

## Quarterly Activities Report – March 2020

### Key Points

#### Operations

- As foreshadowed, March 2020 quarter production was lower than expected due to seasonal weather impacts, equipment issues and shortages of qualified operators, which led to limited access of high grade ore.
- March quarter gold production was 12,950 oz. at an All In Sustaining Cost (AISC) of A\$2,287/oz. (December 2019 quarter 20,003 oz. @ A\$1,527/oz.)
- Recurring operating expenditure was maintained at normal levels, however low ounces contributed to the high AISC/oz.
- During the quarter, the Company continued to invest heavily to secure future free milling ore supply and to progress the Stage 1 expansion
- Due to the poor quarter and changes to the June 2020 quarter mine plan necessitated in part by operating in a COVID-19 environment, full FY production and cost guidance is now lowered to approximately 66,000 oz. at an AISC of \$1,875/oz. subject to there being no further COVID-19 impacts

#### Stage 1 Expansion

- Blackham's Expansion Strategy involves a staged upscaling of operations and transition to sulphide production
- Stage 1 Expansion Project significantly progressed via concentrate offtake agreements secured with Trafigura and Polymetal Group
- "Under the Headframe" drilling program and reserve conversion drilling commenced with outstanding results achieved to date
- Due to further assessment post quarter end of COVID-19 issues, particularly regarding access to site for contractors, the Company has decided to delay the planned construction of the concentrator by approximately six months. Stage 1 Expansion underground mine development and resource to reserve conversion drilling will continue in the meantime to further de-risk the proposed Stage 1 mine plan

#### Corporate

- \$52 million equity raising completed in mid-April with strong backing received from institutional investors
- Balance sheet repair completed, including normalisation of trade payables and final repayment of MACA secured debt. The Company is currently debt free
- COVID-19 Response Plan implemented
- The Company is 10 months into a 24-month strategic plan. The five-point plan involves;
  1. Repair the balance sheet
  2. Maintain and increase immediate operational cashflow
  3. Transition to gold concentrate production
  4. Expand gold production; and
  5. Undertake exploration and feasibility to fully develop a more than 250,000 oz. per annum, long life gold operation

Notwithstanding the poorer than expected quarter, the Company is now confident that the heavy investment to secure higher grade ore supplies and remedy other production issues encountered during the March quarter will result in a steady performance for the next 18 months, providing valuable cash flow while we transition to Stage 1 sulphide production which underpins the Company for the long term.

#### BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman  
 Greg Fitzgerald - Non-Executive Director  
 Tony James - Non-Executive Director  
 Neil Meadows – Operations Director

#### CORPORATE INFORMATION

9,931M Ordinary Shares  
 674M Quoted Options  
 188M Unquoted Options

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BLK

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## Summary

Blackham Resources Limited (“**Blackham**” or “**the Company**”) provides the following update on its activities for the quarter ended 31 March 2020 (“Q1”), and thereafter:

### Operations

- March 2020 quarterly gold production of 12,950oz. @ an AISC of A\$2,287/oz. (December 2019 quarter 20,003oz. @ A\$1,527/oz.)
- The main reason for the poorer-than-expected production performance was due to limited access to high grade ore from the mines during the quarter, requiring the treatment of lower grade stockpiles which decreased ounces produced and increased our AISC. Pre-stripping and pre-mine development resulted in a very high stripping ratio for the quarter of 21.4 (December 2019: 8.7) which also affected AISC for the quarter
- This continued pre-stripping and pre-mine development has meant for the next 18 months, the Company will have access to high grade, accessible ore primarily from the Williamson open pit mine
- Cyclones Blake and Damian resulted in mining being constrained in both the open pits and underground for a longer than expected period
- In our Operations and Corporate Update released to the market on 20 March, it was stated that we expected mining rates to return to normal levels and that we expected to increase our access to high grade free milling ore in March and April. Due to COVID-19 operational disruptions, the expected improvement only occurred in late April

Other production matters were;

- A number of equipment matters, which affected production from the open pits and the underground Golden Age mine. These matters were primarily old equipment that needed replacing, shortages of mining machinery operators which directly reduced planned material movements and impacted negatively on production and a shortage of maintenance staff and replacement parts. The old motor issues of the ball mill have already been highlighted
- COVID-19 Response Plan measures implemented have created unavoidable disruptions to normal operations which affect gold production, primarily with site access, isolation and change in shift rotations

Other matters of note are;

- Site operating cash flow, excluding capital expenditure and preproduction mining, decreased to \$7.8m for the March 2020 quarter (December 2019 quarter: \$20.6m) because of the lower amount of gold produced and sold
- Capital expenditure and pre-production mining costs for the quarter were \$19.5m (December 2019 quarter \$14.3). Capital expenditure incurred during the quarter related primarily to the construction of Tailings Storage Facility K, for which 60%-70% of its capacity is currently non-sustaining capital expenditure as it will be utilised for the future Stage 1 Sulphide Expansion

***Importantly, all the factors that negatively impacted March 2020 quarter production have been dealt with and the Company expects to see a turnaround in performance and a marked improvement in production for the remainder of the June quarter (in comparison to the March quarter) and steady production levels for the next 18 months.***

Noted below are the actions taken to rectify and improve production for the June quarter and for the next 18 months prior to Stage 1 sulphide operations commencing;

1. Limited access to high grade ore/high stripping ratio

**Action** – During the quarter the Company made a significant investment in preproduction mining activities at the Williamson, Matilda and Wiluna mining areas. Mine productivity has improved in April with the critical milestone of major pre-stripping activities at Williamson nearing completion. The very high quarterly stripping ratio of 21.4 has peaked at this level and our modelling shows that it will average 6 for the next 12 months. The Company will be mining the higher-grade ore at Williamson in May and therefore expects stronger production in the June 2020 quarter and a more stable production profile for the next 18 months of its free-milling operations, providing strong cash flows prior to Stage 1 sulphide operations

2. Mining matters

**Action** – Mining is currently back to a satisfactory rate and meeting all requirements

3. COVID-19 impacts

**Action** – Any disruptions due to COVID-19; primarily access, isolation issues and shift rotations, have now been stabilised

4. Machinery Equipment availability and performance

**Action** – These have been addressed with new equipment and operators now in place which will provide a material uplift in mining rates in the June quarter and beyond. The ball mill motor was replaced in February along with the refurbishment of the rod mill which were both successfully commissioned by the end of February

5. Weather

**Action**- We are now beyond the wet season. Stage 1 Expansion will enable the Company to mitigate the disruption caused by seasonal weather going forward by allowing high-grade stockpiles to build and with increased focus on underground mining, weather naturally becomes less of an issue

### Stage 1 Sulphide Expansion

- Due to COVID-19 issues, particularly regarding access to site for contractors, the planned construction of the concentrator is expected to be delayed by approximately six months. This will allow for increased reserves and aid in accelerating new underground mine development. The Blackham Board will continue to review the situation and advise of developments
- Rod mill refurbishment completed, successfully commissioned, and now an integral part of the operation.
- Dewatering of the Wiluna pits and underground workings is on schedule
- Concentrate sales have been secured with highly reputable counterparties, significantly de-risking the Stage 1 Expansion Project
- An offtake agreement for 70% of Stage 1 concentrate production, or 122,500 dmt of Gold Concentrate (whichever is greater), secured with Polymetal Group
- An offtake agreement for 30% of Stage 1 concentrate production (for the first 3 years) secured with Trafigura
- Major reserve drilling program commenced to upgrade the Stage 1 mine plan by converting the inferred resource ounces currently included in the indicative gold production guidance for Stage 1 to indicated or measured resource status, with exceptional high-grade results in areas expected to be mined early in the sulphide underground mine plan
- Three rigs currently drilling and targeting sulphide reserve programs, targeting new sulphide shoot discoveries at shallow depth close to existing infrastructure and targeting infill of inferred and indicated resources. Results will be communicated via consistent news flow over the coming quarters
- We continued to consolidate and strengthen the management team who will progress the project through to production, including the appointments for an Underground Manager, Chief Resource Geologist, Chief Mine

Geologist, Exploration Manager and General Manager Major Projects. These appointments were highlighted in the March 2020 Operations and Corporate Update. Since that update we have added another senior and key member of the Company's management team, Mr Wayne Foote to the position of General Manager Major Projects. Mr Foote is a very experienced Mining Engineer and Project Manager. A product of the Ballarat School of Mines, Wayne has previously worked for Echo Resources, Endeavour Mining, Gold Road Resources as General Manager, Operations and for a number of years for Resolute Mining. He has worked in Victoria, Western Australia, Africa, Brazil and the Philippines and comes to us both highly recommended and credentialed

- With respect to near mine reserve development, resource extensions and regional exploration, there have been further high grade free-milling mineralisation extensions defined at the Wiluna Golden Age underground mine, above the upper most mine levels and at depth. Drilling is ongoing and the Company continues to implement plans to increase the rate of mining and increase transitional cash flow ahead of Stage 1 sulphides production
- RC drilling has commenced to test modelled locations for the discovery of high-grade gold shoots (refer ASX announcement dated 17 March 2020). Results have exceeded expectations with exceptional sulphide intersections reported, including 8m @ 10.10g/t from 225m and 16m @ 3.72g/t from 254m
- Drilling has commenced to assess the potential for a cut-back at Williamson North, which may follow on from the cutback currently underway at Williamson South, with a view to significantly extending the Company's free-milling pipeline
- Planning of regional exploration programs is underway, with priority targets including the assessment of sulphide underground potential at Regent. Regent is located only 8 km from the Wiluna plant and currently has a combined free-milling and sulphide resource of 271koz. @ 2.22g/t

## Corporate

- Cash and Bullion at 31 March 2020 was \$3.3m (December 2019: \$5.7m). As at 31 March 2020, proceeds from the Tranche 1 placement of \$11.7m (before costs) had been received. Proceeds from the completion of the non-renounceable Entitlement Offer (\$26.2m before costs) and Tranche 2 placement (\$14.3m before costs) were received in April
- Also in April, the Company and MACA agreed amounts outstanding on all MACA secured debt. The Company has subsequently met this obligation and the release of MACA's security has been agreed and is currently being completed
- Relating to the Lake Way Transaction completed in October 2019, as at the date of this report of the total \$10m + GST contribution to Williamson mining, all but \$1.1 million has been paid by Salt Lake Potash to MACA
- During the December 2019 quarter, Salt Lake Potash exercised its option to acquire the Southern Borefield infrastructure for consideration of \$3m, which is payable before 30 June 2020
- Blackham's gold production is largely unhedged, with gold forward sales contracts as at the date of this report for 7,540 oz. at an average price of A\$2,412/oz., maturing by 31 August 2020
- Blackham has additional revenue protection via put options, which provide the Company the right (but not the obligation) to sell 12,000oz. at a minimum price of \$2,013/oz. between April 2020 and June 2020 inclusive
- The Company is progressing next steps towards the implementation of the Stage 1 Expansion Project, which includes continued discussions with Mercuria regarding the quantum and shape of funding available via a Project Loan Facility
- The COVID-19 Response Plan has been implemented to ensure the well-being and safety of our workforce and the broader community; no cases on site and other than shift changes and some staffing issues as mentioned above, there has been no material impact to operations to date
- GM Operations & Planning, Guy Simpson, tendered his resignation and left the Company 22 April 2020. Operations Director, Neil Meadows, in addition to continuing all his current roles, will take direct management of operations and site management, as well as Stage 1 expansion
- The Company intends to perform a share consolidation and change of name in June 2020

**Table 1 - Production & Cost Summary**

		SEP19 QTR	DEC19 QTR	MAR20 QTR	FY20 YTD
<b>Production</b>	<b>Unit</b>				
<b>Open Pit Mining</b>					
Total Mining	bcm	1,477,656	1,070,642	1,627,463	4,175,761
Strip Ratio	w:o	7.2	8.7	21.4	10.5
Ore Mined	t	420,088	278,081	165,702	863,871
Mined Grade	g/t	1.4	2.2	1.3	1.6
<b>Underground Mining</b>					
Total UG lateral development	m	66	64	55	186
Ore Mined	t	29,773	30,363	20,556	80,692
Mined Grade	g/t	5.2	4.1	4.1	4.5
Total Ore Mined	t	449,861	308,444	186,258	944,563
Total Mined Grade	g/t	1.6	2.4	1.6	1.9
Total OP & UG Contained Gold	oz	23,664	23,728	9,674	57,066
<b>Processing</b>					
Tonnes Processed	t	420,242	368,925	407,282	1,196,449
Grade Processed	g/t	1.6	2.2	1.3	1.7
Recovery	%	84%	75%	78%	79%
<b>Gold Produced</b>	<b>oz</b>	<b>17,565</b>	<b>20,003</b>	<b>12,950</b>	<b>50,518</b>
Gold Sold	oz	17,783	20,453	12,635	50,871
Achieved Gold Price	A\$/oz	1,882	2,072	2,267	2,054
<b>Costs</b>					
	<b>Unit</b>				
Mining - net of costs capitalised to preproduction	A\$/oz	960	535	858	764
Processing	A\$/oz	453	464	784	537
Site Administration	A\$/oz	81	86	165	104
Stockpile movements	A\$/oz	(160)	20	264	15
Royalties, refining costs & silver sales	A\$/oz	129	140	144	137
Sustaining Capital Expenditure	A\$/oz	34	260	37	126
Overhead costs	A\$/oz	22	22	34	25
<b>All - In - Sustaining Costs Per Ounce</b>	<b>A\$/oz</b>	<b>1,519</b>	<b>1,527</b>	<b>2,287</b>	<b>1,708</b>

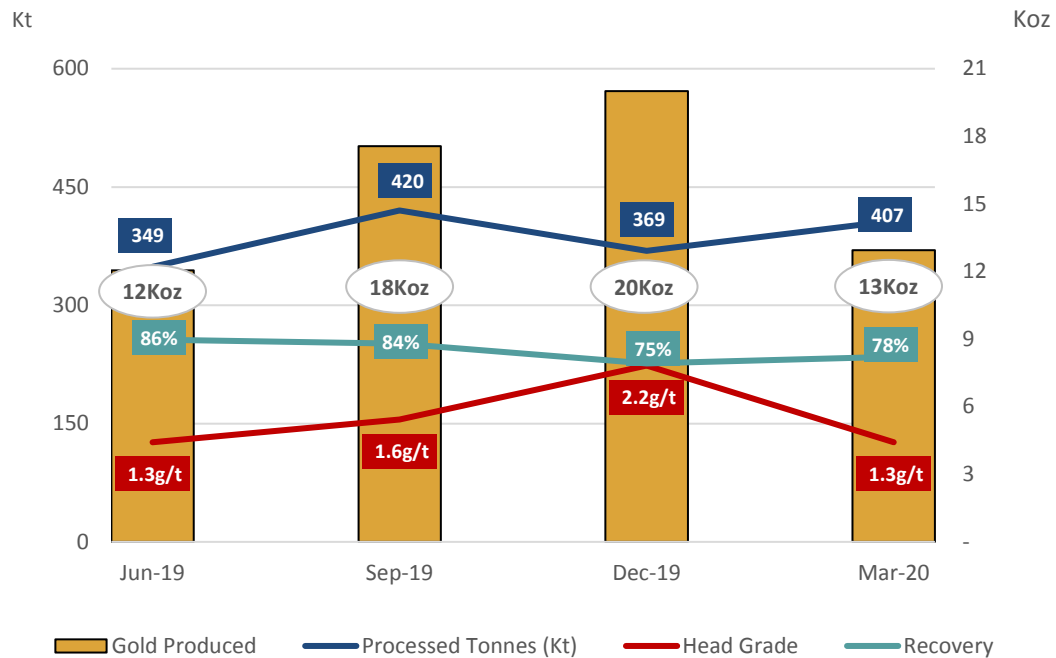
## Gold production

Blackham's operations were constrained during the March 2020 quarter with gold production of 12,950oz. (December 2019 quarter: 20,003oz). Lack of access to high grade ore resulting in lower grades and higher costs, non-recurring seasonal weather, equipment issues and shortage of qualified mining machinery operators restricted the level of pre-stripping activity, particularly at Williamson, necessary to gain access to high grade ore. Further exacerbated by lower than targeted mining rates at the Wiluna Golden Age underground, a significant proportion of feed provided to the mill during the quarter was low grade, and as such processing head grades of 1.3 g/t for the quarter were significantly lower than achieved in the prior quarter (December 2019 quarter: 2.2g/t).

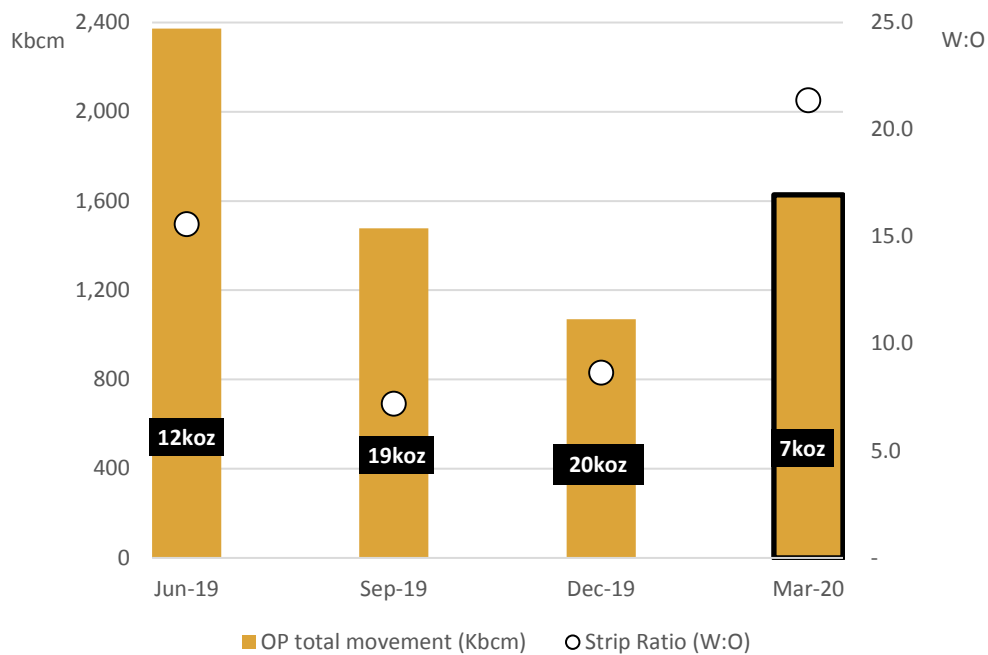
In January and February, problems with the existing Ball Mill Motor caused throughput restrictions, particularly because of its inability to be operated in normal high temperatures experienced during summer at Wiluna. The Company subsequently installed a new Ball Mill motor which, added to the successful commissioning of the Rod Mill during the March 2020 quarter, has improved the rate and reliability of mill throughput being achieved.

Notwithstanding the challenges discussed, mill throughput for the March 2020 quarter increased to 407kt (December 2019 quarter: 369kt)

**Chart 1 – Gold production**



**Chart 2 – Open Pit Mining (Contained Ounces)**



Stripping ratios for the March 2020 quarter were 21.4 (December 2019 quarter:8.7). The increase in stripping ratios were in line with the waste movement required at multiple mining areas to expose access to ore for processing for the next 18 months. This stripping ratio peaked in this quarter and is expected to be significantly lower for the next 12 months (forecast average stripping ratio for the next 12 months is 6). A high proportion of pre-stripping activity was at Williamson, but significant concurrent pre-stripping activities were undertaken across the Wiluna mining complex to access long-term higher-grade ore for the next 18 months.

Access to ore will improve in the June 2020 quarter and for the next 18 months with major pre-stripping activities at Williamson expected to be completed. Mine productivity has significantly improved in the second half of April and the Company believes in May will reach a period of sustained steady ore production that will provide transitional cash flow as it embarks on its sulphide operations.

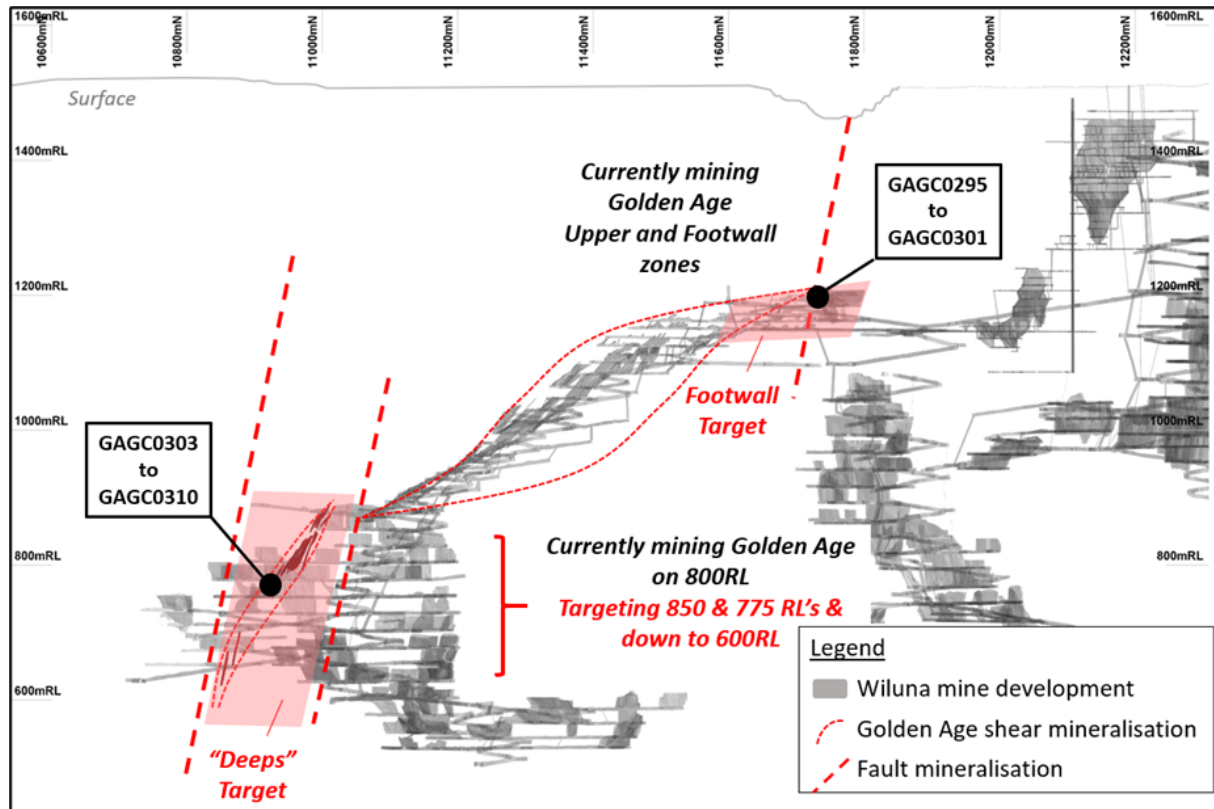


**Photo 1: Cutback progressing on East and West side of Williamson open pit mine**

### **Wiluna Golden Age Underground - High-Grade Free-Milling Extensions**

In the March 2020 quarter the Wiluna Golden Age Underground delivered 2,711 mined oz. (December 2019 quarter: 4,043oz). Production rates were below targeted levels and impacted by the transition between equipment suppliers. The Company continues to define extensions to the Golden Age orebody with the aim to sustain production over the next 12-18 months. Drilling performed over the quarter supports the view that the Golden Age orebody will continue to provide transitional cash flow ahead of sulphides production. High grade results from the Golden Age extension drilling (see ASX release dated 8 April 2020) have confirmed both the up-dip and down-dip continuity of the Golden Age reef and strong gold mineralisation in the footwall zone (Figure 1), including:

- GAGC0296: **6.6m @ 8.24g/t** from 46.6m incl. **0.6m @ 82.2g/t**
- GAGC0300: **10.6m @ 3.45g/t** from 62.1m incl. **5.2m @ 5.45g/t**, & **3.8m @ 8.14g/t** from 88.1m
- GAGC0301: **7.1m @ 6.31g/t** from 65.7m
- GAGC0304: **0.9m @ 34.2g/t** from 29.4m
- GAGC0307: **2.7m @ 10.07g/t** from 46.5m



**Figure 1: Golden Age mine areas and extensional targets overview**

Blackham is currently mining Golden Age Lower mineralisation on the 800 level, with current drilling of the 775-level aimed at extending the mine further at depth. Pre-Blackham drilling intercepts between the 600 and 700 levels, including **AWD0502: 12.9m @ 6.88g/t** and **APX012312: 7.4m @ 7.56g/t**, show that high-grade Golden Age reef mineralisation remains open for a considerable distance below the current workings (“Deeps Target”). This zone is the target of further drilling that commenced in late March with the arrival of a second rig to drill between the 775 and 650 levels, with results expected over the coming weeks.

### Wiluna Expansion Studies

Due to COVID-19 issues, particularly regarding access to site for contractors, the Company has delayed the planned construction of the concentrator by six months. Stage 1 Expansion underground mine development and resource to reserve conversion drilling will continue in the meantime. Notwithstanding this decision we will continue to progress Stage 1 expansion project including;

- Concentrate offtake finalised which significantly de-risks the Stage 1 Expansion Project
- Commencement of exploration programs to enhance to the Stage 1 Expansion mine plan, with early outstanding results achieved in areas intended to be mined in the short term
- Consolidation and strengthening of the management team who will progress the project through to production
- Key contracts for mining operations and the construction of the concentrator and filtration plant continue to be further progressed



## Concentrate Offtake

The Company is pleased to have secured concentrate offtake for its Stage 1 Expansion Project during the March 2020 quarter. Both Trafigura and Polymetal Group are highly accredited offtake partners and their support is a welcomed endorsement of the large-scale potential of the Wiluna sulphide resource.

Polymetal Group, who have secured 70% of the Stage 1 concentrate production or 122,500 dmt of Gold Concentrate (whichever is greater), have formed a strategic relationship with the Company. The alliance between the Company and Polymetal Group is aimed at minimising the harmful environmental impact of mining and processing refractory sulphide gold ore via utilising ecologically efficient pressure oxidation technology (POX).

## Sulphide Reserves Program

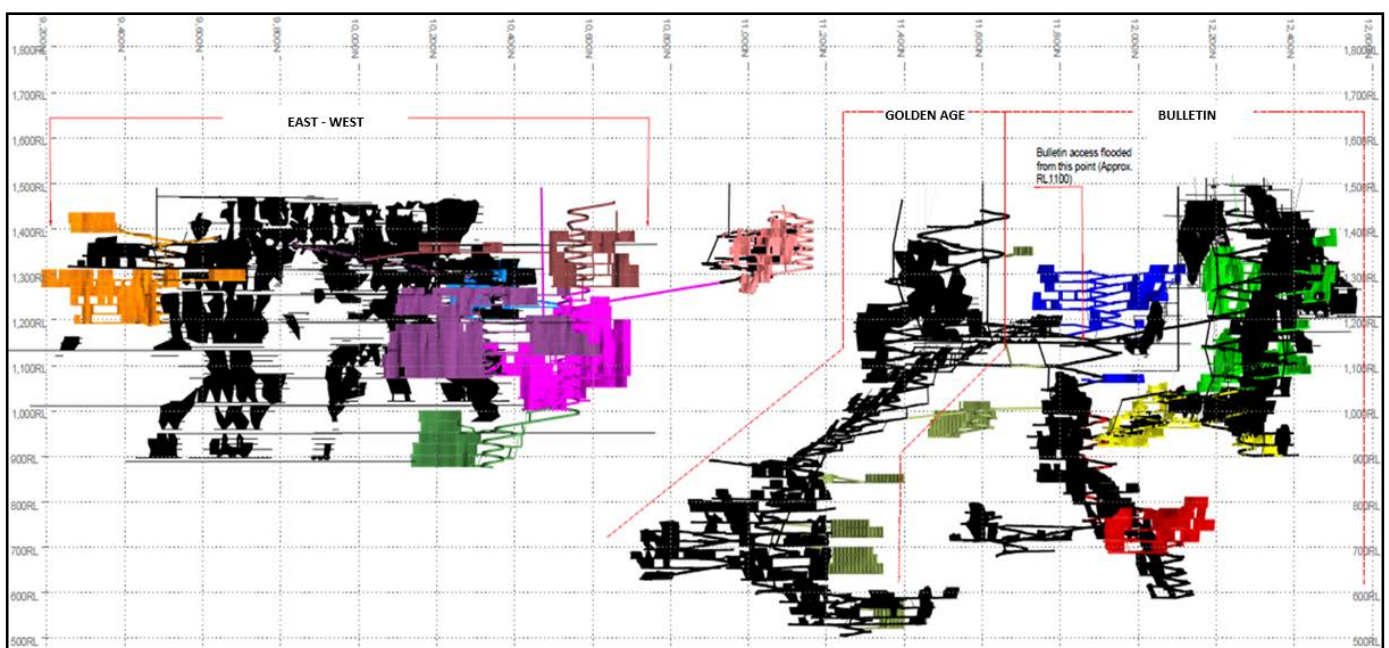
Blackham has commenced a major reserve drilling program to improve and lengthen sulphide reserves and enhance the Stage 1 sulphides mine plan and to provide the base load for the Stage 2 Expansion study which the Company will commence in the next six months.

The sulphide drilling program is designed to:

- Expand and upgrade inferred and indicated resources
- Discover new high-grade shoots in modelled structural locations

Wiluna is endowed with a large underground sulphide resource that currently stands at 18.5Mt @ 4.82 g/t for 2.9Moz., including 1.7Moz. (58)% in the Inferred category (see ASX release 27September 2019), which presents the Company with substantial reserve conversion and life-of-mine extension opportunities.

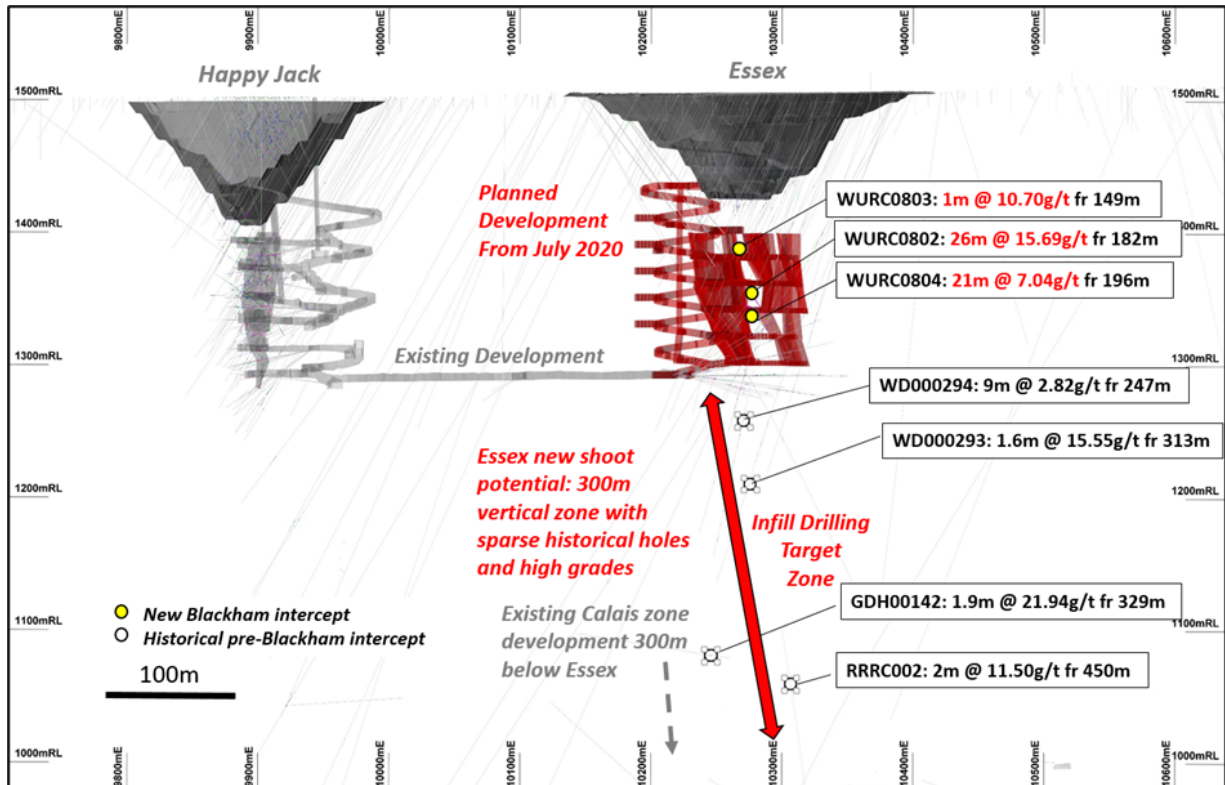
Three rigs are currently drilling on sulphide reserve development programs that focus on highest-value underground Mineral Resources and particularly areas of mining contemplated early in the mine plan. The areas of the Wiluna underground mine that are captured within the Stage 1 expansion preliminary mining schedule are shown coloured in Figure 2.



**Figure 2: Stage 1 expansion planned areas to be mined (various coloured areas)**

Outstanding results have been achieved in the early stages of the program, which is expected to support a significant expansion of reserves at initial development areas during 2020. First results from sulphide reserves expansion drilling include:

- WURC0802: **26m @ 15.69g/t** from 182m
- WURC0804: **21m @ 7.04g/t** from 196m
- WURC0823: 16m @ 3.72g/t from 254m incl. 4m @ 8.23g/t, and 2m @ 6.51g/t
- WURC0824: **8m @ 10.10g/t** from 225m



**Figure 3: Essex high grade results, planned mine development, and shallow shoot infill drilling target**

Essex and Bulletin sulphide zones are to be developed early in the mine plan owing to their shallow depth and location close to existing infrastructure that requires minimal dewatering and rehabilitation to access high-grade ore. These results are located within 200m of surface and close to existing underground decline access.



The construction of the concentrator and filtration plant is expected to take 11 months from approval. Approval is targeted for the end of CY 2020.

Finally, dewatering to enable access to the underground areas for development has been accelerated. The presence of water in the underground workings is not expected to impede development and is not on the project's critical path.

## Corporate & Treasury

As at 31 March 2020 Blackham had \$3.3m in cash and bullion. A \$52 million-dollar capital raising was successfully completed with strong support received from institutional investors. The timing of the completion of the various tranches of the capital raising is summarised below:

- Tranche 1 Placement (\$11.7m before costs) settled in March 2020
- Non-renounceable Entitlement Offer (\$26.2m before costs) settled in April 2020, fully underwritten by the Company's largest shareholder Delphi who took up the shortfall
- Tranche 2 placement (\$14.3m before costs) settled in April 2020 following shareholder approvals.

In April 2020 the Company agreed final amounts owed on MACA's secured debt. Final payment has been made and the release of MACA's security over the Company's assets is currently being perfected. The release of MACA's security formally completes the balance sheet repair the Company set out to achieve over the course of this financial year.

Significant investment in preproduction mining to expose major free-milling orebodies such as Williamson, and capital invested into infrastructure including tailings storage capacity and mill improvements have now largely been completed. Despite challenges during the March 2020 quarter, the Company is able to deliver strong transitional cash flow from its free-milling operations which will help to pave a pathway to realising value from its most significant asset, being its sulphide resource.

The Company has continued discussions with Mercuria regarding the quantum and shape of funding available via a Project Loan Facility. As disclosed previously to the market, the Company had received from Mercuria a non-binding indicative term sheet for a \$40m Project Loan Facility.

**Table 2: Quarterly Cash Flows**

<b>Qtrly Cash flows</b>	<b>Sep'19 (A\$000)</b>	<b>Dec'19 (A\$000)</b>	<b>Mar'20 (A\$000)</b>
<b>Operating cash flow before capital expenditure and pre-production mining</b>	<b>10,741</b>	<b>20,563</b>	<b>7,781</b>
Sustaining capital expenditure	(597)	(5,199)	(448)
<b>Site operating cash flow, including sustaining capital expenditure</b>	<b>10,144</b>	<b>15,364</b>	<b>7,334</b>
Non-sustaining capital expenditure	(86)	(1,795)	(9,725)
Pre-production mining	(220)	(7,258)	(9,312)
<b>Site operating cash flow, including all capital expenditure and pre-production mining</b>	<b>9,838</b>	<b>6,311</b>	<b>(11,703)</b>
Net corp/admin costs	(1,220)	(1,164)	(1,075)
Development expenditure (studies, resource development and other projects)	(1,265)	(1,172)	(1,795)
Treasury activities (hedging, offtake discount & working capital movements)	(7,940)	(13,132)	4,567
Proceeds from equity issued	3,820	2,889	10,750
Debt service (principal & interest)	(4,853)	(3,272)	(3,091)
Net proceeds from sale of noncore assets	2,925	8,100	-
Debt drawdowns	1,625	-	-
<b>Net Cash Flows</b>	<b>2,930</b>	<b>(1,439)</b>	<b>(2,347)</b>
<b>Opening Cash &amp; Bullion</b>	<b>4,198</b>	<b>7,127</b>	<b>5,689</b>
<b>Closing Cash &amp; Bullion</b>	<b>7,127</b>	<b>5,689</b>	<b>3,341</b>

As at the date of this report Blackham's gold production is largely unhedged, with gold forward sales contracts for 7,540oz. at an average price of A\$2,412/oz., maturing by 31 August 2020. Furthermore, Blackham has additional revenue protection via put options, which provide the Company the right (but not the obligation) to sell 12,000oz. at a minimum price of \$2,013/oz. between April 2020 and June 2020 inclusive.

This announcement has been approved for release by the Board of Blackham Resources Limited.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

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**Table 3: Mineral Resources as at 30 June 2019**

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 <sup>1</sup>	-	-	-	6.1	1.45	285	3.6	1.30	149	9.7	1.40	435
Wiluna <sup>2</sup>	-	-	-	15.6	2.48	1,245	5.3	3.00	510	20.9	2.61	1,755
Williamson <sup>3</sup>	-	-	-	2.6	1.30	108	1.5	1.40	66	4.1	1.34	174
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	0.6	0.80	15	-	-	-	-	-	-	0.6	0.80	15
<b>OP Total</b>	<b>0.6</b>	<b>0.80</b>	<b>15</b>	<b>59.0</b>	<b>1.25</b>	<b>2,379</b>	<b>13.4</b>	<b>2.16</b>	<b>935</b>	<b>73.0</b>	<b>1.42</b>	<b>3,330</b>
UNDERGROUND RESOURCES												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	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 <sup>1</sup>	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna <sup>2</sup>	-	-	-	6.9	5.49	1,210	11.7	4.42	1,664	18.5	4.82	2,874
Williamson <sup>3</sup>	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age <sup>4</sup>	0.02	6.80	4	0.2	4.91	28	0.3	3.20	28	0.5	4.01	61
Galaxy <sup>5</sup>	-	-	-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
<b>UG Total</b>	<b>0.02</b>	<b>6.80</b>	<b>4</b>	<b>7.3</b>	<b>5.38</b>	<b>1,254</b>	<b>12.9</b>	<b>4.31</b>	<b>1,793</b>	<b>20.2</b>	<b>4.71</b>	<b>3,051</b>
<b>Grand Total</b>	<b>0.6</b>	<b>0.99</b>	<b>20</b>	<b>66.2</b>	<b>1.71</b>	<b>3,633</b>	<b>26.4</b>	<b>3.22</b>	<b>2,728</b>	<b>93.2</b>	<b>2.13</b>	<b>6,381</b>

<sup>1</sup> Matilda Resource Estimate reported above 0.6g/t cut-off above 950mRL and 2g/t below 950mRL. Coles Find reported above 0.75g/t cut-off above 900mRL and 2.00g/t below 900mRL.

<sup>2</sup> OP Reported within A\$2400/oz shell above 0.5g/t cut-off for oxide and transitional 1.00g/t cut-off for fresh. UG above 2.00g/t below A\$2400/oz shell.

<sup>3</sup> OP Reported within A\$2400/oz shell above 0.5g/t cut-off for oxide and transitional and fresh. UG above 2.00g/t below 1290mRL.

<sup>4</sup> Reported above 3.00g/t cut-off.

<sup>5</sup> Reported above 2.00g/t cut-off in fresh below OP pit depletion.

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. Note rounding errors may occur.

**Table 4: Ore Reserves as at 30 June 2019**

<b>OPEN PIT RESERVES</b>									
<b>Mining Centre</b>	<b>Proved</b>			<b>Probable</b>			<b>Total 100%</b>		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
<b>Matilda</b>	-	-	-	0.30	2.2	21	0.30	2.2	21
<b>Williamson</b>	-	-	-	1.05	1.6	53	1.05	1.6	53
<b>Wiluna Free Milling</b>	-	-	-	2.05	1.8	116	2.05	1.8	116
<b>Wiluna Sulphide</b>	-	-	-	7.71	2.5	669	7.71	2.5	669
<b>Stockpiles</b>	0.6	0.8	15	-	-	-	0.60	0.8	15
<b>OP Total</b>	<b>0.55</b>	<b>0.8</b>	<b>15</b>	<b>11.11</b>	<b>2.4</b>	<b>859</b>	<b>11.70</b>	<b>2.3</b>	<b>874</b>
<b>UNDERGROUND RESERVES</b>									
<b>Mining Centre</b>	<b>Proved</b>			<b>Probable</b>			<b>Total 100%</b>		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
<b>Wiluna Free Milling</b>	-	-	-	0.03	4.2	3	0.03	4.2	3
<b>Wiluna Sulphide</b>	-	-	-	1.75	4.8	270	1.75	4.8	270
<b>UG Total</b>	-	-	-	<b>1.78</b>	<b>4.8</b>	<b>273</b>	<b>1.78</b>	<b>4.8</b>	<b>273</b>
<b>WILUNA TAILINGS</b>									
<b>Mining Centre</b>	<b>Proved</b>			<b>Probable</b>			<b>Total 100%</b>		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
<b>Tailings Total</b>	-	-	-	<b>11.2</b>	<b>0.7</b>	<b>234</b>	<b>11.2</b>	<b>0.7</b>	<b>234</b>
<b>Grand Total</b>	<b>0.55</b>	<b>0.8</b>	<b>15</b>	<b>24.1</b>	<b>1.8</b>	<b>1,366</b>	<b>24.7</b>	<b>1.7</b>	<b>1,381</b>

Note rounding errors may occur.

#### 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 Cain Fogarty, who is a full-time employee and security holder of the Company. Mr Fogarty is a member of the AIG 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 Fogarty 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 27 September 2019 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.