

31 January 2019

Quarterly Activities Report

December 2018

Blackham Resources Ltd ('Blackham' or 'the Company') provides the following update on its activities for the quarter ended 31 December 2018 and thereafter:

Highlights

Matilda-Wiluna Gold Operation

- Safety – no LTIs during calendar year 2018, TRIFR below industry average
- Calendar year 2018 saw production of 2.06Mt @ 1.4g/t with a recovery of 86% for gold production of 78,089oz at an All in Sustaining Cost per ounce (AISC) of A\$1,441/oz (CY 2017 Gold Production: 61,181oz)
- Dec'18 quarterly gold production of 19,016oz (Sep'18 Qtr: 19,049oz)
- AISC for the Dec'18 quarter was A\$1,606/oz (Sep'18 Qtr: A\$1,588/oz)
- Operating cash flow of \$4.0m for the quarter and \$7.3m for the half
- Wiluna open pit mining re-commences for the first time in over 10 years
- Dec'18 quarterly production less than guidance due to lower than expected mined ore grades particularly in the upper levels of the open pit mines. Slower underground mining development also contributed to lower mill grade.
- FY19 production guidance revised to 72-80koz @ an AISC of A\$1,500-A\$1,700/oz primarily on the back of lower first half production

Reserve Development, Resources and Exploration

- Blackham total Ore Reserves increased by 27% to 26Mt @ 1.8g/t for 1.53Moz
- Drilling continues to focus on higher grade options to increase and improve gold production
- Golden Age Lower high grade extensions confirmed below current mining area
- Golden Age North (Upper) successfully extended over 600m of strike with high grades in the fresh rock
- Binding Heads of Agreement executed for the establishment of a Joint Venture for the development, mining and processing of gold resources from the GWR Group Limited ("GWR") Wiluna West Gold Project (Blackham 65%: GWR 35%)
- Exciting high grade drilling results at Wiluna West from all three targets drilled

Corporate

- Cash and Bullion at 31 December was \$6.8m (Sep'18: \$8.9m)
- Net debt at 31 December was \$16.1m
- Net \$10.7m of debt repayments during the half
- Blackham received an additional A\$2.8 million cash in Jan'19 from sale of 20% interest in the Wiluna Cobalt-Nickel Project (not included in net debt)
- Salt Lake Potash (ASX: SO4) received approvals and commenced the construction of the Lake Way Ponds for brine storage with planned dewatering of Blackham's Williamson Open Pit in advance of mining recommencing in 2019

BOARD OF DIRECTORS

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

CORPORATE INFORMATION

1,343M Ordinary Shares
 534M Quoted Options
 119M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

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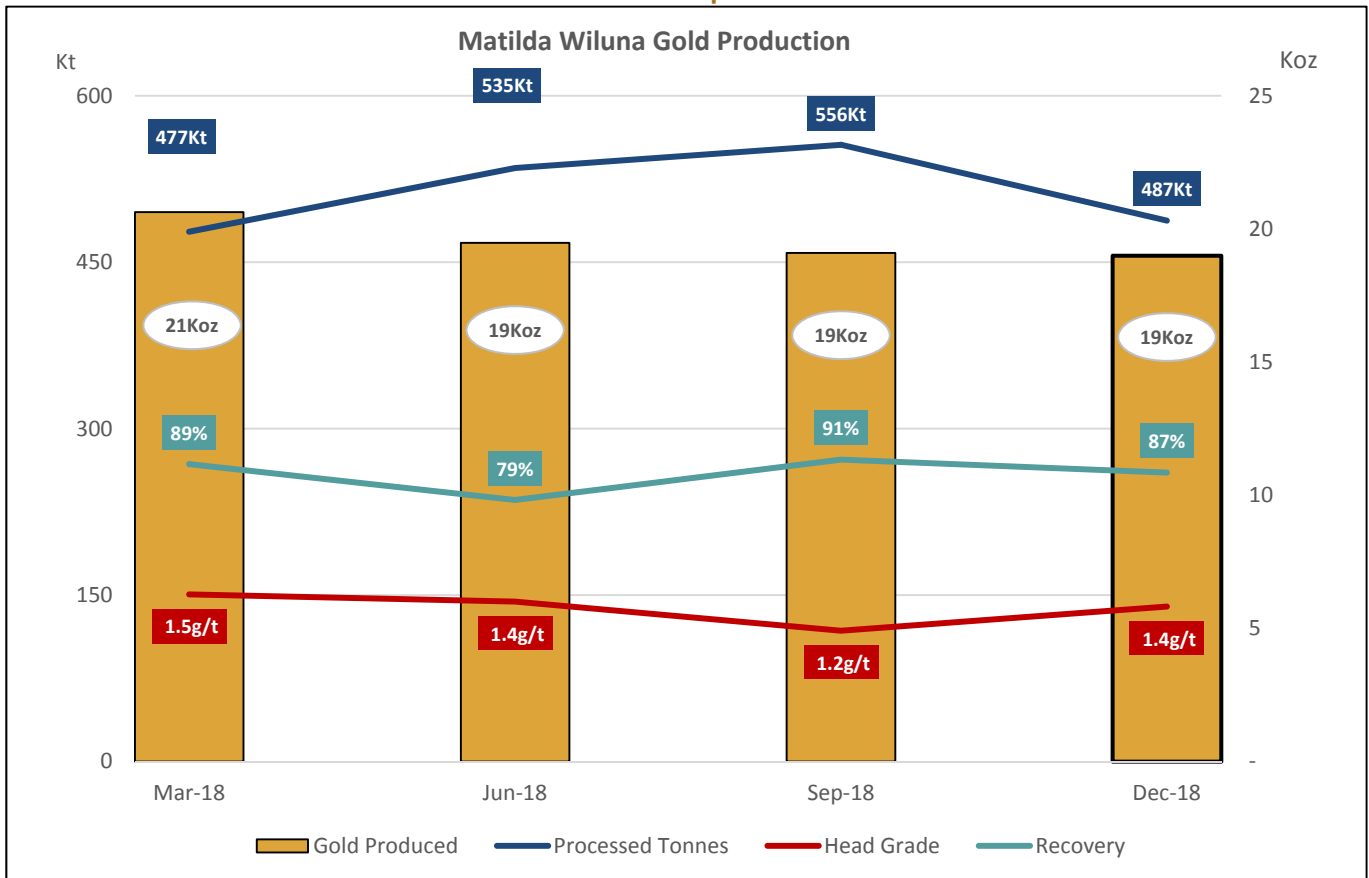
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Gold production

Blackham's gold production for the Dec'18 quarter of 19,016oz was consistent with the prior quarter. Calendar year 2018 saw production of 2.06Mt @ 1.4g/t with a recovery of 86% for gold production of 78,089oz @ ASIC A\$1,441/oz. This represents a significant improvement of 27% to CY 2017 gold production of 61,181oz.

Chart 1 – Gold production



The Wiluna plant throughput of 487kt slowed 12% from the Dec'18 quarter due to harder ore being processed from the Wiluna pits. The quarterly throughput is still 8% above nameplate capacity of 1.8Mtpa.

Mill feed grade improved 18% on the previous quarter. However, open pit mined grades particularly in the upper levels of the open pits underperformed against expectations and this was one of the drivers of the revised higher AISC/oz guidance for FY19. To reduce the risk of further grade under calls, the open pit ore sources for the Mar'19 quarter have been grade controlled to final pit depths. A review of the open pit grade control models confirms the grade profile is expected to improve during the Mar'19 quarter.

Development in the Golden Age underground deposit due to extensions to the orebody resulted in planned stopes being delayed into the Mar'19 quarter, which also contributed to lower than planned underground ore mill feed in the Dec'18 quarter. These stopes will be completed in the Mar'19 quarter.

Matilda-Wiluna Gold Operation

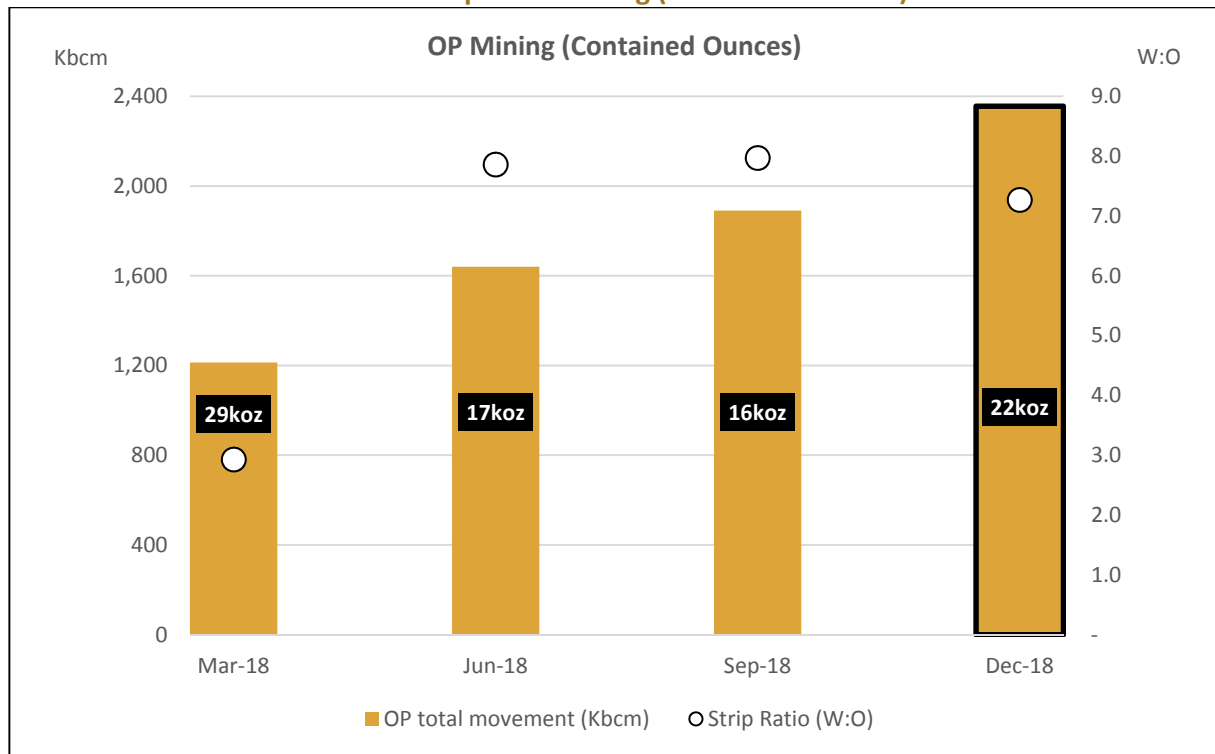
Table 1 - Production & Cost Summary

		SEP18 QTR	DEC18 QTR	FY19 YTD
Production	Unit			
Open Pit Mining				
Total Mining	bcm	1,890,930	2,356,346	4,247,275
Strip Ratio	w:o	8.0	7.3	7.6
Ore Mined	t	442,740	598,448	1,041,188
Mined Grade	g/t	1.1	1.2	1.1
Underground Mining				
Total UG lateral development	m	149	84	233
Ore Mined	t	9,407	10,833	20,240
Mined Grade	g/t	7.4	5.6	6.5
Total Ore Mined	t	452,147	609,281	1,061,428
Total Mined Grade	g/t	1.3	1.2	1.2
Total OP & UG Contained Gold	oz	18,362	24,219	42,581
Processing				
Tonnes Processed	t	555,677	487,401	1,043,078
Grade Processed	g/t	1.2	1.4	1.3
Recovery	%	91%	87%	89%
Gold Produced	oz	19,049	19,016	38,065
Gold Sold	oz	18,332	19,980	38,312
Costs	Unit			
Mining	A\$/oz	1,003	1,113	1,058
Processing	A\$/oz	419	443	431
Site Administration	A\$/oz	85	90	87
Pre-production mining costs capitalised	A\$/oz	(156)	(160)	(158)
Stockpile movements	A\$/oz	107	(126)	(10)
Royalties, refining costs & silver sales	A\$/oz	81	109	96
Sustaining capital expenditure	A\$/oz	27	117	72
Overhead costs	A\$/oz	22	20	21
All - In - Sustaining Costs Per Ounce	A\$/oz	1,588	1,606	1,597

Open Pit Mining

During the Dec'18 quarter total material movement was 2.4MBCM, representing an increase of 25% on the prior quarter (Sep'18 Qtr: 1.9MBCM). Higher material movement at a lower strip ratio of 7.3 (Sep'18 Qtr: 8.0) resulted in 598kt of ore being mined compared to 487kt tonnes milled. Total stockpiles at 31 December were 401kt @ 0.82 g/t for a total of 10.6koz.

Chart 2 – Open Pit Mining (Contained Ounces)



Total material movement for the remainder of FY19 is expected to continue at a rate of 750k – 800k BCM per month. Mining will continue to progress in the Wiluna East-West and Golden Age North pits.

The Company advised in Oct'18 it had re-commenced open pit mining at Wiluna of its recently defined free milling ores. It has been 10 years since open pit mining last took place at the Wiluna Mine. The first two pits East West and Golden Age North targeted free milling ores from surface to a depth of up to 70m. Wiluna ores grades are expected to increase the average grade profile to the mill. During the Dec'18 quarter, Wiluna ore made up 43% of the mill feed. This is expected to increase to 60% in the Jun'19 Half. Wiluna open pits are located within 3kms of the plant significantly lowering haulage costs.

During the Dec'18 quarter, the upper levels of the open pits contributed to an under call in grade versus the resource models due to a number of narrow and complex lodes. Resource modelling methodology continues to be refined and mine planning processes have been revised that will facilitate greater accuracy in forecasting production profiles. A thorough review of grade control and mining practises is progressing to ensure optimal outcomes.

Golden Age Underground keeps on contributing

Production from Golden Age Underground for the Dec'18 quarter was 10,833 tonnes @ 5.6g/t (Sep'18: 9,407 tonnes @7.4g/t). Development in the Golden Age underground deposit due to extensions to the orebody resulted in planned stopes being delayed into the Mar'19 quarter, which also contributed to lower than planned UG mill feed in the Dec'18 Qtr. These stopes will be completed in the Mar'19 quarter.

The Golden Age underground has been cash flow positive for the last 18 months. Over this period Blackham, has consistently extended the mine life. As highlighted in the announcement dated 12 December 2018 "Golden Age High Grade System Keeps on Contributing" extensive data collection and a review of stratigraphic sequence, deformation and mineralising events helped prioritise drill targets. Blackham's enhanced geological understanding of the high grade Golden Age mineralisation has enabled the mine plan to be extended into Golden Age Lower which is offset from the current mining area by a basalt fault.

Golden Age Lower best intersections during the quarter included:

- 7m @ 7.98 g/t Au incl. 0.7m @ 71.0 g/t Au 56 g*m GARD0049
- 7.8m @ 18.47 g/t Au 144 g*m GARD0052
- 4.8m @ 22.21 g/t Au 107 g*m GARD0057A
- 2.7m @ 21.33 g/t Au 58 g*m GARD0058

Mine planning for development of Golden Age Lower is currently well advanced

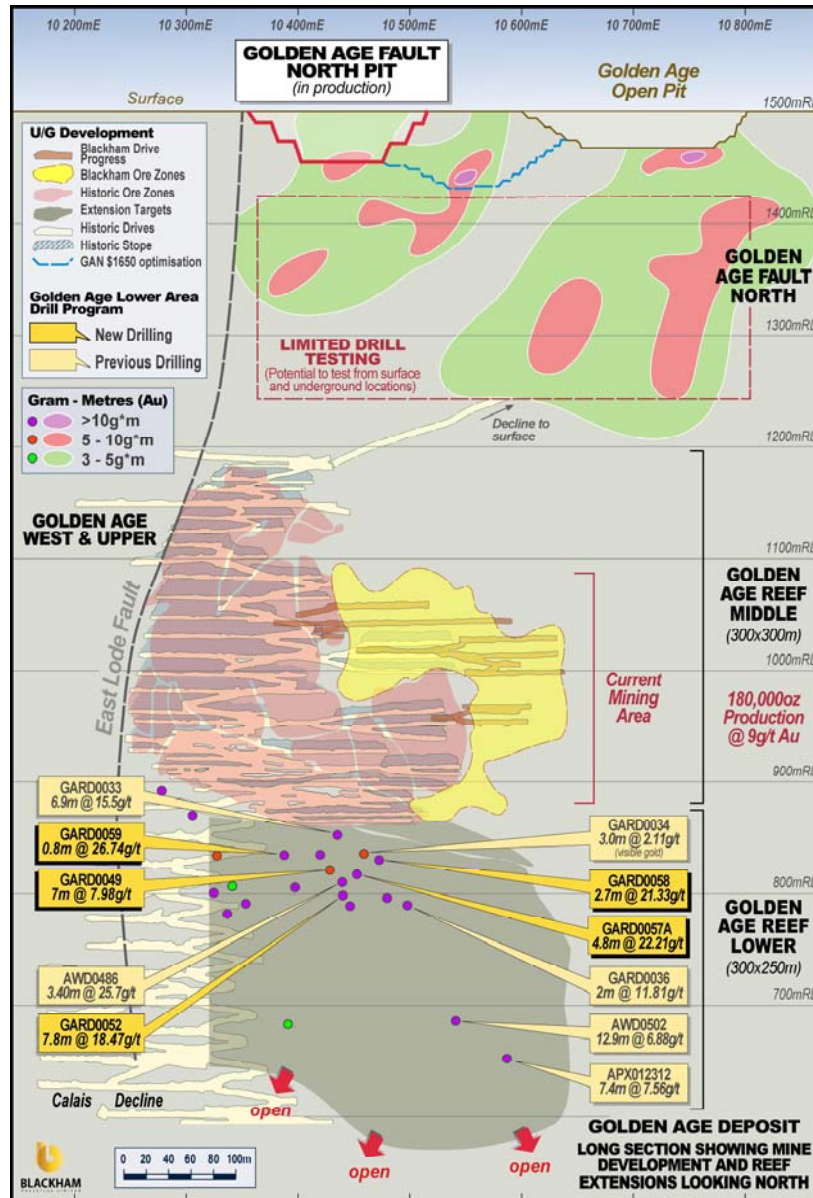


Figure 1. Golden Age long section showing mine development and latest drilling results.

Production Guidance

The Dec'18 half saw production of 38,065oz @ A\$1,597/oz. FY19 production guidance has been revised to 72-80koz primarily on the back of lower first half production. AISC/oz has been revised to A\$1,500-A\$1,700/oz due to a combination of lower first half production and higher mining unit cost rates. For the second half, management expects lower throughput due to harder ores being processed, and higher mined grades in both the Matilda and Wiluna open pits.

Reserve Upgrade

During the Dec'18 quarter Blackham completed a Reserve update. Highlights of the Reserve upgrade include:

- Total Ore Reserves of 26Mt @ 1.8g/t for 1.53Moz
- Increase in free-milling Ore Reserves to 550koz
- Increase in Wiluna Open Pit Ore Reserves by 30% to 10.7Mt @2.5g/t for 867koz
- Drilling continues to focus on higher grade near surface options to increase production and lower costs

There are significant opportunities to extend free-milling Ore Reserves at Lake Way, Wiluna, Golden Age and Wiluna West.

There is also potential to convert the substantial Wiluna underground inferred resources into indicated resources within 400m of the surface.

Golden Age North (Upper) successfully extended over 600m of strike

Historical mining at Golden Age North (GAN) saw mining of 27koz @ 17g/t Au within 40m of surface over a 180m strike. Blackham intends to drill GAN to a 200m depth over 600m of strike to assess underground mining potential. During the Sep'18 quarter Blackham's exploration team successfully completed a surface resource definition drill programme at Wiluna. The results from the RC drilling programme indicate the likelihood for extensions to the current mine plan at several Wiluna free-milling open pits. Resource extension drilling around the pit indicated strong potential for additional ore along strike and below the planned pit design:

8m @ 9.10 g/t from 87m incl. 3m @ 21.46g/t	73g*m	WURC0668
8m @ 4.50g/t from 74m incl. 6m @ 5.63g/t	36g*m	WURC0677
9m @ 3.62g/t from 33m incl. 3m @ 9.54g/t	33g*m	WURC0667
4m @ 6.68g/t from 48m	27g*m	WURC0671
6m @ 3.30g/t from 64m incl. 1m @ 14.65g/t	20g*m	WURC0670

The Indicated Resource for GAN is 450kt @ 1.6g/t for 23koz but clearly has potential to be extended 400m south east of the planned pit.

Drilling the GAN deposit confirmed the higher-grade nature of this orebody in the fresh rock and potential for underground extraction with intercepts ranging from 10 to 80 gram metres. A drill programme to test the continuity of high grade mineralisation in the top 200m will commence shortly. This drill programme will target the free milling higher grade fresh rock in close vicinity to the existing underground infrastructure which is within 200m of the Stage 1 pit design.

Wiluna West Gold Project – Exciting High Grade Drilling Results

In November 2018, GWR Group Limited (ASX: GWR) executed a Binding Heads of Agreement with Blackham for the establishment of a joint venture for the development, mining and processing of gold mineralisation from the Wiluna West Gold Project (Blackham production interest 65% - refer to ASX announcement dated 23rd November 2018). The Wiluna West Gold Project contains a combined Mineral Resource estimate of 3.5 million tonnes at 2.3 g/t Au for 254,000 oz (refer to GWR ASX announcement dated 31st October 2017). The project is located approximately 40 km south west of Blackham's Wiluna Gold Plant.

On 15 January 2019, GWR announced the results from 72 RC drill holes for 3,918 m completed at the Golden Monarch, Eagle and Emu prospects. High grade intercepts achieved in all three prospect areas results include;

Golden Monarch

WGRC0054, 7 m @ 12.0 g/t Au from 28 m, including 1 m @ 72.0 g/t Au
 WGRC0061, 7 m @ 11.8 g/t Au from 36 m, including 1 m @ 72.3 g/t Au
 WGRC0073, 7 m @ 8.3 g/t Au from 18 m, including 1 m @ 38.1 g/t Au

Emu

WGRC0092, 5 m @ 15.0 g/t Au from 45 m, including 1 m @ 69.4 g/t Au
 WGRC0096, 12 m @ 7.3 g/t Au from 48 m, including 3 m @ 25.3 g/t Au
 WGRC0101, 8 m @ 11.1 g/t Au from 53 m, including 3 m @ 25.0 g/t Au
 WGRC0105, 10m @ 2.6 g/t Au from 47 m

Eagle

WGRC0083, 12 m @ 2.1 g/t Au from 43 m
 WGRC0086, 6 m @ 3.7 g/t Au from 10 m
 WGRC0089, 7 m @ 3.0 g/t Au from 50 m
 WGRC0108, 6 m @ 4.00 g/t Au from 118 m
 WGRC0114, 5 m @ 9.7 g/t Au from 54 m, including 2 m @ 21.8 g/t Au

With Mining approvals largely in place for Golden Monarch, the latest drilling shows the potential to provide the Wiluna Mill with a higher grade feed source. Updated resource models will now be prepared for all three deposits. These exciting results will help underpin studies into the viability of all three deposits and further processing strategies.

Wiltails Retreatment

Work on the Wiluna Tailings (Wiltails) resource has resulted in the conversion of part of the resource to reserves with a probable reserve of 11.2 Mt @ 0.65 g/t for 234 koz being announced (refer to ASX announcement dated 31 October 2018) supported by a preliminary feasibility study with an AISC \$1,398/oz. The Wiltails can be treated through the Wiluna Free Milling Gold Plant. Further studies have commenced and a number of potential areas in which the economics of tailings retreatment could be enhanced have been identified. Full consideration of these potential improvements requires additional metallurgical testing which, along with re-examination of the feasibility and further conversion of resource into reserves.

Wiluna Expansion Study

The Expansion Preliminary Feasibility Study ("Expansion PFS") published on 30 August 2017, confirmed the robust economics for a +200kozpa long mine life operation. Key outcomes were life-of-mine AISC of A\$1,058/oz, IRR 123% and NPV8 of \$360M before tax at A\$1,600/oz gold price. This study confirmed the Wiluna Expansion opportunity is capital efficient and its economies of scale significantly reduced operating costs.

The Expansion Definitive Feasibility Study is well advanced with processing studies continuing with a view to further de-risking the expansion of the Operation. With mining having now commencing in the Wiluna oxide starter pits geology and mining factors are being further de-risked well ahead of the Company electing to commit further capital to the Sulphide Project. The mine plan is currently in the process of being amended to bring forward the underground ore earlier in the schedule.

Work last quarter has focused on optimisation of the processing flowsheet with the comminution circuit with detailed test work to refine capital and operating costs. Metallurgical work included a bulk flotation test work in progress. The location of the expanded Tailings Storage Facility has been selected and sterilised with designs close to finalisation.

The Expansion study is also looking at the potential to sell a gold concentrate. Over the last 18 months Blackham has engaged with potential buyers of a gold concentrate produced from the sulphide orebodies. Concentrate specifications have been sent to a number of parties and strong demand has been received from parties wanting to secure gold concentrate offtake. The Company continues to engage with potential concentrate offtake partners with a view to firming up concentrate pricing.

The conversion of the plant to produce a gold concentrate will have the added benefits of:

- Simpler flowsheet, with only front end capacity to the floatation circuit required; and
- Lower capital and operating costs

Wiluna Cobalt-Nickel Project

On 28 September 2018 A-Cap Resources Limited (“ACB”) entered into a binding term sheet with Blackham to acquire up to 75% of the Wiluna Nickel-Cobalt project. The project covers 40km’s of strike of the “Perseverance Ultramafics” sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. The project has an Inferred JORC 2004 Nickel-Cobalt resource of 80.5Mt at 0.77% Ni, 0.058% Co (0.5% Ni cut-off).

ACB will acquire up to 75% interest via a staged Farm-in and Joint Venture Agreement (‘JVA’). The JVA was signed on 20 December 2018 and all conditions precedent to ACB acquiring an initial interest of 20% in the project have been met, including providing cash consideration of A\$2.8million to Blackham.

SO4 completes A\$13.0m placement to institutional and sophisticated investors

Salt Lake Potash Limited (“SO4”) and Blackham entered a Memorandum of Understanding, as announced by SLP on 12 March 2018, to investigate a potential development of a Sulphate of Potash operation based at Lake Way, near Wiluna.

Following the completion of a Scoping Study (at SO4’s cost) on the development of a 50,000tpa sulphate of potash (SOP) Demonstration Plant at Lake Way, in October 2018 SO4 announced the completion of an A\$13.0m placement to institutional and sophisticated investors. The proceeds will be directed towards funding the construction of Williamson Ponds and dewatering of the Williamson Pit.

The development of the project will have significant benefits to Blackham including:

- Sharing of infrastructure costs and a reduction in tenements holding costs
- Dewatering of the Williamson Pit (scheduled for mining recommencement in 2019)
- Access to approximately 290km² of tenements prospective for gold to the south of the Wiluna Mine Sequence
- Blackham receives a 4% royalty on potash production from its tenure.

Corporate & Treasury

As at 31 December 2018 Blackham had \$6.8m cash and bullion (cash of \$1.5m, bank guarantees of \$0.6m, and bullion of \$4.7m) and receivable of \$2.8M from sale of 20% of the Wiluna Cobalt-Nickel Project (which was received in Jan’19).

Net debt at 31 December was \$16.1m at the end of the quarter. Loan liabilities increased to \$22.9m (Sep’18 Qtr: \$20.0m) as the final repayment to Orion JV Fund was offset by the proceeds of new Convertible Security issued to Lind Partners, which has an initial face value of \$8.25m. Debt as at 31 December 2018 was comprised of the loan payable to MACA of \$14.3m (Sep’18: \$14.3m), Lind Convertible Security of \$8.25m (Sep’18: nil), and leases of \$0.4m (Sep’18: \$0.3m). The Orion Fund JV Limited remaining debt as at 30 September 2018 of \$5.4m was fully repaid in early Oct’18.

Under the Lind Convertible Security, Lind advanced \$7.5 million to Blackham who in turn issued a secured redeemable convertible note with an initial face value amount of \$8.25 million, inclusive of interest. Refer to the Company's announcement on 25 September 2018 for additional information.

Gold sales price achieved last quarter was A\$1,646/oz. Blackham's current gold forward sales contracts position is for the delivery of 24,078oz at an average price of \$1,697/oz, over the next 7 months.

On 24 December 2018, Blackham announced the resignation of Mr Geoff Jones as a Non-Executive Director. Mr Jones served on the Blackham Board since his appointment on 1 August 2018 and wishes to focus on his existing business commitments. The Board thanks Geoff for his productive contribution and guidance as a Director.

For further information on Blackham please contact:

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Matilda-Wiluna Gold Operation

• Measured, Indicated & Inferred Resources (JORC 2012) as at 30 June 2018

Matilda-Wiluna Gold Operation Resource Summary												
Mining Centre	OPEN PIT RESOURCES									Total 100%		
	Measured			Indicated			Inferred					
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda	0.1	1.14	4	7.0	1.44	323	3.6	1.30	151	10.7	1.39	477
Wiluna	-	-	-	15.4	2.38	1,181	3.1	3.21	324	18.6	2.52	1,505
Williamson	-	-	-	4.1	1.68	219	1.6	1.58	79	5.6	1.65	298
Regent	-	-	-	0.7	2.71	61	3.1	2.11	210	3.8	2.22	271
Tailings	-	-	-	34.0	0.62	680	-	-	-	34.0	0.62	680
Stockpiles	-	-	-	0.5	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
Mining Centre	UNDERGROUND RESOURCES									Total 100%		
	Measured			Indicated			Inferred					
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna	-	-	-	8.0	5.37	1,376	13.5	4.33	1,885	21.5	4.72	3,262
Williamson	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age	0.02	6.80	4	0.1	7.66	24	0.5	3.77	63	0.6	4.46	91
Galaxy	-	-	-	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

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. The figures in the above table are rounded to two significant figures to reflect the relative uncertainty of the estimate.

Competent Persons Statement

The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda-Wiluna Gold Operation ("Operation") is based on information compiled or reviewed by Mr Jonathan Lea and Cain Fogarty, who are full-time employee of the Company. Mr Lea is a Member of the Australian Institute of Mining and Metallurgy and Mr Fogarty is a Member of the Australian Institute of Geoscientists and both have 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'. Both Mr Lea and Mr Fogarty have given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information contained in the report that relates to all other Mineral Resources is based on information compiled or reviewed by Mr Marcus Osiejak, who is a full-time employee of the Company. Mr Osiejak, is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Osiejak has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

With regard to the Matilda-Wiluna Gold Operation Mineral Resources, the Company is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates as reported in the market announcements dated 13th September 2018 continue to apply and have not materially changed.

Forward Looking Statements

This announcement includes certain statements that may be deemed 'forward-looking statements'. All statements that refer to any future production, resources or reserves, exploration results and events or production that Blackham Resources Ltd ('Blackham' or 'the Company') expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Blackham Resources Limited

Schedule of Mineral Tenements and Rights at 31 December 2018

Project	Tenement	Interest held by Blackham
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	M63/0194	100%
Zanthus	E69/2506	100%
Wiluna	E53/1644 to E53/1645	100%
Wiluna	E53/1791	100%
Wiluna	E53/1794	100%
Wiluna	E53/1852	100%
Wiluna	L53/0021 to L53/0022	100%
Wiluna	L53/0051	100%
Wiluna	L53/0062	100%
Wiluna	L53/0140	100%
Wiluna	M53/0034	100%
Wiluna	M53/0041	100%
Wiluna	M53/0052 to M53/0054	100%
Wiluna	M53/0188	100%
Wiluna	M53/0955	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	P53/1637	100%
Wiluna	P53/1642 to P53/1646	100%
Wiluna	P53/1666 to P53/1668	100%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0113	100%
Wiluna	M53/0121 to M53/0123	100%
Wiluna	M53/0147	100%
Wiluna	M53/0224	100%
Wiluna	M53/0253	100%
Wiluna	M53/0796 to M53/0798	100%
Wiluna	M53/0910	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	100%
Wiluna	L53/0020	100%
Wiluna	L53/0023 to L53/0024	100%
Wiluna	L53/0030	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0053	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%
Wiluna	L53/0202	100%

Project	Tenement	Interest held by Blackham
Wiluna	M53/0006	100%
Wiluna	M53/0024 to M53/0027	100%
Wiluna	M53/0030	97.5%
Wiluna	M53/0032	100%
Wiluna	M53/0040	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0050	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0092	100%
Wiluna	M53/0095 to M53/0096	100%
Wiluna	M53/0139	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Wiluna	M53/0129 to M53/0131	100%
Wiluna	M53/1097	100%
Wiluna	M53/1098	100%
Wiluna	P53/1560	100%
Wiluna	R53/0001	100%
Wiluna	E53/1878	100% of gold rights

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Blackham Resources Limited

ABN

18 119 887 606

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	33,212	60,912
1.2	Payments for:	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(23,674)	(42,878)
	(d) staff costs	(4,755)	(8,925)
	(e) administration and corporate costs	(496)	(876)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	16	40
1.5	Interest and other costs of finance paid	(413)	(1,190)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	66	200
1.9	Net cash from/(used in) operating activities	3,956	7,283

		Current quarter \$A'000	Year to date (6 months) \$A'000
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,086)	(5,490)
	(b) tenements (see item 10)		
	(c) investments	-	-
	(d) other non-current assets	-	(116)
2.2	Proceeds from the disposal of:	-	
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- exploration and evaluation	(2,428)	(4,208)
	- development (incl. pre-production mining)	(2,814)	(7,857)
2.6	Net cash from/(used in) investing activities	(7,328)	(17,671)
3	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	7,500	7,500
3.3	Proceeds from exercise of share options	1	1
3.4	Transaction costs related to issues of shares, convertible notes or options	(536)	(542)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(5,400)	(18,169)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Hedge book close out	18	2,460
	- Finance lease repayments	(49)	(93)
3.10	Net cash from/(used in) financing activities	1,534	(8,843)

		Current quarter \$A'000	Year to date (6 months) \$A'000
4	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,350	20,743
4.2	Net cash from/(used in) operating activities (item 1.9 above)	3,956	7,283
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(7,328)	(17,671)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	1,534	(8,843)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,512	1,512
	Bank guarantees at end of period	566	566
	Gold bullion at end of period	4,722	4,722
	Total cash and bullion at end of period	6,800	6,800

5	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,512	3,350
5.2	Call deposits	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,512	3,350

6	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	248
6.2	Aggregate amount of cash flow from loans to these parties included in item	-
6.3.	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
	Item 6.1 includes fees paid to the Executive Chairman, Managing Director, and Non-Executive Directors.	

7	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	8
7.2	Aggregate amount of cash flow from loans to these parties included in item	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Mr Milan Jerkovic is an officer of Xavier Group Pty Ltd, a company who provides consulting services to the Group.		

8	Financing facilities available <i>Add notes as necessary for an understanding of the position.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	22,927	22,927
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
The loan facilities include: - A secured finance facility is held with MACA Limited, with an interest rate of 10% p.a. with \$14.3m outstanding. - On 25 September 2018, Blackham announced an agreement with Lind Partners for a Funding Agreement underpinned by the ability to draw up to \$2m in a number of tranches. Lind has advanced their initial investment of \$7.5 million to Blackham in exchange for a secured redeemable convertible note with an initial face value amount of \$8.25 million.			

9	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	2,066
9.2	Development (incl. pre-production mining costs)	4,968
9.3	Production	23,785
9.4	Staff costs	4,317
9.5	Administration and corporate costs	270
9.6	Other	
	- Payments for plant and equipment	3,540
	- Interest and facility fee payments	1,291
	- Loan repayments	1,000
9.7	Total	41,237

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	ELA E53/ 1951 ELA E53/ 1968	Wiluna Lake Way	100% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

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

Date: 31 January 2019

Anthony Rechichi

(Company Secretary)

Notes

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