

16 April 2018

Quarterly Report

March 2018

The Board of Blackham Resources Ltd (Blackham or the Company) provides the following update on its activities for the quarter ended 31 March 2018 and thereafter:

Highlights

Matilda-Wiluna Gold Operation

- Quarterly gold production of 20,631oz - an increase of 38% compared to the Dec'17 quarter (14,922oz)
 - Record gold production achieved in each successive month of the quarter
 - 477kt milled for the quarter (Dec'17 Qtr: 443kt) with consistent improvements to throughput achieved
 - Mill feed grade improved to 1.5g/t (Dec'17 Qtr: 1.1g/t)
- High-grade stockpiles are currently 162kt @ 1.7g/t Au, equating to approximately 1 month's mill feed
- All-In sustaining costs ("AISC") for the quarter reduced to A\$1,092/oz (or US\$858/oz) (Dec'17 Qtr: A\$1,882/oz), representing a 42% decrease on last quarter
 - includes \$186/oz sustaining capital investment, most of which relates to a tailings dam lift
- Average realised gold price of A\$1,669/oz for the quarter

Corporate

- Current gold forward sales contracts – 29,417oz @ A\$1,725/oz over the next 9 months
 - Refinancing of \$14.3 million term loan repayment
- Very strong shareholder support for Entitlement Offer raising \$35.9 million (before costs) with greater than 80% take up of entitlements
- Net debt reduced to \$10.4 million with cash and bullion of \$29.6 million and secured debt of \$40.0 million
- Board and executive team strengthened with experienced gold industry professionals
 - Milan Jerkovic appointed Executive Chairman
 - Greg Fitzgerald appointed as Non-Executive Director
 - Richard Boffey appointed Chief Operations Officer
 - Jonathan Lea appointed Chief Geological Officer
- Strategic review of non-core assets to improve balance sheet position
- Production guidance reconfirmed at 40-45koz @ A\$1,100-1,200/oz (or US\$855-932/oz) AISC for this half

Reserve Development and Exploration

- Reserve focused drilling programmes re-commence after 9 months of free milling targeting work
- Focus on free milling near term reserve opportunities at Wiluna open pits
- Commenced drilling of Golden Age Underground extensions in late March
- Drilling of Lake Way exploration targets commences this month
- Positive scoping study completed on 37Mt Wiluna tailings retreatment project (Wiltails)

BOARD OF DIRECTORS

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

ASX CODE

BLK

ABN: 18 119 887 606

CORPORATE INFORMATION

1,265M Ordinary Shares
492M Quoted Options
4.2M Unquoted Options

PRINCIPAL AND REGISTERED OFFICE

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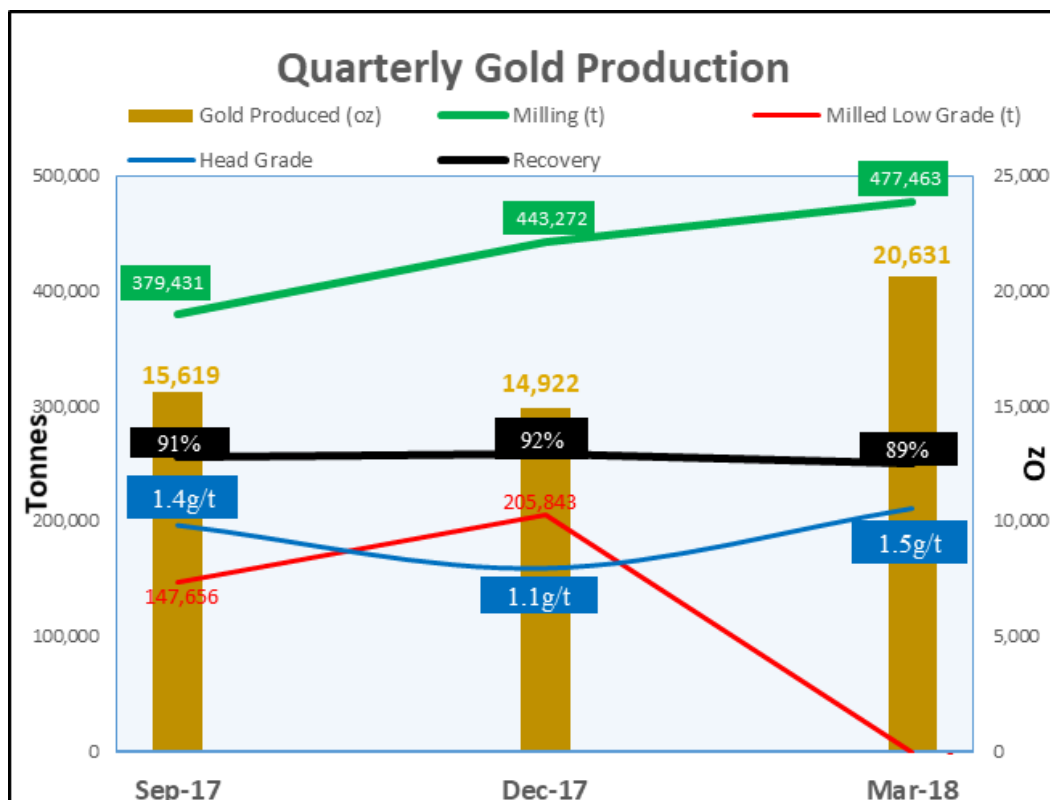
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Blackham Resources Limited (ASX: BLK) (“Blackham” or “the Company”) is pleased to present an operational update for the March 2018 quarter at its 6.5Moz Matilda-Wiluna Gold Operation (“the Operation”). The March quarter’s production increased 38% from the previous quarter with new monthly record gold production achieved in each successive month of the quarter.

Table 1 – Gold production improving and costs decreasing

	Sept’17 Qtr	Dec’17 Qtr	Mar’18 Qtr
Total Milled (kt)	379.4	443.3	477.5
Mill Feed Grade (g/t Au)	1.4	1.1	1.5
Overall Plant Recovery	91.5%	92.3%	89.4%
Gold Produced (koz)	15,619	14,922	20,631
AISC (A\$/oz)	\$2,236	\$1,882	\$1,092

Access to high-grade zones in the M4 and Galaxy pits was achieved in the Dec’17, which resulted in significant improvements to quarterly mill feed grade and gold production. During the Sep’17 and Dec’17 quarters, 248,000t and 206,000t of low grade stockpiles were processed respectively at an average grade of 0.7g/t, significantly reducing mill feed grade for those quarters (see Chart 1). Mill feed head grade during the Sep’17 quarter was hampered by 49% of feed being sourced from low grade stockpiles.



During the March quarter, Blackham’s processing team achieved another quarterly throughput record with an 8% improvement on the prior quarter. The Dec’17 quarter saw a 17% increase on the Sep’17 quarter. Crushing circuit and mill circuit utilisation for the quarter were 66% and 95% respectively.

Plant recoveries were 89.4% for the March quarter (92.3% Dec'17 Qtr). Plant recoveries decreased slightly, as expected as deeper transitional ore from the M4 and Galaxy pit was processed. As oxide ores from the M2 and M1 pits are processed during the current quarter metallurgical recoveries are expected to improve.

All in sustaining costs ("AISC") reduced to A\$1,092/oz for the Mar'18 quarter, representing a 42% decrease on the last quarter (Dec'17 Qtr: A\$1,882oz). Mining costs decreased significantly with the lower strip ratio and material movements. AISC includes \$3.8M of abnormally high investment in sustaining capital expenditure, predominately for the tailings dam lift to be completed in Apr'18, which will provide capacity until the Sep'19 quarter.

An average realised gold price of A\$1,669/oz was achieved for the quarter. Current gold forward sales contracts of 29,417oz @ A\$1,725/oz over the next 9 months representing ~50% of targeted production over that period.

Open Pit Mining

During the quarter, 667kt of ore was mined from the open pits delivering 28,648oz contained ounces, which is more than double last quarter. The extensive waste stripping that occurred during calendar year 2017 has provided access to high-grade zones in both the Galaxy and Matilda M4 pits for the Mar'18 and June'18 quarters. Mining of the Matilda M2 and M1 pits commenced in Mar'18 and Apr'18, respectively. Mining of ore has already commenced at M2, with M1 ore expected to be accessed this quarter.

Table 2 – Open Pit Mining

	Sep'17 quarter	Dec'17 quarter	Mar'18 quarter
Ore moved (BCM)	91,447	160,064	308,883
Waste moved (BCM)	2,449,383	1,636,519	904,348
Material moved (BCM)	2,540,830	1,796,583	1,213,231
Stripping ratio (BCM/BCM)	26.8	10.2	2.9
Ore mined (t)	212,440	341,522	667,479
Mined grade (g/t)	1.2	1.2	1.3
Contained Ounces (Oz)	8,368	13,512	28,648

The Operation's high-grade stockpiles started the quarter at 51kt @ 1.6g/t and at the date of this report, have risen to 162kt @ 1.7g/t Au, equating to approximately 1 month's mill feed. Stockpiles have increased since 31 Mar'18 due to mining significant amounts of ore during Apr'18.

Total material mined reduced significantly during the quarter to 1.2 million BCM (1.8 million BCM in Dec'17 quarter) due to reduced waste stripping, which enabled a meaningful reduction in open pit mining costs.

Underground Mining

Blackham confirmed during Mar'18 that the Golden Age Underground mine plan continues to grow and has been extended for at least a further 6 months to Dec'18. Mining costs and risks have been reduced following Blackham successfully moving to an owner operator miner at Golden Age Underground in Oct'17.

Blackham commenced evaluation of the economics of the remaining Golden Age Underground resource of 0.9Mt @ 4.5g/t for 129koz Au. These mining studies have now added another 24.6kt @ 6g/t for 4,700oz of production targeted between July and December 2018. This additional targeted production is incremental to the previously disclosed Underground mine plan which finished in Jun'18. Production is now expected to continue at a rate of ~ 2,500oz per quarter through to at least Dec'18.

Table 3 – Underground Mining

	Sep'17 quarter	Dec'17 quarter	Mar'18 quarter
Ore Mined – Dev (t)	1,756	-	2,737
Ore Mined – Stope (t)	39,564	15,565	6,808
Ore Mined (t)	41,320	15,565	9,545
Au Grade Mined (g/t)	4.7	5.3	7.6
Mined Metal (Oz)	6,302	2,664	2,321

The Golden Age Underground mine has now generated strong cash flows for the past three quarters.

Reserve and Exploration Drilling

Reserve Definition Drilling will continue this quarter as the Company seeks to increase its gold reserves (currently 15Mt @ 2.5g/t for 1.2Moz) by converting more of its ~6.5Moz of gold resources (65Mt @ 3.1g/t) to reserves. Blackham has committed to significant ongoing exploration drilling including the acceleration of this reserve conversion work as well as exploration drilling targeted at new oxide deposits to extend the current free milling mine life. Over the last 12 months, Blackham has successfully added reserves at a cost of less than \$22/reserve ounce.

Golden Age Drill Programme

Approximately 2,500m of diamond drilling commenced in late Mar'18. The previous successful reserve drilling programme at Golden Age Underground was completed in June 2017. Over the last 9 months, Blackham's geology team has identified several priority targets. Underground drilling aimed at further extending the mine plan commenced late last month. The three initial priority targets are:

1. **Champagne Lens down plunge** – SW lateral extension testing 60-70m down plunge from current mining on the 858 Level.
2. **Champagne Lens down dip** - The initial programme will test the mineralisation approximately 160m further down dip from the current mining area.
3. **Golden Age Offset Target – NW extension** – Analysis suggests the Golden Age mineralisation could be offset by the Bulletin Fault into an area of no previous drilling.

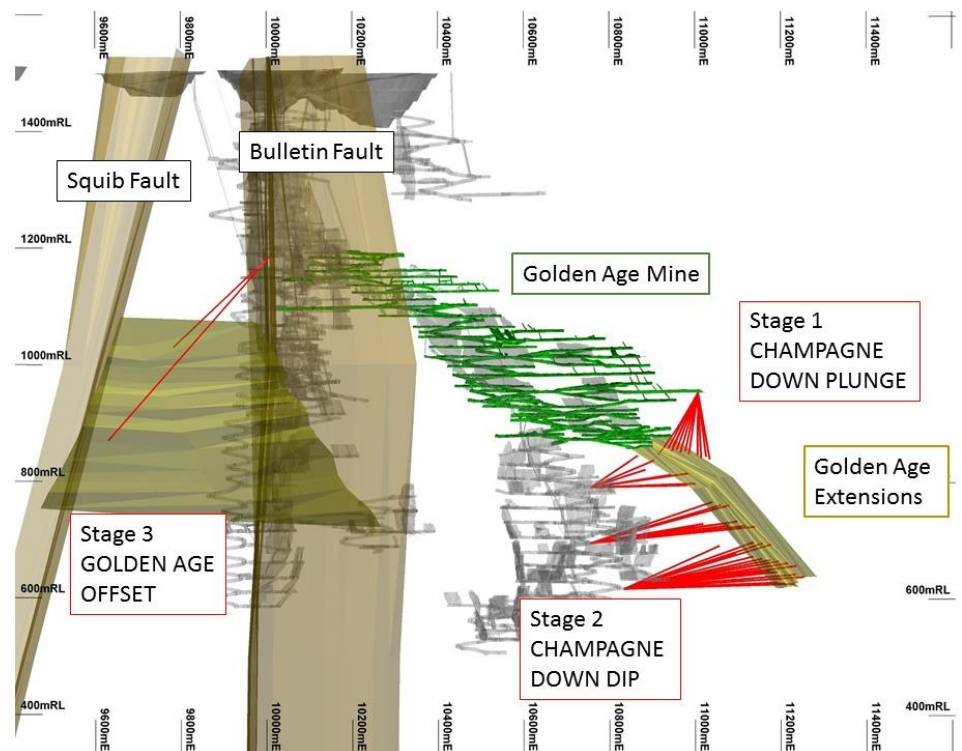


Figure 1 Golden Age reserve definition targets, planned drilling in red.

Wiluna Mine Reserve Development

During Mar'18, Blackham's exploration team drilled 84 RC holes (6,491m) focused on delineating further free milling open pit reserves over the 4km's of strike at the Wiluna Mine. This is a follow up programme on the 77,000m drilling completed during FY17, which successfully delivered probable reserves of 669,000oz (7.7Mt @ 2.7g/t Au), which **includes oxide and transitional reserves of 144,000oz (2.5Mt @ 1.8g/t)**. The current drilling is focused on free milling ores above the top of fresh rock (generally top 60m) which can be processed through the current plant.

Revised Wiluna mining and metallurgical studies are well advanced in this area following the Wiluna Expansion PFS published in Aug'17. Blackham is currently re-estimating the open pit oxide reserves around the Wiluna Mine site. The Blackham management team believes the Wiluna free milling ores which are an attractive feed stock for the current operating mill and has a plan to fast track mining approvals.

Wiluna Tailings Retreatment (Wiltails)

Blackham has teamed up with Independent Metallurgical Operations (IMO) to assess the viability of re-treating the historical Wiluna tailings which are estimated at 37Mt (23Mm³). IMO has significant experience from the Kalgoorlie tailings project (Kaltails) that operated in the 1990's to which Wiltails has many similarities.

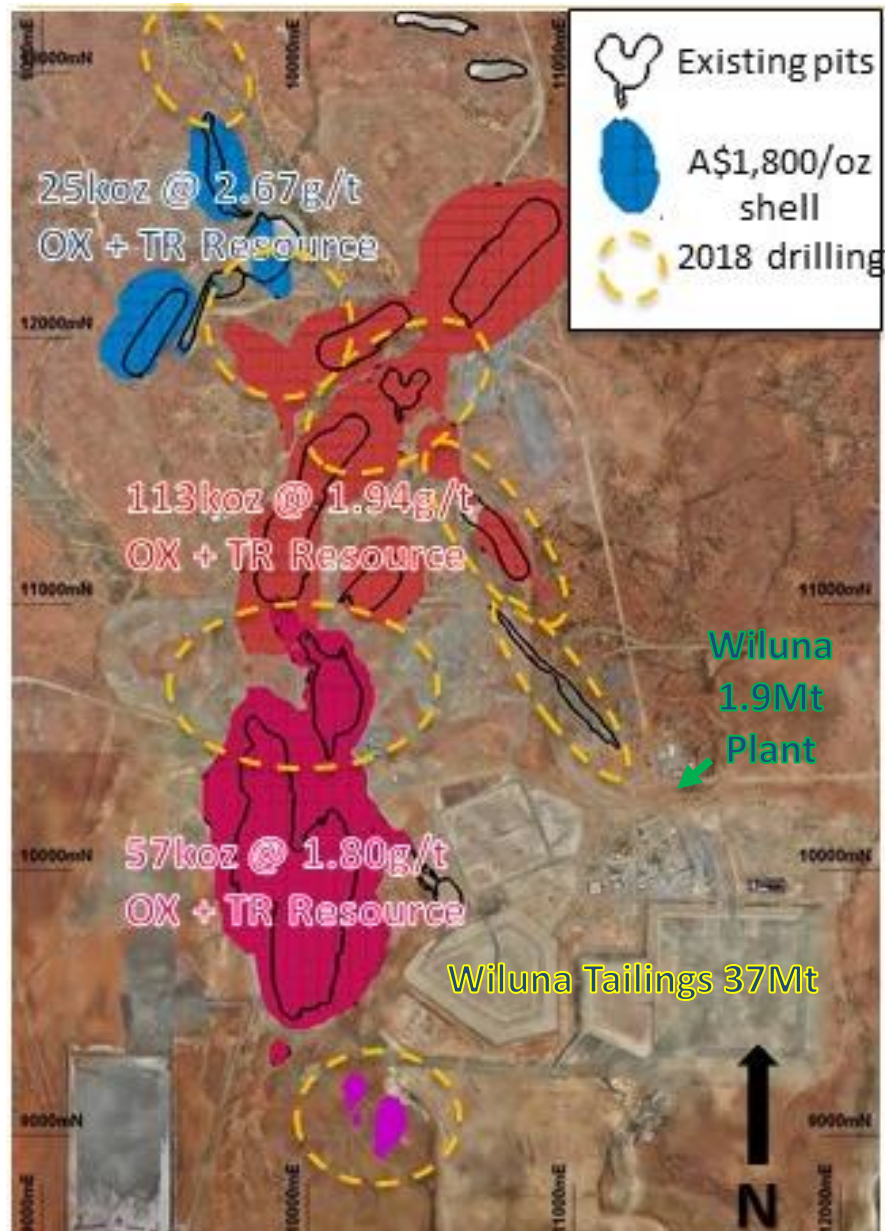


Figure 2. Wiluna oxide and sulphide reserves and historical tailings

Historical records show that the last 13 years of Wiluna operations ending June 2013 had an average tails grade of 0.72g/t. The average composite grade of the 27 aircore holes drilled into the tails dams used during this period have also averaged 0.71g/t. Blackham is about to commence drilling 53 RC holes (1,500m) for a cost of \$42,000 with a view to delineating a JORC-compliant resource over the estimated 37 million total tonnes.

Metallurgical work to date has looked at a number of processing solutions. Test work has confirmed the tails that have an average size of around 75micron and appear to have further oxidised since deposited in the tailings dam, resulting in improved gold recovery. The current base case flowsheet involves a simple whole of ore CIL leach without the need for additional concentration or grinding, with estimated gold recoveries of 45-50%. Due to not needing to regrind or concentrate the material, processing costs are estimated at just \$5.50/t of ore. The Wiltails could be processed through the existing or new CIL tanks. Studies continue focussed on further improvements to the flowsheet and how best to integrate with the existing gold plant and infrastructure to minimise initial capital costs.

Wiluna Expansion Study

The Expansion Preliminary Feasibility Study (“Expansion PFS”) published on 30 August 2017, confirmed the robust economics for a +200kozpa long mine life operation. Key outcomes were life-of-mine AISC of A\$1,058/oz (US\$822/oz), IRR 123% and NPV₈ of \$360M before tax at A\$1,600/oz gold price.

The Expansion DFS is well advanced with the bulk of expenditure already incurred. Processing optimisation studies continue with a view to further de-risking the expansion opportunity. Fast tracking of the Wiluna oxide/transition open pits is expected to further de-risk the geology and mining risks prior to committing further capital in the sulphide plant.

Wiluna Nickel-Cobalt Project

Blackham’s Wiluna Nickel-Cobalt Project covers 40km’s of strike of the “Perseverance Ultramafics” sequence, which hosts world class nickel projects including Mt Keith, Cosmos, Venus, Perseverance and Honeymoon Well. The project has an inferred JORC 2004 Nickel/Cobalt resource of 80.5Mt at 0.77% Ni, 0.058% Co (0.5% Ni cut-off). Due to record cobalt prices, Blackham has received strong interest from a number of parties interested in acquiring the project.

Lake Way Potash Project

Salt Lake Potash Limited (SLP) and Blackham entered a Memorandum of Understanding (MOU), as announced by SLP on 12 March 2018, to investigate a potential development of a Sulphate of Potash (SOP) operation based at Lake Way, near Wiluna. SLP holds approximately 290km² of tenure over the Lake Way Paleochannel. Blackham holds a further 62km² at the northern end of the Lake, surrounding the former Williamson Pit that was last mined in 2006 and is now filled with brine at the exceptional grade of 25kg/m³ of SOP.

Under the MOU, SLP will acquire Blackham’s brine rights and Blackham will acquire gold rights to SLP’s Lake Way holdings, with each company retaining a royalty on their respective holdings. The parties will also co-operate to exchange data and facilitate exploration on each other properties. SLP will also investigate and potentially develop a SOP operation at Lake Way, including a 40-50,000tpa Demonstration Plant. SLP will sole fund the evaluation and developing any SOP operation at Lake Way. SLP’s works will not hinder Blackham’s ability to further mine the Williamson or other potential deposits on the lake.

Lake Way has some compelling infrastructure and transport advantages which make it potentially an ideal site for a Demonstration Plant. SLP will complete a Scoping Study for a potential SOP operation at Lake Way, including a Demonstration Plant, by mid-2018, in time to allow a decision on dewatering the Williamson Pit. There is substantial historical data available for Lake Way and the companies have already undertaken preliminary sampling in the Blackham area. Along with the extensive, high quality technical work undertaken at SLP’s other lakes, which has substantial application at Lake Way, a Scoping Study can be reliably undertaken in a much shorter timeframe than would normally be the case.

Corporate

As at 31 March 2018, the Company had significantly improved its net debt position to \$10.4 million (31 Dec’ 2017: \$27.4 million), with cash and bullion of \$29.6 million and secured interest bearing debt of \$40.0 million. The \$14.3 million term loan previously due on 31 December 2017 was refinanced in mid Jan’18.

Blackham completed a fully underwritten pro rata entitlement offer to raise ~\$35.9 million (before costs). The Company received very strong shareholder support for the underwritten Entitlement Offer with greater than 80% take-up of entitlements.

Board and executive team strengthened with highly experienced gold mining professionals

Milan Jerkovic has assumed the role of Executive Chairman as part of the recapitalisation strategy, with the Company continuing to seek opportunities to further strengthen its Board and management team to focus on the successful implementation of the recapitalisation strategy and delivery of the near-term mine plan.

Greg Fitzgerald joined the Board following the successful completion of the Entitlement Offer. Mr Fitzgerald is a Chartered Accountant with over 30 years of gold mining and resources related experience, along with extensive executive experience in managing finance and administrative matters for listed companies. For more than 15 years he held the positions of Chief Financial Officer and Company Secretary for Resolute Mining Limited, an ASX 200 Company, until his resignation in 2017.

Richard Boffey has been appointed Chief Operating Officer and Jonathan Lea appointed as Chief Geological Officer and both will work with the Blackham executive team to further de-risk and optimise both the current operations and strong growth opportunities of the 6.5Moz Matilda-Wiluna Gold Operation.

Blackham has commenced joint venturing and divesting a number of non-core assets currently not being valued by equity markets within the Company with a view to further reducing costs and improving its balance sheet position.

The Company reconfirms production guidance at 40-45koz @ A\$1,100-1,200/oz AISC for the Jun'18 half year. Following the successful re-capitalisation of the Company and step change in production levels the Board has decided to return to quarterly production reporting in line with its industry peers.

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 2017

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 Mine OP	0.9	1.5	44	6.1	1.7	340	4.1	1.4	185	11.1	1.6	569
Galaxy	0.7	1.4	32	0.1	3.7	5	0.2	2.8	16	1.0	1.6	53
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	360
Wiluna OP ¹				13.6	2.6	1150	3.3	3.3	355	16.9	2.8	1,505
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	271
Stockpiles				0.4	0.9	11				0.4	0.9	11
OP Total	1.6	1.5	76	24	2.2	1,737	15	2.1	956	40	2.1	2,769
Mining Centre	UNDERGROUND RESOURCES									Total 100%		
	Measured			Indicated			Inferred			Mt	g/t Au	Koz Au
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au			
Golden Age	0.1	4.2	8	0.2	7.1	46	0.6	3.8	75	0.9	4.5	129
Wiluna				8.2	5.5	1441	14.6	4.4	2086	23	4.8	3,527
Matilda Mine UG				0.1	2.5	10	0.6	3.6	70	0.7	3.6	80
UG Total	0.1	4.2	8	9	5.5	1,497	16	4.4	2,231	24	4.8	3,736
Grand Total	1.7	1.5	84	33	3.1	3,234	30	3.3	3,187	65	3.1	6,505

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 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 12 October 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 31 March 2018

Project	Tenement	Interest held by Blackham
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	M63/0194	100%
Zanthus	E69/2506	100%
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	E53/1794	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%
Wiluna	E53/1912	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1642 to E53/1646	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%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0113	100%
Wiluna	M53/0121 to M53/0123	100%
Wiluna	M53/0147	100%
Wiluna	M53/0224	100%
Wiluna	M53/0253	100%
Wiluna	M53/0796	100%
Wiluna	M53/0910	100%
Wiluna	G53/0021 to G53/0023	100%
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%

Project	Tenement	Interest held by Blackham
Wiluna	L53/0053	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%
Wiluna	L53/0202	100%
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%
Regency	M53/1098	100%
Wiluna	P53/1560	100%
Wiluna	R53/0001	100%
Scaddan	R63/0005	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")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33,133	81,199
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(24,733)	(71,259)
(d) staff costs	(3,809)	(9,721)
(e) administration and corporate costs	(1,000)	(1,811)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	53
1.5 Interest and other costs of finance paid	(1,627)	(2,259)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	528
1.8 Other (provide details if material)	42	203
1.9 Net cash from / (used in) operating activities	2,024	(3,067)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,413)	(3,074)
	(b) tenements (see item 10)	-	-
	(c) investments	(250)	(256)
	(d) other non-current assets	-	167
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	2
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	- exploration and evaluation	(505)	(3,931)
	- development	(2,010)	(6,296)
2.6	Net cash from / (used in) investing activities	(4,178)	(13,388)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	35,907	38,307
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	18
3.4	Transaction costs related to issues of shares, convertible notes or options	(3,114)	(3,138)
3.5	Proceeds from borrowings	14,300	14,300
3.6	Repayment of borrowings	(27,172)	(29,979)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	- hedge book close out	-	3,007
	- Finance lease repayments	(36)	(109)
3.10	Net cash from / (used in) financing activities	19,885	22,406

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,690	18,470
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,024	(3,067)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,178)	(13,388)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,885	22,406
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	24,421	24,421
	Bank guarantees at end of period	450	450
	Gold bullion at end of period	4,774	4,774
	Total cash and bullion at end of period	29,645	29,645

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	8,421	6,690
5.2	Call deposits	16,000	
5.3	Bank overdrafts	-	
5.4	Other (provide details)	-	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,241	6,690

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

244

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
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

30

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

Mr Milan Jerkovic is an officer of Xavier Group Pty Ltd, a company who provides consulting services to the Group.

8. Financing facilities available*Add notes as necessary for an understanding of the position***Total facility amount
at quarter end
\$A'000****Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

39,969

39,969

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 Fund JV Limited. It has an interest rate of 10% p.a. with \$19.25m remaining.

Two secured finance facilities are held with MACA Limited, with outstanding amounts of \$14.3m & \$6.4m. Both have an interest rate of 10% p.a..

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	1,590
9.2	Development	449
9.3	Production	21,401
9.4	Staff costs	3,240
9.5	Administration and corporate costs	191
9.6	Other	
	- Payments for plant (including payments for sustaining capital expenditure already accrued to 31 March 2018)	3,600
	- Interest payments	941
	- Repayments toward Orion Fund JV Limited Project Facility and MACA Limited Finance Facilities	7,500
9.7	Total estimated cash outflows	38,912

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	E63-1203 M63-0192 M63-0193	Scaddan Lignite Scaddan Scaddan	100% 100% 100%	0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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

Sign here:

Date: 16 April 2018

(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.