

Quarterly Activities Report

June 2019

Blackham Resources Limited ("Blackham" or "the Company") provides the following update on its activities for the quarter ended 30 June 2019 and thereafter:

Highlights

Matilda-Wiluna Gold Operation

- FY19 production of 65,406oz @ an All In Sustaining Cost ("AISC") of A\$1,760/oz versus guidance of 66-68koz @ an AISC of ~A\$1,700/oz
- Jun'19 quarterly gold production of 12,045oz @ an AISC of A\$2,376/oz (Mar'19 Qtr: 15,296oz @ A\$1,757/oz). Gold production was down compared to prior quarters due to the toll treatment of Northern Star Resources Limited ("NST") ore, and against prior guidance due to lower mined and milled grade. Lower grade and higher strip ratio caused a higher AISC/oz.
- The Operation was significantly mine constrained over the 6 months to 30 June, which is expected to reverse during the Sep'19 quarter, with pre-stripping activities at key mining locations being largely completed during the Jun'19 quarter. Strip ratios are expected to reduce, and more consistent higher grade ore can be mined for processing.
- The Jun'19 quarter's investments to deliver higher gold production for the next 6 months included:
 - Matilda M1 North cut-back – now complete with the main ore zone available for mining in the Sep'19 quarter
 - High waste stripping in the Jun'19 quarter at Wiluna open pits (including Happy Jack North and Essex) will improve the availability of ore, with lower waste stripping levels during the Sep'19 quarter
 - Underground development at Golden Age allowed commencement of stoping of ore at Golden Age Lower from June 2019
- The Jun'19 quarter represented the strongest quarter of mining in FY19 on a total material movement basis (Jun'19: 2.4M BCM, Mar'19: 2.1M BCM)
- Blackham has continued to work with MACA Limited ("MACA") to optimise the Williamson open pit mine. Mining at Williamson is expected to commence in Sep'19 and contribute a strong baseload of free-milling ore for Blackham.
- Production guidance for FY20 is currently being finalised and will be announced as soon as available

Reserve Development, Resources and Exploration

- High-grade extensions to Golden Age - very successful underground drilling has identified significant potential extensions to Golden Age and the company is reviewing these results quickly to include in future work plans as a priority:
 - High grade extensions confirmed for underground development at Golden Age Lower ("GAL")
 - Excellent grades demonstrated below the current Golden Age North pit ("GAN"), and studies are in progress to assess the potential for an open pit cut-back and/or shallow underground operations

BOARD OF DIRECTORS

Milan Jerkovic - Executive Chairman
Greg Fitzgerald - Non-Executive Director
Tony James - Non-Executive Director

ASX CODE

BLK

CORPORATE INFORMATION

3,769M Ordinary Shares
674M Quoted Options
176M Unquoted Options
1 Convertible Note

PRINCIPAL AND REGISTERED OFFICE

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Stage 1 Expansion

- Underground mine plan optimisation to support the first stage sulphide expansion plan is underway and is expected to be completed in the Sep'19 quarter
- Engineering design for the sulphide flotation plant is progressing and also expected to be completed in the Sep'19 quarter
- Continued strong interest for concentrate offtake, with pricing discussions and potential financing options well progressed

Corporate

- Cash and Bullion at 30 June 19 was \$4.2m (Mar'19: \$2.5m)
- Sale of Lake Way Tenements to Salt Lake Potash ("SO4"), together with certain rights and cancellation of Blackham's brine royalty whilst retaining certain gold mining (see announcement dated 23 July 2019).
- Blackham's largest shareholder and mining contractor, MACA, has demonstrated its continued support providing a working capital facility of up to \$12m until 29 February 2020 (refer announcement dated 20 June 2019)
- Blackham's gold production is largely unhedged, with gold forward sales contracts at 30 June 2019 being for 18,500oz at an average price of A\$1,805/oz, maturing by 31 December 2019.
- Blackham implemented Senior Management and Board Changes with the immediate priority being to improve operational performance through cost reduction, and by mining its highest margin reserves to improve operational cash flow. This will allow the Company to repay remaining debt facilities and transition to its Stage 1 Expansion Sulphide Development and unlock the large sulphide reserves and resources at Wiluna
- Blackham is progressing a number of discussions with a number of parties in relation to a variety of potential funding and corporate transactions, including non-core asset sales, equity, debt and offtake investment into Blackham, and strategic investment into Blackham, some of which may include change of control. These discussions are advancing however there is no guarantee that anything will eventuate with respect to any of these discussions.

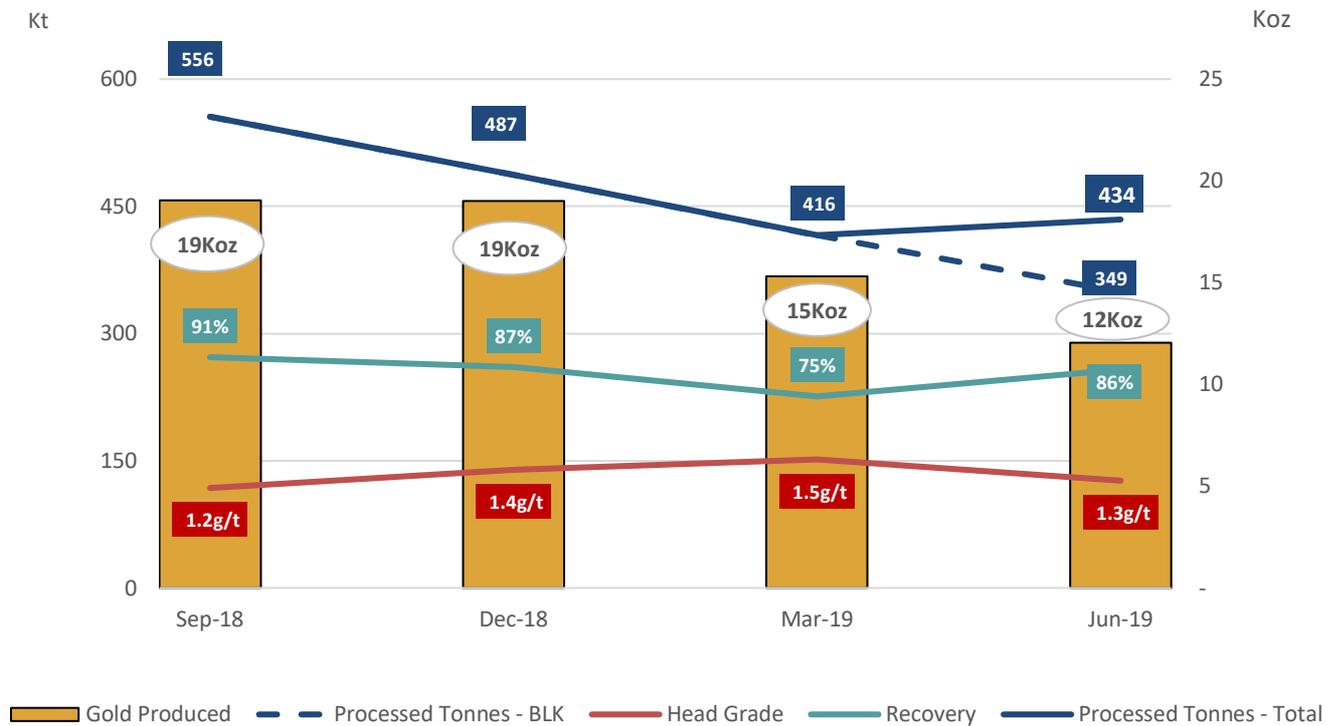
Table 1 - Production & Cost Summary

		SEP18 QTR	DEC18 QTR	MAR19 QTR	JUN19 QTR	FY19 TOTAL
Production	Unit					
Open Pit Mining						
Total Mining	bcm	1,890,930	2,356,346	2,085,652	2,372,818	8,705,746
Strip Ratio	w:o	8.0	7.3	8.2	15.6	9.1
Ore Mined	t	442,740	598,448	524,902	302,270	1,868,360
Mined Grade	g/t	1.1	1.2	1.2	1.2	1.2
Underground Mining						
Total UG lateral development	m	149	84	201	279	713
Ore Mined	t	9,407	10,833	20,980	29,026	70,246
Mined Grade	g/t	7.4	5.6	2.9	3.9	4.3
Total Ore Mined	t	452,147	609,281	545,882	331,296	1,938,606
Total Mined Grade	g/t	1.3	1.2	1.2	1.4	1.3
Total OP & UG Contained Gold	oz	18,362	24,219	21,899	15,305	79,785
Processing						
Tonnes Processed	t	555,677	487,401	416,016	348,838	1,807,931
Grade Processed	g/t	1.2	1.4	1.5	1.3	1.3
Recovery	%	91%	87%	75%	86%	85%
Gold Produced	oz	19,049	19,016	15,296	12,045	65,406
Gold Sold	oz	18,332	19,980	15,130	11,478	64,919
Costs						
Mining	A\$/oz	1,003	1,113	1,411	2,096	1,308
Processing	A\$/oz	419	443	571	525	479
Site Administration	A\$/oz	84	90	100	136	98
Mining costs capitalised to preproduction	A\$/oz	(156)	(160)	(474)	(616)	(306)
Stockpile movements	A\$/oz	107	(126)	(194)	14	(49)
Royalties, refining costs & silver sales	A\$/oz	81	109	130	106	105
Sustaining Capital Expenditure	A\$/oz	27	117	194	62	99
Overhead costs	A\$/oz	22	20	19	52	26
All - In - Sustaining Costs Per Ounce	A\$/oz	1,588	1,606	1,757	2,376	1,760

Gold production

Total mill throughput including NST ore was higher than the last quarter at 434kt (349kt attributable to Blackham) (Mar'19: 416kt), and there were noticeable improvements in metallurgical recoveries (Jun'19: 86%, Mar'19: 75%). High grade stockpiles at the end of the Jun'19 quarter remain low but it is expected that significant high grade ore will become accessible as pre-stripping activities in key mining locations were largely completed during the quarter, and Golden Age Lower is now transitioning from development to stoping operations.

Chart 1 – Gold production



Mining

The Jun'19 quarter represented the strongest quarter of mining in FY19 on a total material movement basis (Jun'19: 2.4M BCM, Mar'19: 2.1M BCM). Mining at Wiluna and Matilda is expected to be scaled back in the Sep'19 quarter as strip ratios reduce and consistent high grade ore becomes available to feed the processing plant. Mining at Williamson open pit is expected to commence in Sep'19. M1 North is expected to contribute significant ore in the Sep'19 quarter. The Wiluna Happy Jack North and Essex pits will also be material contributors of ore during the Sep'19 quarter.

Chart 2 – Open Pit Mining (Contained Ounces)

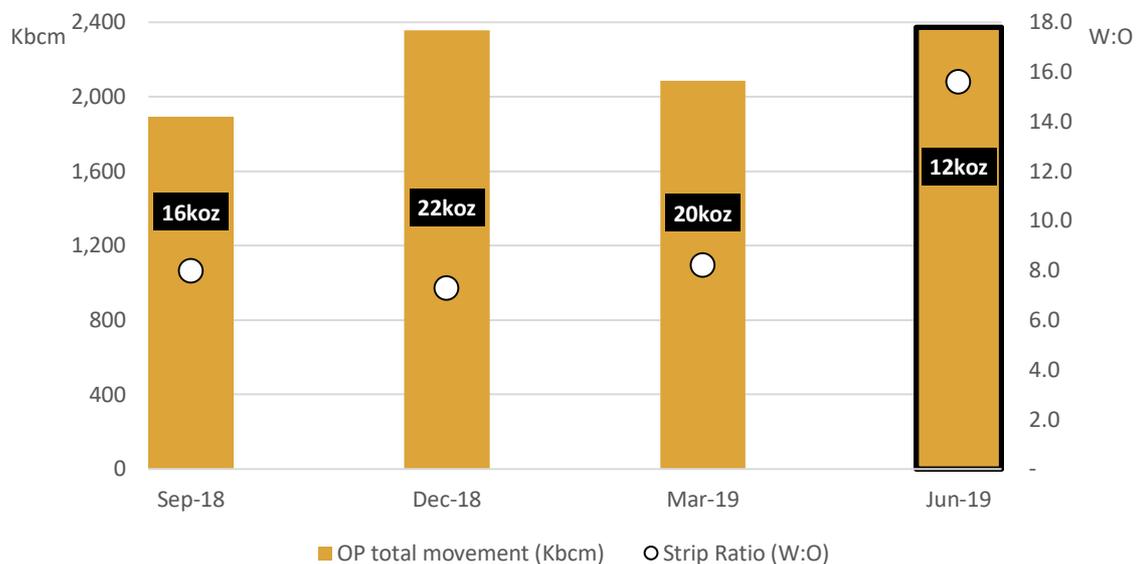




Photo 1: Matilda M1 cutback nearing completion 68m below surface approaching strong ore zones

Photo 2: Wiluna Essex cutback also approaching strong ore zones

The Jun'19 quarter saw the strongest contribution of ounces from the Golden Age Underground in FY19. Extraction of ore from both the Remnant and Lower orebodies in the June quarter was for a total of 3,600 mined oz (Mar'19: 1,966oz). Blackham is forecasting further strong contributions from the Golden Age underground mine into the Dec'19 quarter and high grades are currently being mined. Studies will be conducted to assess the technical and economic merit of further extensions.

Northern Star Resources Limited – Toll Treatment Agreement

On 29 April 2019, Blackham Resources entered into a binding Toll Milling Agreement with NST for the toll treatment of Jundee ore. A parcel of Jundee ore was successfully processed over two campaigns in May and June. The Toll Milling Agreement has been mutually beneficial and the potential for continued collaboration between Blackham and Northern Star continues.

Resource Definition

Results from Resource definition drilling during the Mar'19 quarter were received in the Jun'19 quarter and confirmed high-grade extensions at Golden Age (refer ASX announcement 15 June 2019):

- High grade extensions confirmed for underground development at GAL
- Excellent grades demonstrated below the Golden Age North pit and studies are in progress to assess the potential for an open pit cut-back and/or shallow underground operations

Golden Age Lower – Underground Mining / Development

Blackham has a strategy for Golden Age underground mine to expand its resource and mining rate substantially above historical production of approximately 700-1000 ounces per month. This strategy and investment into further development of the underground was supported in the Jun'19 quarter as 3,600 mined oz were delivered.

Recent underground core drilling was aimed at extending the GAL mineralisation down dip and down plunge. Best intercepts included:

5.61m @ 13.26g/t	63g*m	GARD0081
12.80m @ 2.34g/t	28g*m	GARD0085
2.00m @ 14.02g/t	28g*m	GARD0066
0.78m @ 17.75g/t	14g*m	GARD0063
9.50m @ 2.16g/t	21g*m	GARD0068
2.00m @ 5.38g/t	11g*m	GARD0070
2.60m @ 5.72g/t	15g*m	GARD0076
1.45m @ 5.30g/t	8g*m	GARD0077
1.00m @ 7.24g/t	7g*m	GARD0080

Resource modelling and mining studies are in the process of being completed to confirm the potential for further extensions to GAL mining inventory.

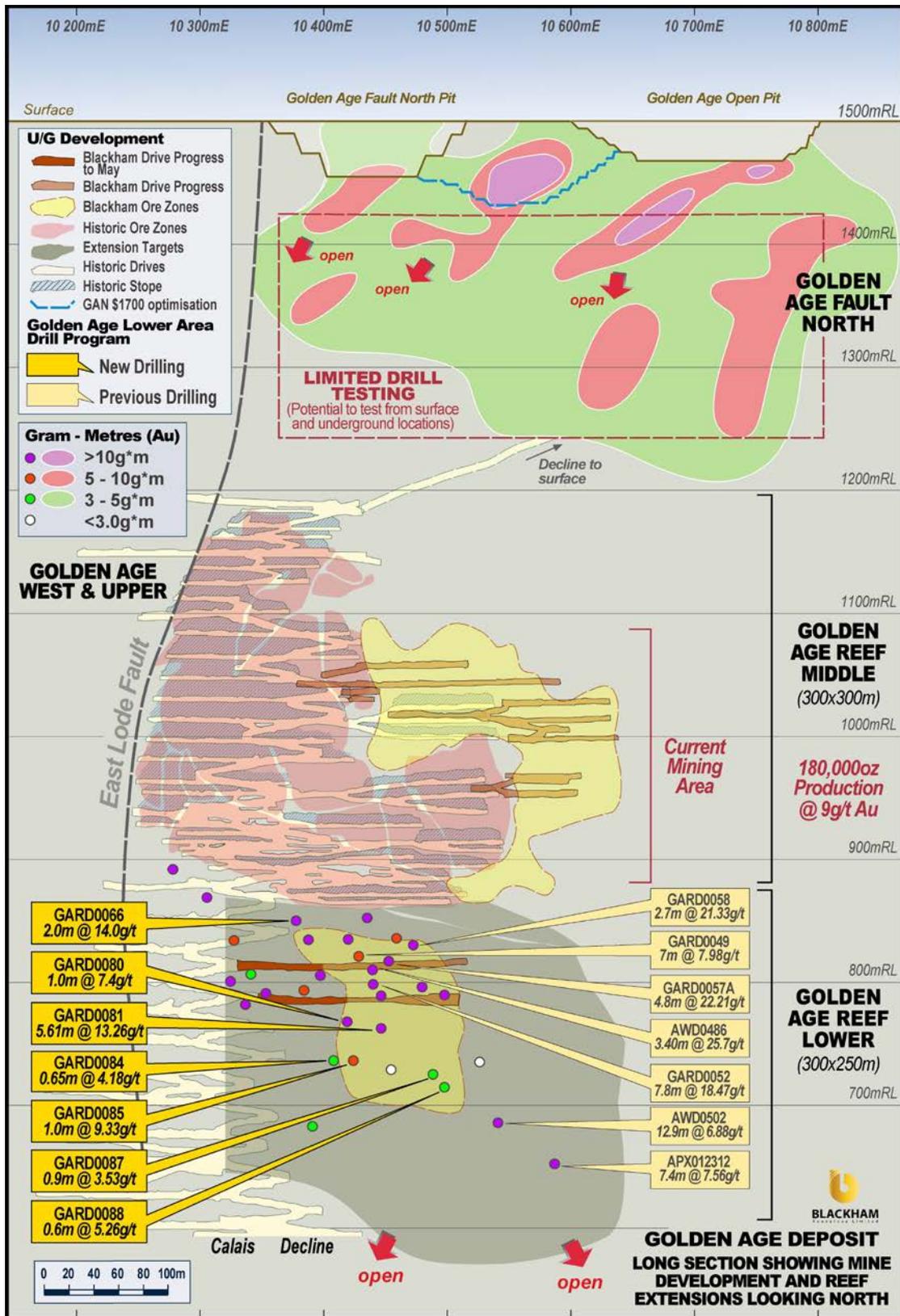


Figure 1. Golden Age long section showing mine development and latest drilling results.

Golden Age North (GAN) & GAP

Mining of the Golden Age Fault in the initial GAN open pit was completed in April 2019 and recent drilling results have confirmed mineralisation remains open at depth, with potential to access this either through deepening the existing pit or through underground extraction. Results supporting extensions to the GAN pit, both along strike and down dip include:

8m @ 8.92g/t from 16m, incl. 4m @ 17.00g/t	71g*m WURC0740
3m @ 12.48g/t from 139m, incl. 2m @ 17.95g/t	37g*m WURC0740
7m @ 5.18g/t from 162m, incl. 1m @ 32.50g/t	36g*m WURC0738
6m @ 3.69g/t from 119m, incl. 1m @ 9.16g/t	22g*m WURC0737
6m @ 3.40g/t from 156m, incl. 1m @ 18.30g/t	20g*m WURC0755
4m @ 4.61g/t from 144m, incl. 1m @ 12.25g/t	18g*m WURC0746
2m @ 5.38g/t from 152m, incl. 1m @ 9.79g/t	11g*m WURC0750

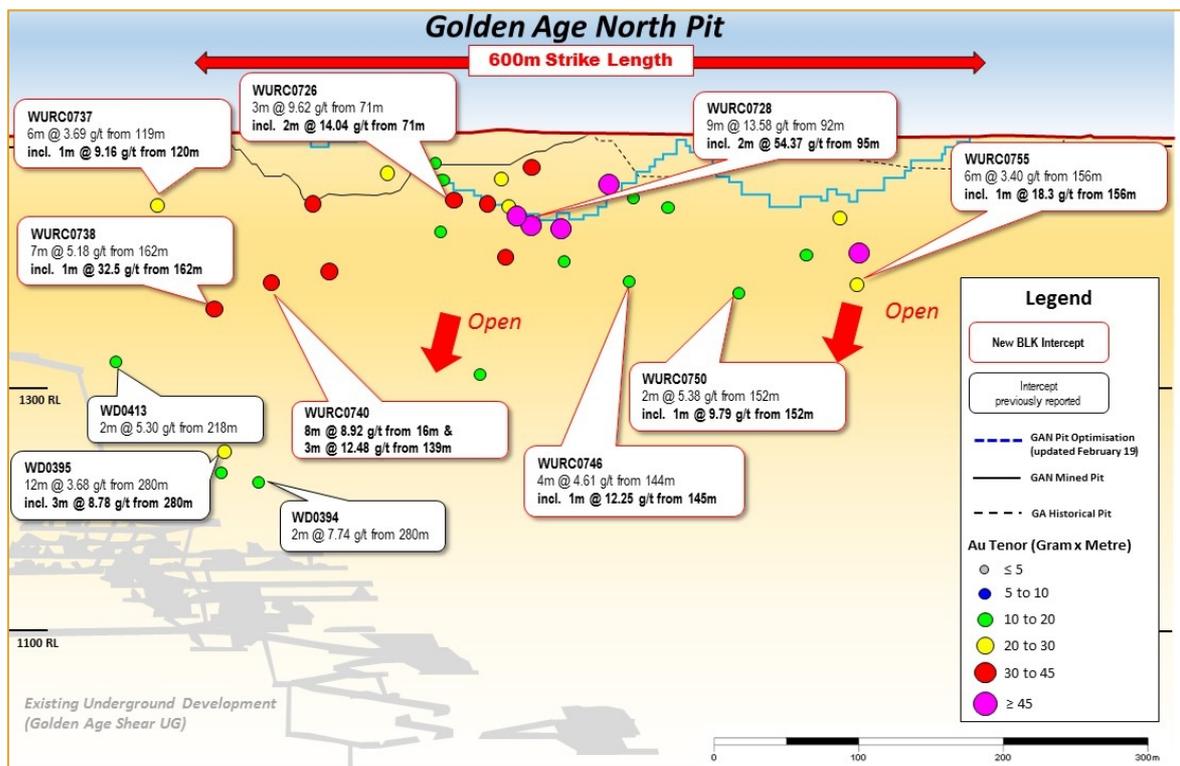


Figure 2. Long section of the GAN Lode showing recent and previous significant intercepts.

Recent RC drilling has also been aimed at testing free-milling oxide ore at Gap Pit cutback. Gap was previously mined in the 1990's and subsequently back-filled. Best results received around and below the mined pit include:

3m @ 58.91g/t from 71m	177g*m	WURC0763
8m @ 6.07g/t from 10m, incl. 2m @ 20.04 g/t	54g*m	WURC0766
8m @ 2.22g/t from 25m	18g*m	WURC0764 (Republic Reef)
4m @ 4.86 g/t from 51m, incl. 1m @ 12.70 g/t	19g*m	WURC0765 (Republic Reef)

Blackham is undertaking optimisation and financial modelling to determine the method of extracting further Golden Age ore.

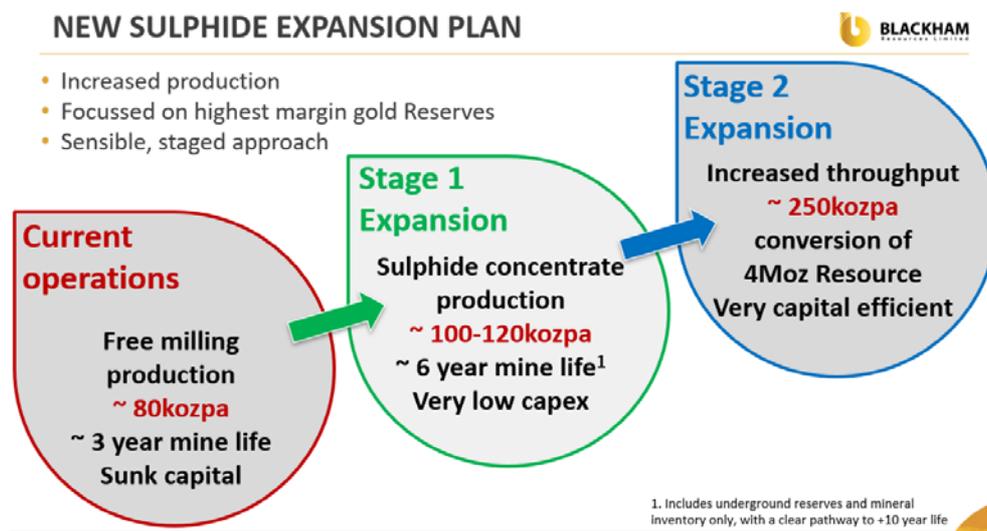
Wiluna Expansion Studies

Blackham published the Expansion Preliminary Feasibility Study (“Expansion PFS”) on 30 August 2017, which confirmed the robust economics for a +200kozpa long mine life operation. This study confirmed the Wiluna Expansion opportunity is capital efficient with economies of scale significantly reducing unit operating costs.

On 28 February 2019, Blackham provided an update on its Expansion Studies, detailing a staged approach that allows an initial low capital cost expansion to enable production from its 1.53Moz of Reserves. The Stage 1 Expansion targets 100-120kozpa production with costs well below its current free milling operation and long mine life. The initial Stage 1 focuses on the production of a gold concentrate predominantly from the Wiluna underground with flexibility to also process its free milling and tailings Reserves. The Stage 1 Expansion will allow Blackham to focus on its highest margin Reserves. Key workstreams progressed during the Jun’19 quarter include:

- Sulphide underground mine plan optimisation is underway. Underground mining service providers have been engaged to optimise the geological interpretation, develop a mine plan and provide capital and operating cost estimates in support of the plan
- An engineering company has been appointed to complete the engineering design for the sulphide conversion project. A fully costed design will be produced during the Sept’19 quarter
- Approvals and the engineering design for the next tailings dam are being progressed
- Strong demand for gold concentrate offtake continues and the Company is taking steps towards confirming concentrate pricing and potential financing

The overall target is to be in a position to commit to the stage 1 expansion during the Dec’19 quarter.



Blackham and SO4 enter into Lake Way Transaction

On 8 April 2019, Blackham and SO4 executed a binding Split Commodity Agreement for the development of a Sulphate of Potash (“SOP”) operation based at Lake Way. As an extension to the Split Commodity Agreement, on 22 July 2019 Blackham agreed to sell its Lake Way Tenements, cancel its brine royalty and provide certain water rights to SO4 (“Lake Way Transaction”). Highlights of the Lake Way Transaction include:

- Blackham will retain certain gold mining and exploration rights over the Lake Way Tenements;
- \$10 million cash consideration comprising a \$3.0m non-refundable deposit (already received) and a further \$7.0m at completion which is expected to be during the Sep’19 quarter;
- SO4 will also contribute \$10 million to the pre-strip of the Williamson free milling open pit mine, which Blackham expects to begin mining in the Sep’19 quarter
- Blackham has granted SO4 an option to purchase Blackham’s Southern Borefield and associated infrastructure for an additional \$3.0m

Please refer to the announcement dated 23 July 2019 for further information relating to the Lake Way Transaction.

Wiluna Cobalt-Nickel Project (Wilconi)

On 20 December 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 via a staged Farm-in and Joint Venture Agreement (‘JVA’). The project covers 40km of strike of the “Perseverance Ultramafics” sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. In January 2019, ACB acquired an initial interest of 20% in the project for cash consideration of A\$2.8million to Blackham.

During the Jun’19 quarter ACB completed initial metallurgical test work and remodelled the Wilconi project as a cobalt deposit with nickel as a by-product. Please refer to the ACB’s ASX announcement dated 30 April 2019 and shareholder presentation released on 3 June 2019 for further details on the Wilconi project.

Corporate & Treasury

As at 30 June 2019 Blackham had \$4.2m in cash and bullion. The face value of debt decreased to \$15.9m (Mar’19 Qtr: \$21.2m).

Subsequent to 30 June 2019, a further \$1.0m has been repaid to MACA and \$1.5m of repayments (in shares) have been made to Lind, reducing the face value of debt to \$13.4m.

On 20 June 2019 Blackham announced that it has entered into a working capital facility with MACA that will assist Blackham towards its transition to the Stage 1 Expansion Sulphide Development. MACA has provided Blackham with working capital of up to \$12 million until 29 February 2020, which is provided to Blackham in the form of extended payment terms to MACA under its surface mining contract (“Working Capital Facility”). This facility is fully drawn at 30 June 2019.

In consideration of the Working Capital Facility, Blackham issued 265 million shares to MACA at the 5-day volume weighted average price as at the close of trade on 14 June 2019, providing increased alignment between Blackham and MACA and confirms increased confidence in the short-medium and longer term strategy of the Company.

Blackham has been in discussions with a number of parties in relation to the funding of the proposed next stage of development. A non-binding funding term sheet for a Stage 1 Concentrator has been agreed and initial due diligence is in progress.

Board & Management Changes

In the Jun’19 quarter Blackham advised of Senior Management and Board changes. Blackham extends its gratitude to Bryan Dixon, founding Managing Director of the Company, who has stepped down from the Board and resigned as CEO. Richard Boffey (Chief Operating Officer) also left the Company to take up another opportunity and Blackham acknowledges his efforts as he oversaw the operations during the transition from developer to producer. Following the changes that have been made, the current Executive Team is as presented below:

	Executive Team
Executive Chairman	Milan Jerkovic
GM Operations	Guy Simpson
GM Projects & Business Improvement	Neil Meadows
GM Exploration & Business Development	Cain Fogarty
Chief Financial Officer	Anthony Rechichi

Blackham’s Board of Directors comprises of the Executive Chairman Milan Jerkovic and its Non-Executive Directors Greg Fitzgerald and Tony James.

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
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	-	-	-	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 Cain Fogarty, who is a full-time employee of the Company. Mr Fogarty 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 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 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.

With regard to the Matilda-Wiluna Expansion Production Targets, 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 Production Targets as reported in the market announcements dated 28th February 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.

Blackham Resources Limited

Schedule of Mineral Tenements and Rights at 30 June 2019

Project	Tenement	Interest held by Blackham
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	E63/1937	100%
Scaddan	M63/0194	100%
Wiluna	E53/1645	100%
Wiluna	E53/1791	100%
Wiluna	E53/1794	100%
Wiluna	E53/1852	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	100%
Wiluna	L53/0020 to L53/0024	100%
Wiluna	L53/0030	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0051	100%
Wiluna	L53/0053	100%
Wiluna	L53/0062	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0140	100%
Wiluna	L53/0144	100%
Wiluna	L53/0202	100%
Wiluna	M53/0006	100%
Wiluna	M53/0024 to M53/0027	100%
Wiluna	M53/0030	97.5%
Wiluna	M53/0032	100%
Wiluna	M53/0034	100%
Wiluna	M53/0040 to M53/0041	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0050	100%
Wiluna	M53/0052 to M53/0054	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0092	100%
Wiluna	M53/0095 to M53/0096	100%
Wiluna	M53/0113	100%
Wiluna	M53/0121 to M53/0123	100%
Wiluna	M53/0129 to M53/0131	100%
Wiluna	M53/0139	100%

Project	Tenement	Interest held by Blackham
Wiluna	M53/0147	100%
Wiluna	M53/0173	100%
Wiluna	M53/0188	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0224	100%
Wiluna	M53/0253	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Wiluna	M53/0796 to M53/0798	100%
Wiluna	M53/0910	100%
Wiluna	M53/0955	100%
Wiluna	M53/1097	100%
Wiluna	M53/1098	100%
Wiluna	P53/1637	100%
Wiluna	P53/1642 to P53/1646	100%
Wiluna	P53/1666 to P53/1668	100%
Wiluna	R53/0001	100%
Wiluna	E53/1878	100% of gold rights
Wiluna	E53/1897	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")

30 JUNE 2019

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	14,973	103,083
1.2	Payments for:	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(26,480)	(88,299)
	(d) staff costs	(4,877)	(18,544)
	(e) administration and corporate costs	(589)	(1,757)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	53
1.5	Interest and other costs of finance paid	(1,810)	(4,127)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	3,161	3,125
	- Jun'19 Qtr includes Toll treatment income \$3,125k		
1.9	Net cash from/(used in) operating activities	(15,616)	(6,466)

	Current quarter \$A'000	Year to date (12 months) \$A'000
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,656)	(10,240)
(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)	-	2,947
(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)		
- proceeds from gold sales from preproduction areas	3,336	5,267
- exploration and evaluation	(1,857)	(7,395)
- development (incl. pre-production mining)	(2,034)	(12,926)
2.6 Net cash from/(used in) investing activities	(3,211)	(22,462)
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	25,814	26,076
3.2 Proceeds from issue of convertible notes	-	7,500
3.3 Proceeds from exercise of share options	-	17
3.4 Transaction costs related to issues of shares, convertible notes or options	(2,081)	(2,623)
3.5 Proceeds from borrowings	-	241
3.6 Repayment of borrowings	(5,083)	(24,252)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
- Hedge book close out	(334)	2,126
- Finance lease repayments	(59)	(208)
3.10 Net cash from/(used in) financing activities	18,256	8,878

		Current quarter \$A'000	Year to date (12 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	1,264	20,743
4.2	Net cash from/(used in) operating activities (item 1.9 above)	(15,616)	(6,466)
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(3,211)	(22,462)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	18,256	8,878
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	693	693
	Bank guarantees at end of period	566	566
	Gold bullion at end of period	2,939	2,939
	Total cash and bullion at end of period	4,198	4,198

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 accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	693	1,264
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)	693	1,264

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	229
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	
	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	-
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	

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	15,907	15,907
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:</p> <ul style="list-style-type: none"> - A secured finance facility is held with MACA Limited, with an interest rate of 10% p.a. with \$10.3m outstanding at 30 June 2019. - On 25 September 2018, Blackham announced an agreement with Lind Partners for a Funding Agreement underpinned by the ability to draw up to \$23m 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 a final face value amount of \$9.0 million. \$3m was repaid during the quarter via cash payment and the issue of Blackham shares. 			

9	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	1,837
9.2	Development (incl. pre-production mining costs)	1,078
9.3	Production	25,712
9.4	Staff costs	4,563
9.5	Administration and corporate costs	458
9.6	Other	
	- Payments for plant and equipment	3,714
	- Interest and facility fee payments	301
	- Loan repayments	3,000
9.7	Total	40,664

- Cash outflows do not include forecast gold revenues from production at the Operation.

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	P53/1560	Wiluna	100%	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: 23 July 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.