

**BOARD OF DIRECTORS**

**Milan Jerkovic**  
(Non-Executive Chairman)  
**Bryan Dixon**  
(Managing Director)  
**Greg Miles**  
(Non-Executive Director)  
**Peter Rozenauers**  
(Non-Executive Director)

**ASX CODE**  
BLK

**CORPORATE  
INFORMATION**  
339.3M Ordinary Shares  
29.2M Unlisted Options  
3.8M Performance Rights

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## QUARTERLY REPORT

### June 2017

The Board of Blackham Resources Limited ('Blackham' or 'the Company') is pleased to provide an update on its activities for the quarter ended 30 June 2017 and thereafter.

#### KEY POINTS INCLUDE:

##### *Corporate*

- \$19.7m in cash and bullion at the end of the quarter
- Gold sold 15,813oz @ A\$1,626/oz (Mar'17 Qtr 14,772oz @ A\$1,625oz)

##### *Matilda/Wiluna Gold Operation*

- Quarterly gold production totalled 15,720oz (Mar'17 Qtr 14,920oz)
- All In sustaining costs reducing quarter by quarter with lower stripping ratios and increasing production
- 2017 FY production 39,413oz (Guidance 40,000-42,000oz) over 8.5 months
- Higher investment in waste stripping this half has allowed access to expected higher grade ore in the Sep'17 Qtr
- Production is expected to ramp up during the Sep'17 Qtr on higher mill head grade and mill throughput

##### *Expansion Studies*

- Expansion targeting mill throughput of up to 3.2Mtpa due to the continued success in the Wiluna open pit resources
- Positive Initial Expansion Study published on 8 May 2017
- Expansion Preliminary Feasibility Study due in Aug'17

##### *Resource and Reserve Drilling*

- Completed 13,321m of infill and extension drilling programme at the Wiluna open pits
- Positive drill results around Wiluna suggests potential for much larger open pits with significant additional mineralisation confirmed both within and to the north of the existing pit designs

##### *Resources*

- Wiluna open pit resources are being updated for ~ 50,000m of drilling completed over the last 6 months

## Matilda/Wiluna Gold Operation, Western Australia

The Matilda/Wiluna Gold Operation is located in Australia's largest gold belt which stretches from Norseman through Kalgoorlie to Wiluna. The Operation now includes resources of **63Mt @ 3.2g/t for 6.4Moz Au** all within 20kms of the central processing facility. Blackham has consolidated almost the entire Wiluna Goldfield within a +1,000km<sup>2</sup> tenement package which has historically produced in excess of 4.3 million ounces.

### Operations

Gold production for the Jun'17 quarter increased to 15,720oz (14,920oz Mar'17 Qtr). Significant improvements in crusher and mill performance were seen during the quarter, however lower mill grade resulted from 25% of mill feed being sourced from low grade stockpiles.

**Table 1 – Gold production increasing quarter on quarter**

|                           | Dec'16 Qtr   | Mar'17 Qtr    | Jun'17 Qtr    | YTD           |
|---------------------------|--------------|---------------|---------------|---------------|
| Total Milled (t)          | 211,200      | 338,000       | 416,100       | 965,300       |
| Mill Feed Grade (g/t Au)  | 1.5          | 1.5           | 1.3           | 1.4           |
| Overall Plant Recovery    | 88.5%        | 93.7%         | 91.7%         | 91.7%         |
| <b>Gold Produced (oz)</b> | <b>8,773</b> | <b>14,920</b> | <b>15,720</b> | <b>39,413</b> |

Gold production was 39,413oz for the 8.5 month period ended 30 June 2017, which was 587oz lower than the revised guidance. Gold production for the Sep'17 quarter is expected to increase due to both higher tonnes processed and a higher grade profile being mined from deeper in the pits.

### Open Pit Mining

The Matilda open pits have experienced slow ore dig rates due to the wet conditions reducing the total ore mined for the quarter. Strip ratios during the Jun'17 quarter were reduced to 11.7:1 (Mar'17 Qtr: 15:1). The benefit of the high strip ratio in the Jun'17 half will be seen with a significantly lower forecast strip ratio (6.6:1) and lower mining costs expected during FY18.

**Table 2 – Open Pit Mining Summary**

| Open Pit Mining for |         | Sep'16 Qtr | Dec'16 Qtr | Mar'17 Qtr | Jun'17 Qtr | YTD       |
|---------------------|---------|------------|------------|------------|------------|-----------|
| HG Ore              | t       | 10,462     | 306,263    | 188,839    | 264,951    | 770,515   |
| HG Au               | g/t     | 0.86       | 1.27       | 1.25       | 1.28       | 1.26      |
| LG Ore              | t       | 36,422     | 209,545    | 110,524    | 131,014    | 487,505   |
| LG Au               | g/t     | 0.57       | 0.69       | 0.74       | 0.71       | 0.70      |
| Total Ore           | t       | 46,884     | 515,808    | 299,363    | 395,965    | 1,258,020 |
| Ore                 | BCM     | 22,326     | 245,624    | 155,673    | 194,516    | 618,139   |
| Waste               | BCM     | 1,685,896  | 2,139,258  | 2,360,275  | 2,274,408  | 8,459,836 |
| Total Material      | BCM     | 1,708,222  | 2,384,881  | 2,515,947  | 2,468,924  | 9,077,975 |
| Stripping Ratio     | BCM:BCM | 75.5       | 8.7        | 15.2       | 11.7       | 13.7      |

The higher investment in waste stripping this half has allowed access to expected higher grade ore in the Sep'17 quarter. Mining at the higher grade Galaxy pit started in early April. Access to the higher grade zones in the M4 pit was achieved during July. To date, July open pit HG ore has averaged 1.5g/t.

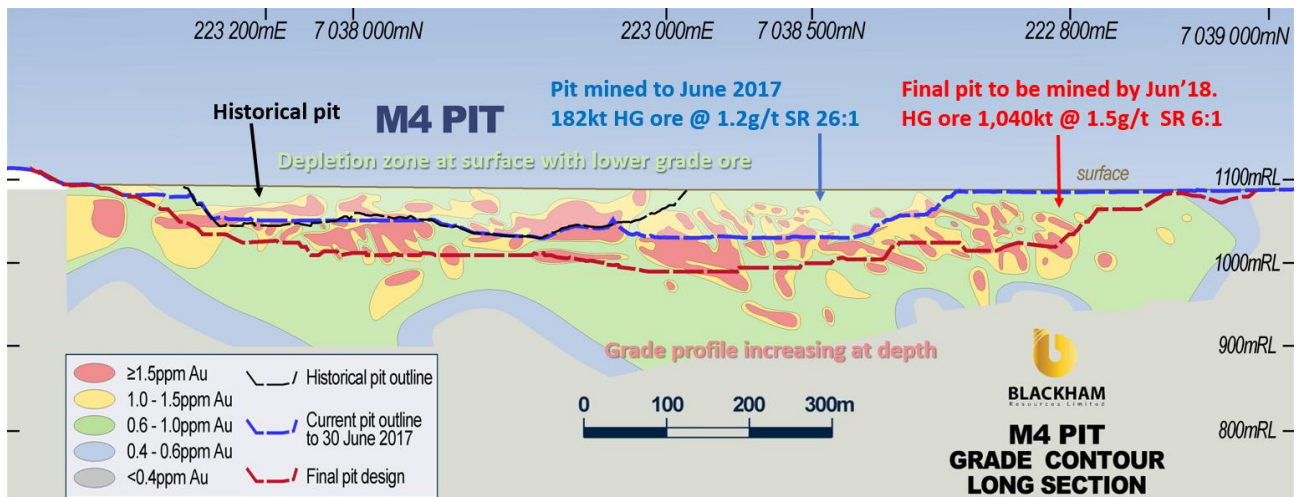


Figure 1. M4 long section looking west showing increasing grade with depth and reduced stripping ratio going forward

The Matilda M4 pit is the main ore source for the mill for FY18 with high grade ore of 1,040,000t @ 1.5g/t to be mined by Jun'18. The bulk of the pit has been grade controlled. The vast majority of this pit has been pre-stripped from surface 1500RL to between 1030 to 1065RLs. The stripping ratio for FY18 is expected to be 6:1 (FY17 26:1).

Mining in the Matilda M3 pit was completed in June. Mining commenced in the Galaxy pit in April.

The Galaxy pit is another main ore source for the mill for FY18 with high grade ore of 370kt @ 1.90g/t to be mined by Jan'18. The entire Galaxy pit has been grade controlled. The stripping ratio for FY18 is 6.5:1 (FY17 19:1) (see Figure 2).

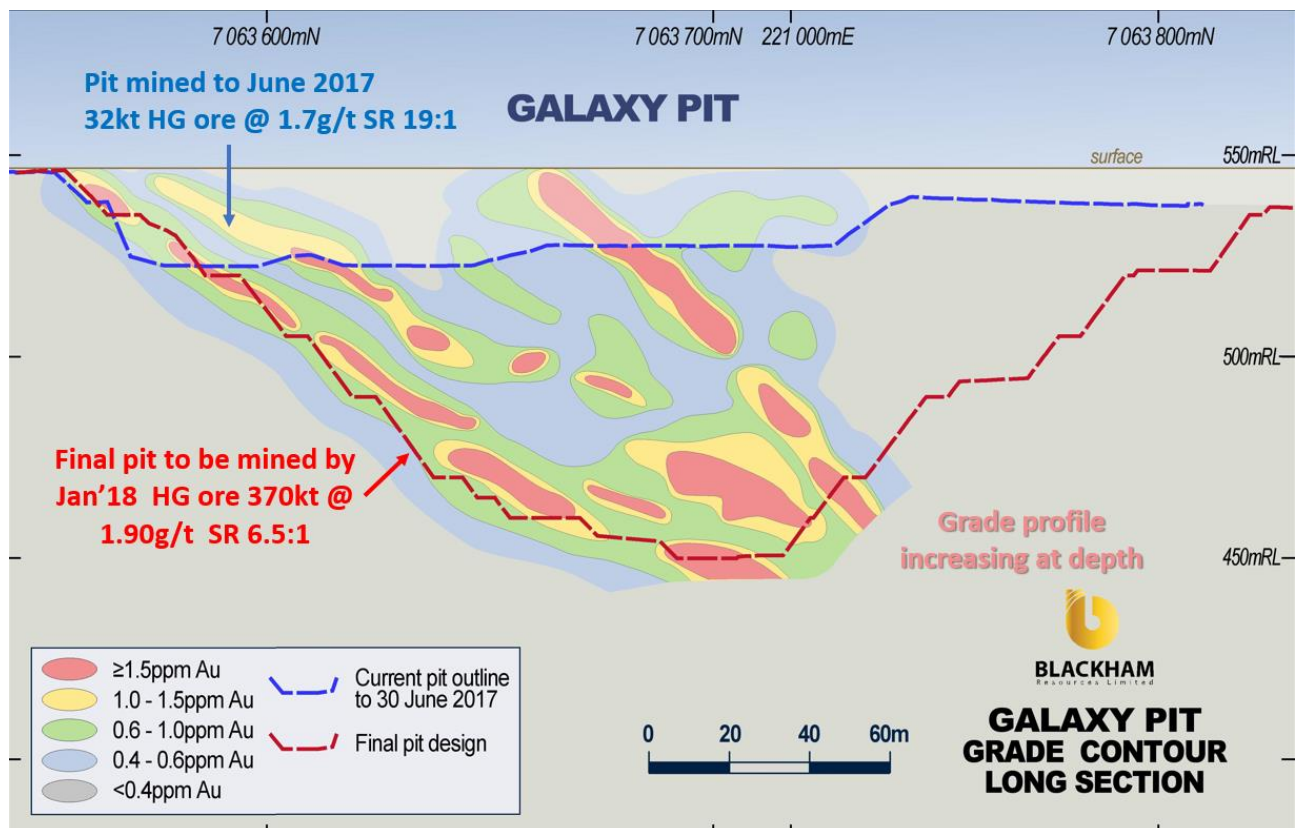


Figure 2. Galaxy long section looking southwest showing increasing grade with depth and reduced stripping ratio going forward

60% of the total FY18 ore feed for the plant has been grade controlled. FY17 grade control grades reconciled to mill reconciled grades to within 2%, giving good certainty on ore grades.

## Underground Mining

Both development and stope tonnes were lower than forecast resulting in underground gold mined during the Jun'17 quarter being 1,300oz below forecast. The Golden Age underground ore represented approximately 20% of the gold produced during the Jun'17 quarter.

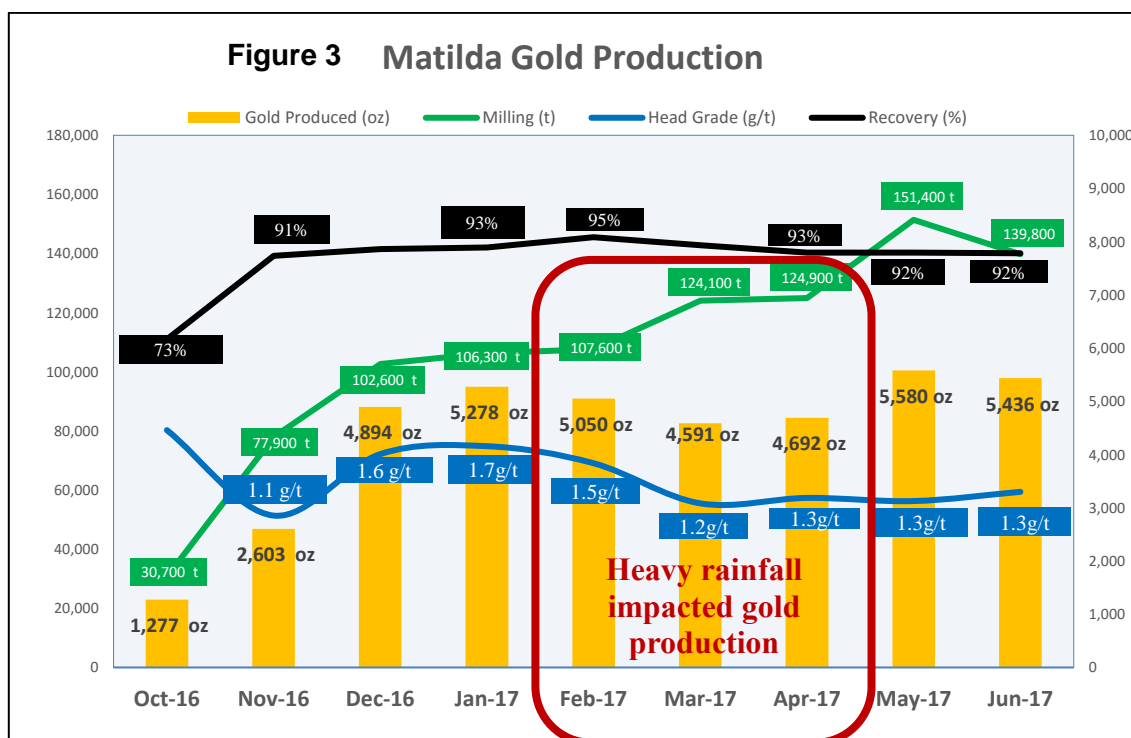
**Table 3 – Underground Mining Summary**

| Underground Mining        |     | Sept'16 Qtr | Dec'16 Qtr | Mar'17 Qtr | Jun'17 Qtr | YTD    |
|---------------------------|-----|-------------|------------|------------|------------|--------|
| Ore Mined – Dev           | T   | 1,477       | 14,253     | 19,136     | 6,860      | 41,726 |
| Ore Mined - Stope         | T   | 446         | 1,963      | 6,877      | 14,584     | 23,870 |
| Ore Mined                 | T   | 1,923       | 16,216     | 26,013     | 21,444     | 65,596 |
| Au Grade Mined            | g/t | 4.2         | 4.9        | 3.4        | 4.6        | 4.2    |
| Mined Metal               | oz  | 262         | 2,565      | 2,867      | 3,189      | 8,883  |
| Total Lateral development | m   | 432         | 1,453      | 1,568      | 919        | 4,372  |

Management have decided to suspend underground long hole development with a view to decreasing operating costs for FY18. Long hole stopping is expected to be ongoing to Sep'17. This ore production is to be replaced by open pit feed to the plant which can be milled at faster rates.

The Golden Age deposit is currently being re-evaluated from a geology and mining view point. Significant resource remains and the Company is currently evaluating the opportunity for air leg mining to continue focusing on the high grade mineralisation in the remnant areas as well as the opportunity to extract more Golden Age ore when underground mining of the Bulletin orebody commences.

## Process Plant



**Crushing circuit** – The crushing circuit operated at or above nameplate during May and June after being rain affected at the start of April. Poor crusher performance was experienced for 5 days at the end of the quarter due to a secondary crusher rebuild.

**Mill Throughput** – The milling circuit achieved 98% of nameplate design for the quarter. Fine ore shortages due to poor weather in the first week of April and secondary crusher maintenance in the last week of June, resulted in lower throughput. Sep'17 quarter mill throughput is expected to increase to 450,000t (416,000t Jun'17 quarter).

**Grade profile** – Mill feed head grade profile during the quarter was hampered by 25% of feed being from low grade stockpiles which averaged 0.7g/t. The significant investment in waste removal will allow access to higher grade ore in the M4 and Galaxy pits which is expected to provide higher head grades during FY18.

**Leach, Elution Circuits and Gold Room** - The leach circuit is working very well and total plant recoveries were strong (92%) during the quarter.

## Operating Costs

During the Jun'17 Qtr, gold sold totalled 15,813/oz @ A\$1,626/oz (Mar'17 Qtr 14,772/oz @ A\$1,625/oz).

**Table 4 – Costs reducing quarter on quarter**

| Cash Costs and AISC            | Unit          | Mar'17 Qtr   | Jun'17 Qtr   |
|--------------------------------|---------------|--------------|--------------|
| <b>C1 Cash Costs</b>           | A\$/oz        | <b>1,123</b> | <b>1,439</b> |
| Royalties                      | A\$/oz        | 99           | 87           |
| Corporate costs                | A\$/oz        | 38           | 30           |
| Mining waste adjustment        | A\$/oz        | 441          | -66          |
| UG sustaining capital          | A\$/oz        | 301          | 268          |
| <b>All-in Sustaining Costs</b> | <b>A\$/oz</b> | <b>2,002</b> | <b>1,758</b> |

All in sustaining cash cost is decreasing but still high due to:

1. Significant stripping invested in the open pits, the benefit of which will start to be seen during this half.
2. Significant UG lateral mine development. UG mine development was suspended in Jul'17 which will eliminate most of the UG sustaining costs for the Sep'17 Qtr.
3. Lower gold production to processing lower grade stockpiles. Processing of low grade stockpiles is expected to decrease in the Sep'17 Qtr.

Unit costs including mining costs per BCM and processing costs per tonne are in line with the Definitive Feasibility Study. As gold production continues to increase all in sustaining costs per ounce should decrease significantly.

## Expansion Plans for +200,000ozpa Gold Production

On 8 May 2017, the Company announced the completion and successful results of the Preliminary Expansion Study.

The Preliminary Expansion Study assumed a staged expansion which would give Blackham the flexibility to treat both oxide and sulphide ores. It also provides a lower risk, staged approach to development and capex over an 18 month period ramping up gold production to over 200,000ozpa. The Preliminary Expansion Study focused on the Wiluna Sulphides to assess it independently and as part of an integrated operation with the current free milling ores at Matilda and Wiluna. It has been assumed that the expanded operation would be developed in two stages; 2A and 2B. On the



completion of Stage 2B it is envisaged the treatment of free milling ore would recommence allowing the two processing facilities to run in parallel with a total capacity of 3.2Mtpa.

#### **Preliminary Expansion Study Highlights**

- **Targeted Gold Production** 18Mt @ 2.7g/t for 1.31Moz over 9 years
- **Open Pit Mining Inventory** 14Mt @ 2.0g/t for 890koz
- **Underground Mining Inventory** 4Mt @ 4.9g/t for 630koz
- **Stage 2A Capital** \$24.9M for circa 0.75Mtpa
- **Stage 2B combined processing capacity of 3.2Mtpa for +200,000ozpa**
- **LOM All in sustaining costs** A\$1,170/oz or US\$870/oz

- Combined oxide/sulphide operation has the ability to produce over 200,000oz Au per annum with a long mine life
- Latest Wiluna open pit resource and reserve drilling programme nearing completion (49,000m) has the potential to strengthen and lengthen the reserves profile
- Wiluna underground has 23Mt @ 4.7g/t for 3.3Moz outside the mine plan with the economics still to be fully evaluated which will include assessing bulk mining opportunities

Blackham is currently in the process of finalising an Expansion Preliminary Feasibility Study which is due for completion in Aug'17. This will allow for the maiden reserves to be published over the significant Wiluna open pit resources as well as an updated to the underground reserves.

### **Wiluna Resource and Reserve Drilling**

An infill and extensional program of RC and diamond drilling was completed during January to May targeting potential Wiluna open pit mineralisation, with the aim of converting the 890,000oz of open pit Mining Inventory (14.0Mt @ 2.0g/t) published in the Preliminary Expansion Study, into reserves.

A total of 13,321m RC and diamond infill and extensional drilling targeting the East, West and Happy Jack to Bulletin lodes was completed during the quarter. Drilling also included geotechnical holes to assess pit wall stability and metallurgical holes to provide samples for test work. This drilling will provide the basis for a resource and reserve update in support of the Stage 2 expansion plans.

Final results were received for this drilling during the quarter. Numerous broad, shallow high grade intercepts received at both East-West (Figure 4) and between Happy Jack and Bulletin (Figure 5) continue to highlight the potential for a large, long life operation underpinned by the Wiluna open pits which are all within 4km of the Wiluna Gold Plant.

Exceptional high grade intercepts include:

- West Lode - 15.4m @ 21g/t (324 g\*m)
- West Lode - 19.0m @ 12.6g/t (239 g\*m)
- Happy Jack - 54.4m @ 3.34g/t (182 g\*m)
- Bulletin - 35.0m @ 4.95g/t (173 g\*m)
- Bulletin - 27.0m @ 5.60g/t (151 g\*m)
- East Lode - 25.3m @ 5.58g/t (141 g\*m)

For details on the results from the East and West lodes refer to ASX release 22<sup>nd</sup> May 2017. Details for the Happy Jack to Bulletin drilling are outlined in an ASX release dated 2<sup>nd</sup> July 2017.

An updated mineral resource estimate is in progress, which will allow the estimation of Ore Reserves to be used as the underlying basis for the current preliminary expansion study, which is due for completion in August 2017.

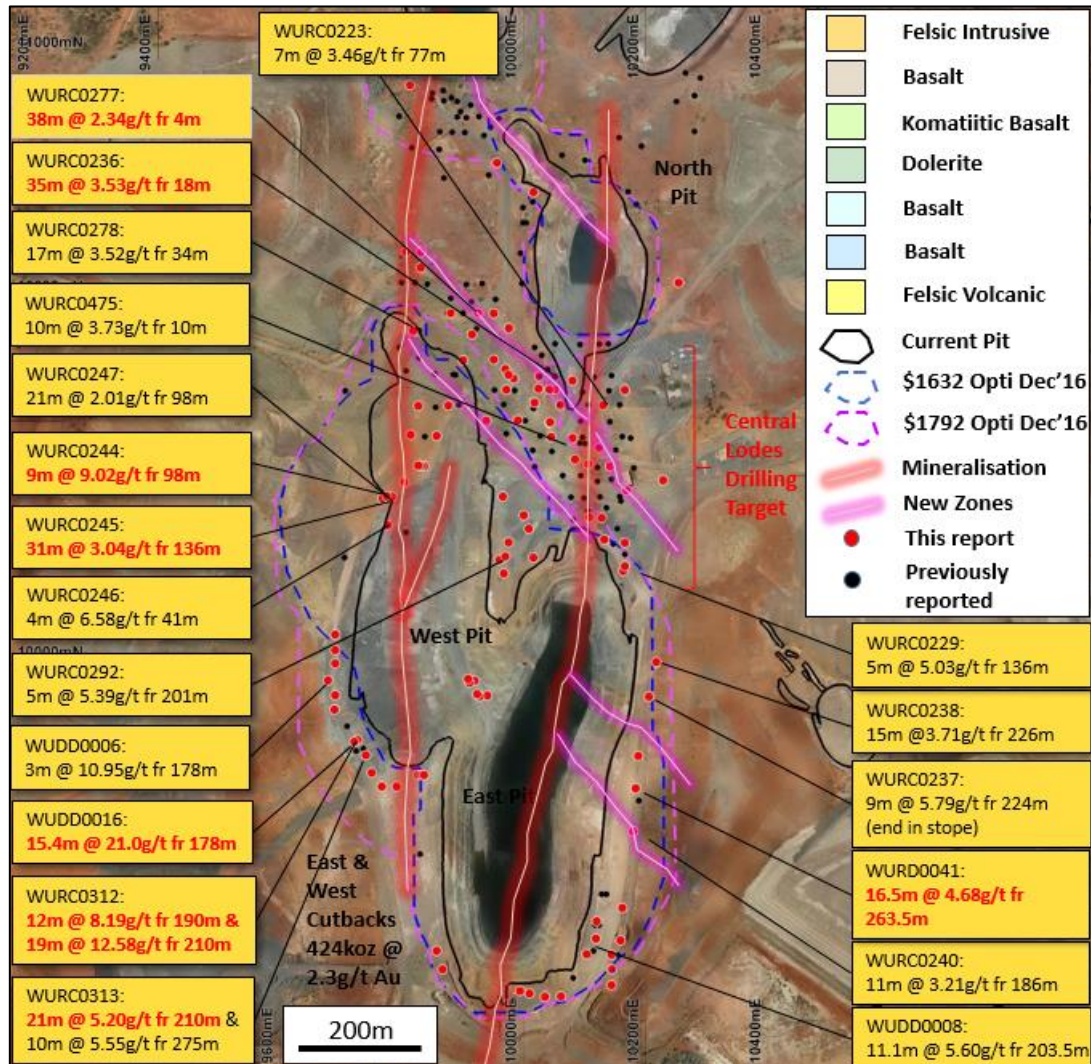


Figure 4. Plan view of the East and West lodes showing collar locations of latest drilling results (downhole widths quoted), in relation to pre-drilling pit optimisation shells. Note significant new mineralisation outside the current pit optimisations.



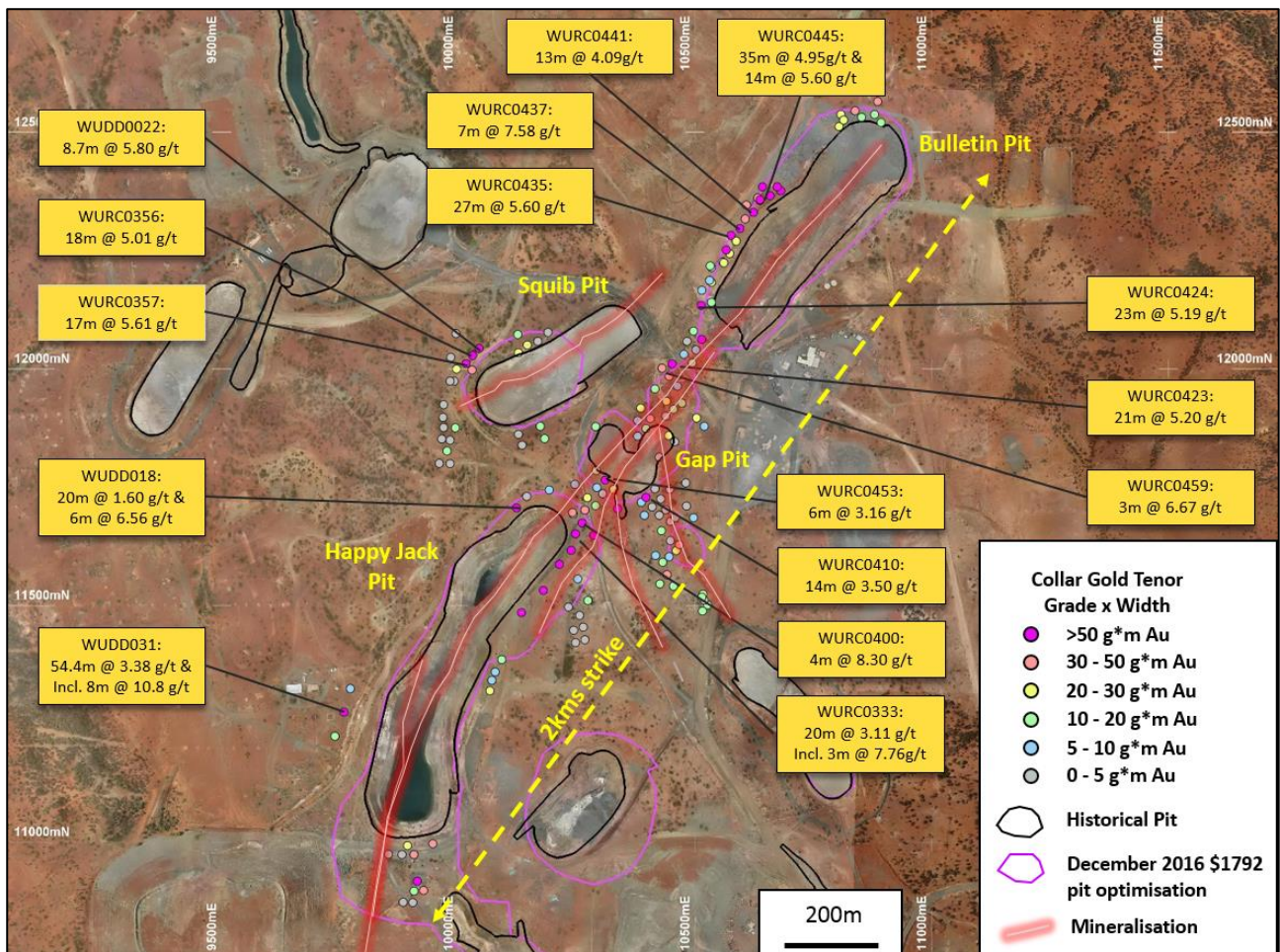


Figure 5. Plan view of Happy Jack to Bulletin showing collar locations of latest drilling results (downhole widths quoted), in relation to pre-drilling pit optimisation shells. Note significant new mineralisation outside the current pit optimisations



## Resources

Gold Resources of **63Mt @ 3.2g/t** for **6.4Moz** (49% Indicated) have not changed this quarter. Wiluna open pit resources are currently being updated, based on and additional ~ 50,000m of drilling completed during the January to May 2017 period which targeted potential Wiluna open pit mineralisation. Refer to ASX release dated 23<sup>rd</sup> January 2017 for further details. The open pit resources will underpin the base load feed and growth in the underground resources will provide important grade profile for Wiluna processing plant.

**Table 5 Wiluna/Matilda Operations January 2017  
Measured, Indicated and Inferred Resources (JORC 2012)**

| OPEN PIT 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 Mine OP        | 0.2      | 2.1    | 13     | 7.6       | 1.8    | 435    | 4.3      | 1.4    | 200    | 12.0       | 1.7    | 650    |
| Galaxy                 |          |        |        | 0.4       | 3.1    | 42     | 0.4      | 2.2    | 25     | 0.8        | 2.7    | 68     |
| Williamson Mine        |          |        |        | 3.3       | 1.6    | 170    | 3.8      | 1.6    | 190    | 7.1        | 1.6    | 360    |
| Wiluna OP <sup>1</sup> |          |        |        | 8.4       | 2.7    | 730    | 4.1      | 2.5    | 330    | 12.5       | 2.6    | 1,060  |
| Regent                 |          |        |        | 0.7       | 2.7    | 61     | 3.1      | 2.1    | 210    | 3.8        | 2.2    | 271    |
| Stockpiles             |          |        |        | 0.4       | 1.0    | 13     |          |        |        | 0.4        | 1.0    | 13     |
| OP Total               | 0.2      | 2.1    | 13     | 21        | 2.2    | 1,451  | 16       | 1.9    | 955    | 37         | 2.1    | 2,422  |
| 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 |
| Golden Age             |          |        |        | 0.5       | 5.3    | 81     | 0.9      | 3.7    | 110    | 1.4        | 4.3    | 191    |
| Wiluna                 |          |        |        | 9.4       | 5.2    | 1570   | 15.0     | 4.4    | 2165   | 24         | 4.7    | 3,735  |
| Matilda Mine UG        |          |        |        | 0.1       | 2.5    | 10     | 0.6      | 3.6    | 70     | 0.7        | 3.4    | 80     |
| UG Total               |          |        |        | 10        | 5.2    | 1,661  | 17       | 4.4    | 2,345  | 27         | 4.7    | 4,006  |
| Grand Total            | 0.2      | 2.1    | 13     | 31        | 3.1    | 3,112  | 32       | 3.2    | 3,300  | 63         | 3.2    | 6,428  |

1) Mineral Resources are reported inclusive of Ore Reserves and include all exploration and resource definition drilling information, where practicable, up to 1<sup>st</sup> December 2016.

2) 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.

3) Cut off grades used in the estimations vary between deposits. Refer to ASX release dated 23<sup>rd</sup> January 2017 for details.

4) Mineral Resources have not been depleted for FY17 production of 39,413oz.

## Corporate

The Company had no forward sales outstanding at the date of this report.

At the end of the quarter, the Company had A\$19.7 million in cash and bullion.

The Company had A\$39.1 million in outstanding debt (including accrued interest) at 30 June 2017. During July, the Company repaid \$2.8M of its debt facility. Blackham has appointed a Financial Advisor to assist the Company in progressing its options for financing the Expansion Plans, for which a PFS announcement is anticipated in next month, together with refinancing the Company's current debt position.

Blackham currently has a market cap of approximately A\$64 million. The Company's enterprise value is only \$13/resource ounce.

For further information on Blackham please contact:

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#### **Competent Persons Statement**

*The information contained in the report that relates to Exploration Targets and Exploration Results at the Matilda Gold Project is based on information compiled or reviewed by Mr Bruce Kendall, who is a full-time employee of the Company. Mr Kendall is a Member of the Australian Institute of Geoscientists 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 Kendall 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 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 Gold Project 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 December 2016 and 23 January 2017 continue to apply and have not materially changed.*

#### **Forward Looking Statements**

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

**Blackham Resources Limited**  
**Schedule of Mineral Tenements and Rights at 30 June 2017**

| <b>Project</b> | <b>Tenement</b>      | <b>Interest held by Blackham</b>            |
|----------------|----------------------|---|
| Scaddan        | E63/0521             | 70%   |
| Scaddan        | E63/1145 to E63/1146 | 70%   |
| Scaddan        | E63/1202 to E63/1203 | 70%   |
| Scaddan        | M63/0192 to M63/0194 | 70%   |
| Zanthus        | E69/2506             | 20% of basement rights, 100% above basement |
| Zanthus        | E28/2588             | 100%  |
| Zanthus        | E69/3422             | 100%  |
| Matilda        | E53/1290             | 100%  |
| Matilda        | E53/1297             | 100%  |
| Matilda        | E53/1644             | 100%  |
| Matilda        | E53/1791             | 100%  |
| Matilda        | E53/1852             | 100%  |
| Matilda        | L53/0021 to L53/0022 | 100%  |
| Matilda        | L53/0051             | 100%  |
| Matilda        | L53/0062             | 100%  |
| Matilda        | L53/0140             | 100%  |
| Matilda        | M53/0034             | 100%  |
| Matilda        | M53/0041             | 100%  |
| Matilda        | M53/0052 to M53/0054 | 100%  |
| Matilda        | M53/0188             | 100%  |
| Matilda        | M53/0955             | 100%  |
| Matilda        | P53/1559             | 100%  |
| Wiluna         | E53/1912             | 100%  |
| Wiluna         | E53/1853             | 100%  |
| Wiluna         | E53/1862 to E53/1863 | 100%  |
| Wiluna         | P53/1666 to E53/1668 | 100%  |
| Wiluna         | M53/0797 to M53/0798 | 100%  |
| Wiluna         | P53/1637             | 100%  |
| Wiluna         | E53/1908             | 100%  |
| Wiluna         | E53/1288             | 100% of gold and base metal rights          |
| Wiluna         | M53/0045             | 100% of gold and base metal rights          |
| Wiluna         | M53/0049             | 100% of gold and base metal rights          |
| Wiluna         | M53/0113             | 100% of gold and base metal rights          |
| Wiluna         | M53/0121 to M53/0123 | 100% of gold and base metal rights          |
| Wiluna         | M53/0147             | 100% of gold and base metal rights          |
| Wiluna         | M53/0224             | 100% of gold and base metal rights          |
| Wiluna         | M53/0253             | 100% of gold and base metal rights          |
| Wiluna         | M53/0796             | 100% of gold and base metal rights          |
| Wiluna         | M53/0910             | 100% of gold and base metal rights          |
| Wiluna         | P53/1355 to P53/1357 | 100% of gold and base metal rights          |
| Wiluna         | P53/1372             | 100% of gold and base metal rights          |
| Wiluna         | P53/1396 to P53/1397 | 100% of gold and base metal rights          |
| Wiluna         | G53/0021 to G53/0022 | 100% of gold and base metal rights          |
| Wiluna         | E53/1645             | 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%  |

| Project | Tenement             | Interest held by Blackham |
|---------|----------------------|---------------------------|
| 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%                      |
| Wiluna  | M53/0006             | 100%                      |
| Wiluna  | M53/0024 to M53/0027 | 100%                      |
| Wiluna  | M53/0030             | 97.9%                     |
| Wiluna  | M53/0032             | 100%                      |
| Wiluna  | M53/0040             | 100%                      |
| Wiluna  | M53/0043 to M53/0044 | 100%                      |
| Wiluna  | M53/0050             | 100%                      |
| Wiluna  | M53/0064             | 100%                      |
| Wiluna  | M53/0069             | 100%                      |
| Wiluna  | M53/0071             | 100%                      |
| Wiluna  | M53/0092             | 100%                      |
| Wiluna  | M53/0095 to M53/0096 | 100%                      |
| Wiluna  | M53/0129 to M53/0131 | 100%                      |
| Wiluna  | M53/0139             | 100%                      |
| Wiluna  | M53/0173             | 100%                      |
| Wiluna  | M53/0200             | 100%                      |
| Wiluna  | M53/0205             | 100%                      |
| Wiluna  | M53/0415             | 100%                      |
| Wiluna  | M53/0468             | 100%                      |
| Galaxy  | M53/1097             | 100%                      |
| Wiluna  | P53/1560             | 100%                      |
| Wiluna  | P53/1637             | 100%                      |
| Wiluna  | R53/0001             | 100%                      |



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

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

### Name of entity

Blackham Resources Limited

### ABN

18 119 887 606

### Quarter ended ("current quarter")

30 June 2017

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                            |  |
| 1.1 Receipts from customers                               | 24,126                     | 65,324                                 |
| 1.2 Payments for  |                            |  |
| (a) exploration & evaluation                              | (4,866)                    | (13,643)                               |
| (b) development   | (5,695)                    | (35,757)                               |
| (c) production  | (23,585)                   | (40,370)                               |
| (d) staff costs   | (2,128)                    | (4,719)                                |
| (e) administration and corporate costs                    | (424)                      | (1,938)                                |
| 1.3 Dividends received (see note 3)                       | -                          | -                                      |
| 1.4 Interest received                                     | 51                         | 286                                    |
| 1.5 Interest and other costs of finance paid              | (47)                       | (77)                                   |
| 1.6 Income taxes paid                                     | -                          | -                                      |
| 1.7 Research and development refunds                      | -                          | -                                      |
| 1.8 Other (provide details if material)                   | 3                          | 11                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(12,565)</b>            | <b>(30,883)</b>                        |
| <b>2. Cash flows from investing activities</b>            |                            |  |
| 2.1 Payments to acquire:                                  |                            |  |
| (a) property, plant and equipment                         | (2,619)                    | (43,452)                               |
| (b) tenements (see item 10)                               | -                          | -                                      |
| (c) investments   | -                          | -                                      |
| (d) other non-current assets                              | -                          | (711)                                  |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(12 months)<br/>\$A'000</b> |
|---|---|------------------------------------|---|
| 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)   | -                                  | -   |
|   | - Open pit stripping and underground dvpmt                                  | -                                  | -   |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                       | <b>(2,619)</b>                     | <b>(44,163)</b>                                 |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>                                 |                                    |   |
| 3.1   | Proceeds from issues of shares  | -                                  | 60,000  |
| 3.2   | Proceeds from issue of convertible notes                                    | -                                  | -   |
| 3.3   | Proceeds from exercise of share options                                     | 134                                | 1,131   |
| 3.4   | Transaction costs related to issues of shares, convertible notes or options | (4)                                | (3,529)   |
| 3.5   | Proceeds from borrowings  | -                                  | 8,000   |
| 3.6   | Repayment of borrowings   | -                                  | -   |
| 3.7   | Transaction costs related to loans and borrowings                           | (575)                              | (3,249)   |
| 3.8   | Dividends paid  | -                                  | -   |
| 3.9   | Other (provide details if material)   |                                    |   |
|   | - Finance lease repayments  | (44)                               | (158)   |
|   | - Bank guarantees   | (617)                              | (617)   |
| <b>3.10</b>                                 | <b>Net cash from / (used in) financing activities</b>                       | <b>(1,106)</b>                     | <b>61,578</b>                                   |

| Consolidated statement of cash flows |  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--------------------------------------|--|----------------------------|--|
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                            |  |
| 4.1                                  | Cash and cash equivalents at beginning of period                             | 34,764                     | 31,942                                 |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)              | (12,565)                   | (30,883)                               |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)              | (2,619)                    | (44,163)                               |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)             | (1,106)                    | 61,578                                 |
| 4.5                                  | Effect of movement in exchange rates on cash held                            | -                          | -                                      |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of period</b>                            | <b>18,474</b>              | <b>18,474</b>                          |

|            |   |                                    |                                     |
|------------|---|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances   | 9,974                              | 19,764                              |
| 5.2        | Call deposits   | 8,500                              | 15,000                              |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>18,474</b>                      | <b>34,764</b>                       |

|           |  |                                    |
|-----------|--|------------------------------------|
| <b>6.</b> | <b>Payments to directors of the entity and their associates</b>                                      | <b>Current quarter<br/>\$A'000</b> |
| 6.1       | Aggregate amount of payments to these parties included in item 1.2                                   | 187                                |
| 6.2       | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 6.3       | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

|  |  |
|--|--|
|  |  |
|--|--|

|     |  |                            |
|-----|--|----------------------------|
| 7.  | Payments to related entities of the entity and their associates                                      | Current quarter<br>\$A'000 |
| 7.1 | Aggregate amount of payments to these parties included in item 1.2                                   | -                          |
| 7.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                          |
| 7.3 | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                            |
|     |  |                            |

|           |   |   |  |
|-----------|---|---|--|
| <b>8.</b> | <b>Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i> | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 8.1       | Loan facilities   | 36,000  | 36,000   |
| 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.

A secured finance facility is held with Orion Mine Finance. It is comprised of:

- \$13m Non-Amortising Loan with an interest rate of 12% p.a.; and
- \$23m Project Finance Facility with an interest rate of 10% p.a.

|            |   |                |
|------------|---|----------------|
| <b>9.</b>  | <b>Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
| 9.1        | Exploration and evaluation                      | 708            |
| 9.2        | Development                                     | 2,563          |
| 9.3        | Production                                      | 24,537         |
| 9.4        | Staff costs                                     | 1,690          |
| 9.5        | Administration and corporate costs              | 231            |
| 9.6        | Other (Interest Payment)                        | 580            |
| <b>9.7</b> | <b>Total estimated cash outflows</b>            | <b>30,309</b>  |



| <b>10.</b> | <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                           | <b>Tenement reference and location</b>                      | <b>Nature of interest</b>                   | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|------------|---|---|---|---|-----------------------------------|
| 10.1       | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | E63/1734<br>E63/1780<br>E74/0561<br>E53/1287                | Scaddan<br>Scaddan<br>Scaddan<br>Matilda    | 100%<br>100%<br>100%<br>100%            | 0%<br>0%<br>0%<br>0%              |
| 10.2       | Interests in mining tenements and petroleum tenements acquired or increased           | E53/1912<br>P53/1666 to<br>P53/1668<br>E28/2588<br>E69/3422 | Wiluna<br><br>Lakeway<br>Zanthus<br>Zanthus | 0%<br><br>0%<br>0%<br>0%                | 100%<br><br>100%<br>100%<br>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.

Sign here:

Date: 25 July 2017

(Company Secretary)

Print name: Mike Robbins

### **Notes**

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