, directors, employees and consultants. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between executives, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section.

Accounting Policies

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

- it is expected to be realised or intended to be sold or consumed in a normal operating cycle;
- it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, when recognised, are classified as non-current.

23. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018 $'000	**2017 $'000**
Current		
GST receivable	1,020	1,070
Fuel tax credit receivable	99	96
Trade debtors	248	5
Other debtors	315	209
Bank guarantees (restricted cash)	450	267
Total	**2,132**	**1,647**
Non-current		
Bank guarantees (restricted cash)	-	350
Total	**-**	**350**

Accounting Policies

TRADE AND OTHER RECEIVABLES

Trade receivables are generally due for settlement within 30 days and therefore are classified as current assets. Due to the short-term nature of current receivables, their carrying value is materially the same as their fair value.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO').

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

24. INVENTORIES

	Consolidated	
	2018 $'000	2017 $'000
Current		
Consumable stores	2,495	1,521
Ore stockpiles – at cost	1,135	7,163
Ore stockpiles – at net realisable value	5,736	753
Gold in circuit – at net realisable value	2,504	3,367
Total current	**11,870**	**12,804**
Non-current		
Ore stockpiles – at cost	1,504	1,504

(a) Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to $4,727,000 (2017: $1.9 million). These were recognised as an expense during the year ended 30 June 2018 and included in "cost of goods sold".

Accounting Policies

INVENTORY

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average basis.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the reporting date are classified as current assets, all other inventories are classified as non-current.

KEY JUDGMENTS

Inventories

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated processing plant metal recovery percentage. Stockpile tonnages are verified by periodic surveys.

25. TRADE AND OTHER PAYABLES

	Consolidated	
	2018 $'000	2017 $'000
Current		
Trade payables	13,924	22,417
Accrued expenses	14,815	12,504
Other creditors	660	657
Annual leave payable	844	437
Total	**30,243**	**36,015**

25. TRADE AND OTHER PAYABLES (CONT'D)

Accounting Policies

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. Except for the amount payable to MACA Mining Limited for $9,161,000, the amounts are unsecured and are usually paid within 30 to 60 days of recognition.

ANNUAL LEAVE

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

26. PROVISIONS

		Consolidated	
	Note	2018 $'000	2017 $'000
Non-Current			
Long service leave		49	22
Rehabilitation		26,060	24,912
Balance at 30 June		**26,109**	**24,934**
Provision for rehabilitation			
Balance at 1 July		24,912	24,375
Provisions re-measured during the year	12	598	54
Provision used during the year		(105)	-
Unwinding of discount	3	655	483
Balance at 30 June		**26,060**	**24,912**

The provision for mine rehabilitation and closure on acquired tenements has been recognised at each reporting date. The provision is based on the net present value of the current life of mine model.

Accounting Policies

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

LONG SERVICE LEAVE

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

KEY JUDGMENTS

Site rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Other disclosures

27. SHARE-BASED PAYMENTS

Options and performance rights are issued to directors, employees and service providers. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between employees, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

SUMMARY OF OPTIONS GRANTED

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options issued under the Employee Option Plan during the year:

	2018		2017	
	No.	WAEP	No.	WAEP
At beginning of reporting period	29,191,667	$0.285	33,631,667	$0.248
Granted during the period: - Entitlements Offer	448,835,183	$0.080	-	-
- Employees and service providers	119,221,895	$0.013	2,425,000	$0.737
- Directors	20,000,000	$0.000	-	-
Forfeited during the period	(875,000)	$0.503	(100,000)	$0.256
Exercised during the period	(97,719)	$0.202	(4,365,000)	$0.249
Expired during the period	(26,648,698)	$0.245	(2,400,000)	$0.298
Balance the end of reporting period	**589,627,328**	**$0.076**	**29,191,667**	**$0.285**
Exercisable at end of reporting period	**537,430,433**	**$0.0826**	**27,541,667**	**$0.273**

		2018	2017
Weighted average remaining contractual life	**years**	0.8 years	0.6 years
Range of exercise prices	**$**	$0.00 - $0.308	$0.180 – 1.000
Weighted average fair value of entitlement offer options granted during the year	**$**	0.000	0.325
Weighted average fair value of employee and service providers' options granted during the year	**$**	0.083	0.325
Weighted average fair value of directors' options granted during the year	**$**	0.069	n/a

OPTION PRICING MODEL

The following table lists the inputs to the Black-Scholes & Monte Carlo pricing models used for the year ended 30 June 2018:

Allottee	Number of options	Fair value at grant date per option $	Estimated volatility %	Life of option (years)	Exercise price $	Share price at grant date $	Risk free interest rate %
Service providers	2,000,000	0.132	90	2.5	0.308	0.265	1.98
Entitlement offer	448,835,183	0.000	n/a	n/a	n/a	n/a	n/a
Service providers	43,152,270	0.006	90	0.9	0.080	0.040	1.94
Service providers	42,472,730	0.022	90	0.7	0.080	0.077	2.02
Directors & employees	29,548,448	0.077	90	3.64	0.000	0.077	2.16
Directors & employees	22,048,448	0.052	90	3.64	0.000	0.077	2.16

27. SHARE-BASED PAYMENTS (CONT'D)

SUMMARY OF PERFORMANCE RIGHTS GRANTED

The following table illustrates the number ("No.") of, and movements in, performance rights issued under the Employee Option Plan during the year:

	2018	2017
	No.	No.
At beginning of reporting period	4,150,000	8,500,000
Granted during the period:		
- Employees and service providers	-	400,000
- Directors	-	-
Forfeited during the period	-	-
Exercised during the period	(550,000)	(4,750,000)
Expired during the period	(3,600,000)	-
Balance the end of reporting period	**-**	**4,150,000**

KEY ESTIMATES

Equity-based payments

The fair value of options granted to directors, executives and contractors is recognised as an expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the directors, executives and contractors becomes unconditionally entitled to the options.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

28. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation included in employee benefits expense and share-based payments (note 27) is as follows:

	Consolidated	
	2018 $'000	2017 $'000
Short-term employee benefits	2,051	1,545
Long-term employee benefits	(190)	1,053
Post employment benefits	97	71
Termination benefits	7	24
Total compensation	**1,965**	**2,693**

CONTROLLED ENTITIES

The consolidated financial statements include the assets, liabilities and results of the following wholly-owned subsidiaries:

			% Entity Interest	
Name of controlled entity	Country of incorporation	Consolidated entity company holding the investment	2018	2017
Scaddan Energy Pty Ltd	Australia	Blackham Resources Limited	100%	100%
Zanthus Energy Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Lignite Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Matilda Gold Pty Ltd	Australia	Blackham Resources Limited	100%	100%
Kimba Resources Pty Ltd	Australia	Matilda Gold Pty Ltd	100%	100%
Matilda Operations Pty Ltd	Australia	Matilda Gold Pty Ltd	100%	100%

28. RELATED PARTIES (CONT'D)

PARENT ENTITY

Blackham Resources Limited is the parent entity of the Group.

TRANSACTIONS WITH RELATED ENTITIES

ORION FUND JV LIMITED ("ORION")

In accordance with the terms of the Facility Agreement Mr Peter Rozenauers, an officer of Orion, was accepted onto the Board in the role of non-executive director on 17 June 2015. Mr Rozenauers resigned 19 September 2017. Orion ceased to be a related party of the Company on that same date.

During the year, Orion was paid $883,000 (2017: $3,957,000) interest expense on the project finance facility up to the date of resignation of Mr Peter Rozenauers as director of the Group.

XAVIER GROUP PTY LTD ("XAVIER")

Mr Milan Jerkovic is an officer of Xavier, a company who provides consulting services to the Group. During the year, Xavier was paid $324,000 (2017: $152,500) for consulting services provided to the Group. $41,000 (2017: $24,000) was outstanding at balance date.

All transactions were made on normal commercial terms and conditions and at market rates.

LOANS TO/ FROM RELATED PARTIES:

There were loans from Orion, as disclosed in note 18.

29. PARENT ENTITY INFORMATION

The following information is for the parent entity, Blackham Resources Limited, at 30 June 2018. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	2018 $'000	2017 $'000
Current assets	20,968	18,176
Non-current assets	137,878	115,275
Total assets	**158,846**	**133,451**
Current liabilities	(25,231)	(42,026)
Non-current liabilities	(10,334)	(19)
Total liabilities	**(35,565)**	**(42,045)**
Issued capital	145,459	109,960
Reserves	4,620	6,310
Accumulated losses	(26,798)	(24,864)
Total equity	**123,281**	**91,406**
Total comprehensive profit/(loss) of the parent	**(4,952)**	**22**

There are no contingent liabilities of the parent entity as at the reporting date.

30. COMMITMENTS

OPERATING LEASES

Operating lease commitments includes contracted amounts for offices and supply of electricity to the Matilda-Wiluna Gold Operation under non-cancellable operating leases expiring within one to ten years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:

	Consolidated	
	2018 $'000	**2017 $'000**
Not longer than one year	1,976	2,154
Longer than one year, but not longer than five years	4,940	6,916
Longer than five years	-	-
Total	**6,916**	**9,070**

FINANCE LEASES

The Group holds finance leases for the acquisition of motor vehicles. The agreements incorporate a fixed rate between of 2% and 5% (2017: 2% and 5%), monthly repayments and expiry dates between June 2019 and July 2021:

	Consolidated	
	2018 $'000	**2017 $'000**
Not longer than one year	177	177
Longer than one year, but not longer than five years	134	177
Longer than five years	72	206
Total	**383**	**560**

CONTRACTUAL COMMITMENTS

On 5 December 2017, the Group re-negotiated its agreement with Synergy for the supply of gas to the Matilda-Wiluna Gold Operation. The terms of this agreement commit the Group to purchasing a minimum amount of gas for the term of the contract. As at 30 June 2018, at the current contract price, the Group had commitments to purchase gas for the remaining term of $1,040,000 (2017: $689,000).

On 9 November 2016, the Group entered into agreements with APA, Goldfields Gas Transmission Pty Ltd and DBNGP (WA) Transmission Pty Limited in relation to gas transportation to the Matilda-Wiluna Gold Operation. The terms of the agreements commit the Group to transporting a minimum monthly amount of gas for the term of the contract. As at 30 June 2018, at the current contract prices, the Group had commitments for the use of the pipeline for the remaining term of $754,000 (2017: $2,266,000).

	Consolidated	
	2018 $'000	**2017 $'000**
Not longer than one year	1,794	2,203
Longer than one year, but not longer than five years	-	752
Longer than five years	-	-
Total	**1,794**	**2,955**

31. CONTINGENT LIABILITIES

CONTINGENT LIABILITIES:

As part of the sale and purchase agreement of the Wiluna Gold Project from Apex Minerals NL (Receivers and Managers Appointed)(In Liquidation) and Apex Gold Pty Ltd (Receivers and Managers Appointed)(In Liquidation), the following contingent liabilities exist:

- $1,300,000 in cash (or shares at Blackham's election) on production of 50,000 ounces of gold from the Wiluna tenements; and
- $1,300,000 in cash (or shares at Blackham's election) on production of 100,000 ounces of gold from the Wiluna tenements.

32. AUDITORS' REMUNERATION

	Consolidated	
	2018 $'000	2017 $'000
Audit services – RSM Australia Partners		
- Auditing or reviewing the financial report	118	110
- Other services	11	-
Total	**129**	**110**

33. SUBSEQUENT EVENTS

Convertible Security Funding Agreement

On 25 September 2018, Blackham announced the execution of an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ("Lind") for up to A$23 million in total capital. The initial funding commitment of A$7.5 million is to be funded within 20 business days of execution.

Lind's initial A$7.5 million investment will be provided as a Secured Convertible Note ("Convertible Note 1") with a 24 month term, the proceeds of which will be used, along with Blackham's current cash, to fully repay the short term secured debt owed to Orion Fund JV Limited. With the Orion debt fully repaid, Blackham will be able to re-direct operational cash flows to expand its reserves and finalise the Wiluna Expansion Definitive Feasibility Study.

The Funding Agreement includes repayment provisions that allow for conversion into Blackham shares ("Shares"), optional cash payments, or early repayment at the Company's sole discretion at any time. A lock-up provision restricts conversion of debt into Shares for four and a half months until 14 February 2019, two weeks after the expiry of the Company's 534 million listed options which are exercisable at 8 cents per Share. Any proceeds from the exercise of listed options will be directed to repaying Convertible Note 1.

<u>Key Aspects of the Funding Agreement</u>

The Funding Agreement is underpinned by the ability to draw up to $23,000,000 in a number of tranches from Lind. The terms of the Funding Agreement expressly allow Blackham to carry out additional private placements of equity and debt funding or engage in other financing transactions.

For Convertible Note 1, Lind will initially advance $7.5 million to Blackham who will issue a secured redeemable convertible note with a face value amount of $9 million, inclusive of interest. Blackham has the right to redeem Convertible Note 1 at any time which, if repaid within six months, can be redeemed at a discounted face value of A$8.25 million. Lind cannot convert Convertible Note 1 into Shares prior to 14 February 2019.

After 14 February 2019, the Company will repay the amounts owed to Lind via monthly instalments of 1/12th of the face value, which can be paid, at the Company's option each month, in cash or Shares; if in Shares, at a price being the minimum of $0.08 per share or 90% of five daily VWAPs during a specified period of time ("Conversion Price"). Additionally, the Company can use cash to redeem the entire outstanding amount at any time for no penalty, subject to Lind having the right to elect to convert 30% of the Face Value at the Conversion Price.

33. SUBSEQUENT EVENTS (CONT'D)

As part of the consideration payable for this Funding Agreement, the Company will issue 72 million Blackham options to Lind with an exercise price of 8 cents and an expiry of 5 years from issue. Security will be provided to Lind by way of the issue of 50 million collateral Shares that will be credited at the end of the Funding Agreement.

The parties have agreed that no more than 114,000,000 Shares ('Initial Maximum Share Number') can be issued under Convertible Note 1 without shareholder approval. As the Initial Maximum Share Number is within the Company's ASX Listing Rule 7.1 placement capacity, shareholder approval is not required for Convertible Note 1 to proceed. The Company will ratify the issue of Convertible Note 1 at its annual general meeting and seek shareholder approval for the issue of Convertible Note 1 to the extent it can convert into Shares above the Initial Maximum Share Number.

Drawdown of $6 million is expected within seven business days with the remaining $1.5 million of Convertible Note 1 to be received within 20 business days of the date of the Funding Agreement.

Further drawdowns via convertible securities under the Financing Agreement would provide Blackham with the option to obtain additional funding, if necessary, and would be subject to prior shareholder approvals, mutual agreement by both parties and Blackham maintaining a minimum market capitalisation of A$80 million. Any further drawdowns would be funded, on equivalent terms to Convertible Note 1, including the issue of further options in connection with each tranche (also subject to prior shareholder approvals). Lind has the right to reinvest up to A$3 million in a convertible note on similar terms to Convertible Note 1, subject to shareholder approval. Lind has agreed not to acquire 10% or more of the total fully paid ordinary Shares in the capital of the Company.

Controlled Placement Agreement

During July 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Blackham with up to $10 million of standby equity capital over the coming 27 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).

Issue of shares

Pursuant to the abovementioned Convertible Security Funding Agreement, the Company issued 50,000,000 collateral shares to Lind Asset Management XIV, LLC on 26 September 2018.

Furthermore, pursuant to the abovementioned Controlled Placement Agreement, the Company issued 25,000,000 collateral shares to Acuity Capital Investment Management ATF Acuity Capital Holdings Trust on 26 September 2018.

Apart from the above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

34. ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

35. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

New standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. At the date of this report, the Group does not plan to adopt these standards early.

Standard/Interpretation	Description
AASB 9 'Financial Instruments', and the relevant amending standards Effective for annual reporting periods beginning on or after: 1 January 2018 Expected to be initially applied in the financial year ending: 30 June 2019	The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the Group.
AASB 15 'Revenue from Contracts with Customers' Effective for annual reporting periods beginning on or after: 1 January 2018 Expected to be initially applied in the financial year ending: 30 June 2019	The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the Group.
AASB 16 'Leases' Effective for annual reporting periods beginning on or after: 1 January 2019 Expected to be initially applied in the financial year ending:	The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or

Standard/Interpretation	Description
30 June 2019	lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group doesn't expect that this will have a material impact.

Directors' Declaration

In accordance with a resolution of the directors of Blackham Resources Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2018.

3. The directors draw attention to the notes to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board

Bryan Dixon
Managing Director
Perth, 28 September 2018

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BLACKHAM RESOURCE LIMITED

Opinion

We have audited the financial report of Blackham Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the going concern note in the Basis of Preparation section in the notes to the financial statements, which indicates that the Group incurred a loss of $20,027,000 for the year ended 30 June 2018 and, as of that date, the Group had net current liabilities of $13,644,000. As stated in the going concern note, these events or conditions, along with other matters as set forth in the going concern note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Carrying value of mine properties - Refer to Note 12 and 13 in the financial statements	
The Group holds mine properties with a carrying value of $80.9 million. This asset balance is considered a key audit matter due to the significant judgment involved in determining the appropriate accounting treatment. Areas of judgment include: • The transfer of the exploration and evaluation asset to mine properties during the year; • Application of the units of production method in determining the amortisation charge. This includes determining the appropriate mine reserve estimate and the cost allocation attributable to each asset; and • The recognition and measurement of the deferred stripping asset, which involves determining the date of commercial production, identifying the components within the ore body being stripped, determining the costs relating to the stripping activity and estimating the stripping ratio over the life of mine.	Our audit procedures included: • Reviewing management's amortisation models, and agreeing key inputs to supporting information. This included an assessment of the work performed by management's expert in respect of the Life of Mine model and the mine reserve estimate, including the competency and objectivity of the expert; • Reviewing management's assessment that the technical feasibility and commercial viability of extracting a mineral resource was demonstrable, and that therefore the existing exploration and evaluation asset should be transferred to mine properties; • Agreeing a sample of the additions, including the transfer of the exploration and evaluation asset to mine properties, during the year to supporting documentation and ensuring that the amounts were capital in nature; and • Assessing whether the recognition of the deferred stripping asset was consistent with the requirements of Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine,* including the determination of the date of commercial production and the identification of the relevant ore body.
Impairment of processing plant and mine properties - Refer to Note 11, 12 and 13 in the financial statements	
The carrying value of the Group's non-current assets, which includes processing plant and mine properties amounted to $136.1 million at reporting date. The Group is exposed to volatility in commodity prices and the reduction in production of its operations are	Our audit procedures included: • Assessing management's determination of allocating the non-current assets to a single CGU based on the nature of the Group's business and

factors, which intensify the risk of impairment associated with the Group's non-current assets. The directors have identified that impairment indicators existed at the reporting date. The directors' assessment of the recoverability of these non-current assets is performed using an impairment model which is based on the 'value-in-use' of the cash generating unit (CGU). This impairment model is dependent on macro-economic assumptions about future commodity prices and exchange rates as well as the Group's internal assumptions for the future productions level, life of mine and operations costs. We determined this area to be a key audit matter due to the significant account balances and the judgement involved in the preparation of the impairment model.	the manner in which results are monitored and reported; • Assessing the appropriateness of the impairment model prepared by management; • Challenging the reasonableness of key assumptions used in the impairment model, including: - future production levels and operations costs; - future commodity prices and exchange rates; - estimated reserves and resources; - the discount rate applied; and - the life of mine; • Checking the mathematical accuracy of the impairment model and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • Assess the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Blackham Resources Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2018

ASX Additional Shareholder Information

SHAREHOLDING

The distribution of members and their holdings of equity securities in the Company is:

Number Held as at 13 September 2018	Fully Paid Ordinary Shares
1 - 1,000	91,527
1,001 - 5,000	1,570,901
5,001 – 10,000	5,279,410
10,001 - 100,000	119,625,544
100,001 and over	1,138,951,282
Totals	**1,265,518,664**

The number of holders with less than a marketable parcel of fully paid ordinary shares is 1,522.

SUBSTANTIAL SHAREHOLDERS

There are no shareholders in the Register of Substantial Shareholders at the date of this report.

RESTRICTED SECURITIES

The Company has no restricted securities.

VOTING RIGHTS

ORDINARY SHARES

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest ordinary fully paid shareholders at 13 September 2018:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
J P Morgan Nominees Australia Ltd	133,672,783	10.56
HSBC Custody Nominees (Australia) Ltd	34,620,705	2.74
Citicorp Nominees Pty Ltd	33,247,450	2.63
Mr Raymond Edward Munro & Mrs Susan Roberta Munro	28,000,000	2.21
BNP Paribas Nominees Pty Ltd	17,686,989	1.40
Custodial Services Limited	16,435,101	1.30
Mr Claude Cainero & Mr Hak Hau Kwok	12,692,230	1.00
Blacstone Pty Ltd	10,000,000	0.79
Pelzer Holdings Pty Ltd	7,995,402	0.63
Swiss Trading Overseas Corp	7,871,000	0.62
Mr Terry Brian Dorrell	6,660,000	0.53
BNP Paribas Noms Pty Ltd	6,359,558	0.50
Mr Helmut Pelzer	6,097,000	0.48
Warrior Strategic Pty Ltd	5,915,000	0.47
Perfectus Management Limited	5,888,495	0.47
Keong Lim Pty Limited	5,785,000	0.47
Mr Bernard Pristel	5,640,000	0.45
Kesli Chemicals Pty Ltd	5,400,000	0.43
Acres holdings Pty Ltd	5,400,000	0.43
Zenix Nominees Pty Ltd	5,344,843	0.42
Mr Ross Jeremy Taylor	5,000,000	0.40
Total	**365,711,556**	**28.91**

Schedule of Mineral Tenements & Rights

AS AT 13 SEPTEMBER 2018

Project	Tenement	Interest held by Blackham
Matilda	E53/1644	100%
Wiluna	E53/1645	100%
Matilda	E53/1791	100%
Matilda	E53/1794	100%
Matilda	E53/1852	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	100% of gold and base metal rights
Wiluna	L53/0020	100%
Matilda	L53/0021 to L53/0022	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%
Matilda	L53/0051	100%
Wiluna	L53/0053	100%
Matilda	L53/0062	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Matilda	L53/0140	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%
Matilda	M53/0034	100%
Wiluna	M53/0040	100%
Matilda	M53/0041	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0050	100%
Matilda	M53/0052 to M53/0054	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	M53/0113	100% of gold and base metal rights

Project	Tenement	Interest held by Blackham
Wiluna	M53/0121 to M53/0123	100%
Wiluna	M53/0129 to M53/0131	100%
Wiluna	M53/0139	100%
Wiluna	M53/0147	100%
Wiluna	M53/0173	100%
Matilda	M53/0188	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0224	100% of gold and base metal rights
Wiluna	M53/0253	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Wiluna	M53/0796	100%
Wiluna	M53/0797 to M53/0798	100%
Wiluna	M53/0910	100%
Matilda	M53/0955	100%
Wiluna	M53/1097	100%
Wiluna	M53/1098	100%
Wiluna	P53/1560	100%
Wiluna	P53/1637	100%
Wiluna	P53/1642 to E53/1646	100%
Wiluna	P53/1666 to E53/1668	100%
Wiluna	R53/0001	100%
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	M63/0194	100%
Zanthus	E69/2506	20% of basement rights, 100% above basement