

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 ("Blackham")

ABN

18 119 887 606

Quarter ended ("current quarter")

30 SEPTEMBER 2019

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	34,062	34,062
1.2	Payments for:	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(23,843)	(23,843)
	(d) staff costs	(4,736)	(4,736)
	(e) administration and corporate costs	(467)	(467)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	11
1.5	Interest and other costs of finance paid	(228)	(228)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
	- Additional reduction in Operating Payables	(3,047)	(3,047)
1.9	Net cash from/(used in) operating activities	1,752	1,752

	Current quarter \$A'000	Year to date (3 months) \$A'000
2	Cash flows from investing activities	
2.1	Payments to acquire:	
	(537)	(537)
	-	-
	-	-
	-	-
2.2	Proceeds from the disposal of:	
	-	-
	2,925	2,925
	-	-
	-	-
2.3	Cash flows from loans to other entities	
	-	-
2.4	Dividends received (see note 3)	
	-	-
2.5	Other (provide details if material)	
	(691)	(691)
	(613)	(613)
2.6	1,084	1,084
3	Cash flows from financing activities	
3.1	4,109	4,109
3.2	-	-
3.3	-	-
3.4	(289)	(289)
3.5	1,625	1,625
3.6	(4,625)	(4,625)
3.7	-	-
3.8	-	-
3.9	(138)	(138)
3.10	682	682

		Current quarter \$A'000	Year to date (3 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	693	693
4.2	Net cash from/(used in) operating activities (item 1.9 above)	1,752	1,752
4.3	Net cash from/(used in) investing activities (item 2.6 above)	1,084	1,084
4.4	Net cash from/(used in) financing activities (item 3.10 above)	682	682
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,211	4,211
	Bank guarantees at end of period	566	566
	Gold bullion at end of period	2,350	2,350
	Total cash and bullion at end of period	7,127	7,127

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	4,211	693
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)	4,211	693

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	255
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	43
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	

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	9,589	9,589
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.		
<p>The loan facilities include a secured finance facility held with MACA Limited ("MACA"), with an interest rate of 12.5% p.a. with \$9.225m outstanding at 30 September 2019.</p> <p>In addition to the financing facilities above, MACA has also provided Blackham with a \$19m Working Capital Facility in the form of extended payment terms to MACA under its surface mining contract (refer ASX announcements dated 20 June 2019 and 2 September 2019).</p> <p>An establishment fee of \$950,000 is payable on the Working Capital Facility extension, with a further fee of \$750,000 payable if the Working Capital Facility has not reduced below \$12 million by 21 December 2019. Interest at 12.5% per annum is payable on all amounts above \$10m outstanding on the surface mining contract payables.</p> <p>Strong operational cash flow in the Sep'19 quarter has positioned Blackham to effectively manage the level of utilisation of the Working Capital Facility. Blackham expects to reduce its reliance on the facility for the remainder of CY2019.</p> <p>As at 30 September 2019, \$18.4m of the Working Capital Facility had been utilised.</p>			

9	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	1,811
9.2	Development (incl. pre-production mining costs)	5,662
9.3	Production	20,075
9.4	Staff costs	5,033
9.5	Administration and corporate costs	406
9.6	Other	
	- Payments for plant and equipment	5,881
	- Interest and facility fee payments	260
	- Loan repayments	3,000
	- Working capital movements	2,000
9.7	Total	44,128

Cash outflows do not include forecast gold revenues from production at the Operation, the proceeds from the Share Purchase Plan (see ASX announcement on the 16th of October 2019), nor the proceeds from the completion of the Lake Way Transaction (see ASX announcement on the 8th of October 2019).

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				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	P63/2153	Scaddan	0%	100%

Compliance statement

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

Date: 30 October 2019

Dan Travers

(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.