

## Quarterly Activities Report

### March 2019

Blackham Resources Ltd ('Blackham' or 'the Company') provides the following update on its activities for the quarter ended 31 March 2019 and thereafter:

### Highlights

#### Matilda-Wiluna Gold Operation

- Safety – two LTIs over the last 12 months. 12 month TRIFR remains below industry average.
- Mar'19 quarterly gold production of 15,296oz (Dec'18 Qtr: 19,016oz)
- AISC for the Mar'19 quarter was A\$1,757/oz (Dec'18 Qtr: A\$1,606/oz) and included sustaining capital expenditure costs of A\$194/oz, mostly related to a tailings dam lift (completed in the first week of Apr'19)
- Mar'19 quarterly production was impacted by:
  - lower YTD mining movements depleting high grade stockpiles
  - lower mill throughput as expected due to harder ore from the Wiluna East-West pit
  - lower metallurgical recovery due to the decision to process partially refractory transitional ores
  - offset by an increase in the processed head grade to 1.5g/t (Dec'18 Qtr: 1.4g/t)
- The Mar'19 quarter saw significant investment in mining development with benefits over the next 6 months:
  - investment in the M1 North cutback, to be completed by late Jun'19
  - stoping of Golden Age Lower is expected to commence in the Jun'19 quarter, providing an increased volume of high-grade ore
- Binding Toll Milling Agreement entered into with Northern Star Resources Limited (NST) provides a framework for co-operation where it is of mutual benefit to both Companies. An initial parcel of Jundee ore is to be processed through the Wiluna Gold Plant in May'19 and Jun'19. Due to the Wiluna Operation currently being mining constrained the Toll Milling Agreement is expected to increase Blackham's net cash flows during the Jun'19 quarter.
- With Jundee ore displacing Blackham's low grade stockpile material feed in the Jun'19 quarter, FY19 production guidance is revised to 66-68koz @ an AISC of ~A\$1,700/oz. This production guidance reflects only gold production attributable to Blackham and excludes gold production from Jundee ore.
- Mine planning continues to focus on reducing mining costs and increasing production from higher margin reserves
- Expecting to start building high grade stockpiles in Jun'19 with Matilda M1 cutback completed
- Strong production outlook for the Sep'19 Qtr of 19koz-23koz, with M1 open pit reaching high grade ore, and continued underground high grade contribution

#### Reserve Development, Resources and Exploration

- Drilling at Williamson confirms high-grade zones and indicates that mineralisation is significantly wider than the original resource interpretation. Resource and reserves currently being re-estimated.
- Golden Age North drilling completed – testing for pit extension or underground extraction – results pending

#### BOARD OF DIRECTORS

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

#### CORPORATE INFORMATION

3,104M Ordinary Shares  
 674M Quoted Options  
 114M Unquoted Options  
 1 Convertible Note

#### POSTAL ADDRESS

PO Box 1412  
 West Perth WA 6872  
[www.blackhamresources.com.au](http://www.blackhamresources.com.au)  
**E:** [info@blackhamresources.com.au](mailto:info@blackhamresources.com.au)

#### ASX CODE

BLK

#### PRINCIPAL AND

#### REGISTERED OFFICE

L3, 1 Altona Street  
 West Perth WA 6005

**P:** +61 8 9322 6418

**F:** +61 8 9322 6429

## Expansion Studies

- Plan announced for low cost pathway to 120kozpa gold production and long mine life<sup>1</sup>
- New mine plan supports a staged transition to 250kozpa operation<sup>1</sup>

## Corporate

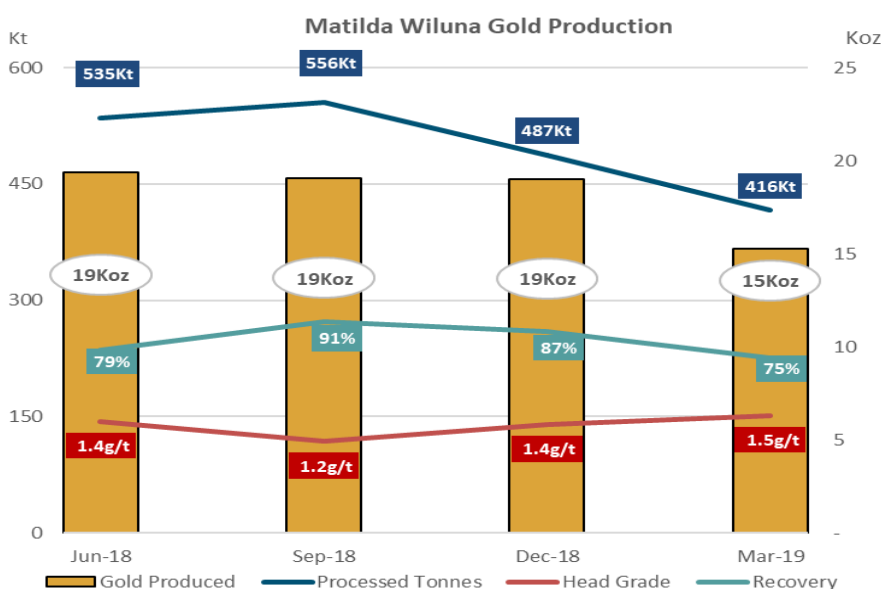
- Cash and Bullion at 31 March was \$2.5m (Dec'18: \$6.8m)
- Completion of a fully underwritten renounceable rights issue in Apr'19 raising \$25.8m before costs
- Blackham's current gold forward sales contracts position at the date of this report is for 33,500oz at an average price of A\$1,785/oz over the next 9 months (being A\$118/oz higher than the average gold price achieved during the Mar'19 Qtr)
- Blackham and Salt Lake Potash ("SO4") executed a binding Split Commodity Agreement for the development of a Sulphate of Potash operation based at Lake Way, including SO4 paying to dewater Blackham's Williamson Pit

<sup>1</sup> Refer to ASX release dated 28 February 2019

## Gold production

Blackham's gold production for the Mar'19 quarter of 15,296oz was lower than the run rate consistently achieved throughout calendar year 2018. Mill throughput decreased in the Mar'19 quarter to 416kt (Dec'18: 487kt) as expected due to harder ore being processed. Compounding the effects of the reduced throughput, 17% of ore processed during the quarter was from low grade stockpiles due to the Operation being mining constrained. Had material movements been at target levels, more high grade ore would have been presented to the mill. The improvement in mill feed grade in the Mar'19 quarter was offset by lower than expected recoveries resulting in a similar recovered grade to the first half of the year.

Chart 1 – Gold production



Metallurgical recoveries achieved in the Mar'19 quarter of 75% (Dec'18: 87%) were low due to transitional ore in the lower sections of the Wiluna East-West pit being more refractory than expected, that would ordinarily be for the sulphide circuit but was instead required to feed the mill last quarter. Due to the low mining rates and the lack of suitable high grade ore for processing, it was decided to treat partially refractory ore instead of low grade stockpiles as the recovered grade from this refractory ore provided more gold than the alternative option of

processing low grade stockpiles. Recoveries are expected to rebound this quarter due to a higher proportion of oxide mill feed from both the Wiluna and Matilda open pits. Metallurgical recoveries in April'19 have rebounded to 84%.

Higher grade stockpiles are expected to start building at the end of the Jun'19 quarter once the Matilda M1 cutback is completed. Stopping of Golden Age Lower is also expected to commence during the Jun'19 quarter which will provide additional high grade feed when the rod mill is re-commissioned.

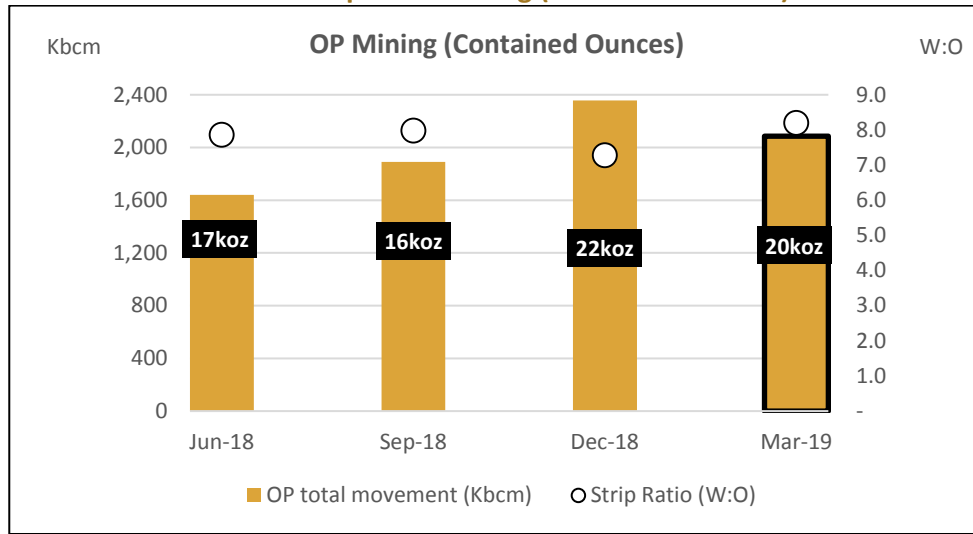
**Table 1 - Production & Cost Summary**

		SEP18 QTR	DEC18 QTR	MAR19 QTR	FY19 YTD
<b>Production</b>	<b>Unit</b>				
<b>Open Pit Mining</b>					
Total Mining	bcm	1,890,930	2,356,346	2,085,652	6,332,928
Strip Ratio	w:o	8.0	7.3	8.2	7.8
Ore Mined	t	442,740	598,448	524,902	1,566,090
Mined Grade	g/t	1.1	1.2	1.2	1.2
<b>Underground Mining</b>					
Total UG lateral development	m	149	84	201	434
Ore Mined	t	9,407	10,833	20,980	41,220
Mined Grade	g/t	7.4	5.6	2.9	4.7
Total Ore Mined	t	452,147	609,281	545,882	1,607,310
Total Mined Grade	g/t	1.3	1.2	1.2	1.2
Total OP & UG Contained Gold	oz	18,362	24,219	21,899	64,480
<b>Processing</b>					
Tonnes Processed	t	555,677	487,401	416,016	1,459,093
Grade Processed	g/t	1.2	1.4	1.5	1.3
Recovery	%	91%	87%	75%	85%
<b>Gold Produced</b>	<b>oz</b>	<b>19,049</b>	<b>19,016</b>	<b>15,296</b>	<b>53,361</b>
Gold Sold	oz	18,332	19,980	15,130	53,442
<b>Costs</b>					
<b>Costs</b>	<b>Unit</b>				
Mining	A\$/oz	1,003	1,113	1,411	1,156
Processing	A\$/oz	419	443	571	470
Site Administration	A\$/oz	84	90	100	90
Mining costs capitalised to preproduction	A\$/oz	(156)	(160)	(474)	(246)
Stockpile movements	A\$/oz	107	(126)	(194)	(61)
Royalties, refining costs & silver sales	A\$/oz	81	109	130	105
Sustaining Capital Expenditure	A\$/oz	27	117	194	106
Overhead costs	A\$/oz	22	20	19	21
<b>All - In - Sustaining Costs Per Ounce</b>	<b>A\$/oz</b>	<b>1,588</b>	<b>1,606</b>	<b>1,757</b>	<b>1,641</b>

## Mining

During the Mar'19 quarter total open pit material movement was 2.1M BCM (Dec'18 Qtr: 2.4M BCM). The Operation has not been able to maintain targeted material movements and is 804K BCMs (11%) behind target on a year to date basis. During Apr'19, a PC2000 digger has been mobilised to site replace an older machine. Apr'19 material movements are significantly higher than forecast.

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



Strip ratios are expected to be higher in the Jun'19 quarter with a focus on completing the pre-strip on a number of pits, in particular the M1 North pit which will bring benefits in the following two quarters. Blackham continues to focus on reducing its average strip ratios on its open pits, lowering its mining costs (biggest cost) with a view to ensuring the mining schedule can maintain feed to the mill.



**Photo 1: Matilda M1 cutback looking north. Expecting access to main orebody by late Jun'19.**

In the Mar'19 quarter the Golden Age Underground deposit delivered 1,966oz mined contained ounces (Dec'18: 1,963oz). The extensive development in the Golden Age Lower Underground in the Mar'19 quarter saw significant mining of lower grade development ore. The benefits of this mine development is expected to bring a material contribution of high-grade ore in the next 2 quarters, with GA Lower stoping commencing in Jun'19. The underground has already seen an increase in gold production during Apr'19.

### Northern Star Resources Limited – Toll Treatment Agreement

On 29 April 2019, Blackham Resources entered into a binding Toll Milling Agreement with Northern Star Resources Limited (NST) for the toll treatment of Jundee ore for an initial 20 day period during the Jun'19 quarter on normal commercial terms. The Jundee ore will displace Blackham's low grade stockpile feed to the mill which would otherwise be required in the Jun'19 quarter due to the planned high stripping activity (discussed above). This Toll Milling Agreement also provides a framework for further co-operation where it is of mutual benefit to both companies.

### Production Guidance

FY19 production guidance has been revised to 66koz-68koz @ an AISC of ~A\$1,700/oz due to Blackham's low grade ore being displaced by Jundee ore, and the lower than expected production achieved during the Mar'19 quarter. Whilst the toll treating agreement results in lower annual production, it provides the opportunity for a better cash flow outcome than treating low grade ore whilst the Operation is mine constrained during the Jun'19 Qtr.

Strong production outlook for the Sep'19 quarter of 19koz-23koz. Higher grade stockpiles are expected to start building late in the Jun'19 quarter once the Matilda M1 cutback is completed. Stoping of Golden Age Lower is also expected to commence during the Jun'19 quarter which will provide additional high grade feed when the rod mill is re-commissioned.

### Resource Definition

Resource definition drilling continued during the quarter with 10,667m of RC drilling and 554m of diamond core drilling completed. The target areas were:

- Williamson Pit expansion – drilling aimed at final resource definition prior to mining commencement scheduled for Sept 2019 Otr
- Golden Age North (GAN) – drilling aimed at extending the resources below existing pit designs to determine whether a pit cut-back and/or underground extraction is feasible

ASX updates were issued on work completed for both these areas during the quarter:

1. Feb 19, 2019 – Excellent Drill Results Extend Both Open Pit and Underground Mining at Golden Age
2. March 7, 2019 – Williamson Drilling Confirms Significant Mineralisation Beyond Reserves
3. March 29, 2019 – Drilling Confirms High-Grade Zones and Increases the Width of the Williamson Resource

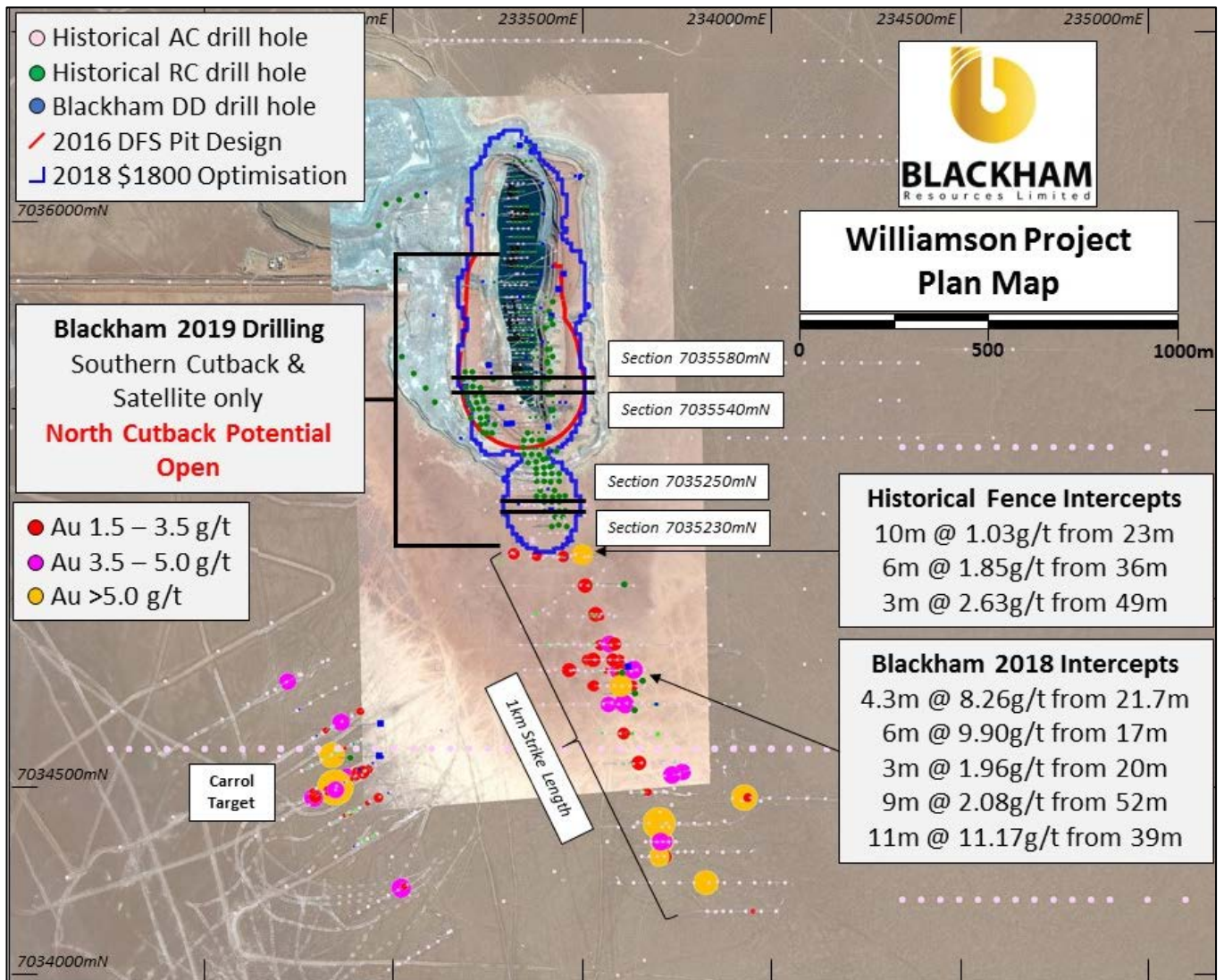
### Williamson Drill Results

The Williamson drilling (part of the Lake Way Project) comprised 41 RC holes for 5,673m and 4 diamond core holes for 554m in the Mar'19 quarter and completed the programme commenced in December 2018. The drilling tested over 1km of strike both under the existing Williamson pit and the southern extensions of the mineralisation (Figure 1). The drilling indicated that the mineralisation is significantly wider than previously modelled and remains open in both directions along strike and at depth.

Best results from recent drilling (as previously reported) are:

<b>84m @ 2.35g/t</b> from 84m incl. <b>9m @ 7.32g/t, 11m @ 7.73g/t</b> from 188m	197g*m	WMRC0098
<b>41m @ 1.25g/t</b> from 117m, incl. <b>2m @ 8.54g/t</b>	51g*m	WMRC0096
<b>22m @ 1.59g/t</b> from 153m	35g*m	WMRC0093
<b>29m @ 1.03g/t</b> from 137m, incl. <b>1m @ 6.35g/t</b>	30g*m	WMRC0094
<b>29m @ 3.06g/t</b> from 165m, incl. <b>13m @ 5.78g/t &amp; 2m @ 26.98g/t</b>	89g*m	WMRC0086

<b>2m @ 8.92 g/t</b> from 124m & <b>42m @ 1.24g/t</b>	52g*m	WMDD0014
<b>38m @ 1.90g/t</b> from 139m, incl. 2m @ 5.49g/t, 3m @ 7.89g/t & 1m @ 5.27g/t	72g*m	WMRC0089
<b>31m @ 2.04g/t</b> from 131m, incl. <b>1m @ 23.6g/t</b> & <b>1m @ 22.2g/t</b>	63g*m	WMRC0091
<b>19m @ 1.45g/t</b> from 110m & <b>15m @ 2.69g/t</b> from 135m incl. <b>1m @ 29.00g/t</b>	28g*m	WMRC0087
<b>22m @ 1.56g/t</b> from 67m, include. <b>3m @ 6.58g/t</b>	34g*m	WMRC0080
<b>13m @ 1.94 g/t</b> from 69m, include. <b>2m @ 5.47g/t</b>	25g*m	WMRC0071



**Figure 1: Williamson - latest intercepts confirm the strike extension of a large mineralisation system, south from the pre-existing pit.**

Resource modelling for the Williamson pit is underway and pit-re-optimisation and design are planned for completion in May 2019. Williamson mining is scheduled to commence during the Sep'19 quarter providing the baseload of high margin, free milling ore through most of 2020.

Given the encouraging results at depth, further studies are also planned to evaluate the potential for both bulk and conventional underground mining at Williamson. There is considered to be excellent potential for further discovery and resource definition on the Lake Way tenements.

## Golden Age

RC drilling in February and March was completed with 30 holes for 4,988m (Figure 2). Results for the first 3 holes were reported previously as below and with the programme now complete a further ASX release is planned when all assays have been returned:

<b>9m @ 13.6g/t from 95m incl. 2m @ 54.4g/t</b>	<b>122g*m</b>	WURC0728
<b>3m @ 9.62 g/t from 71m</b>	<b>29g*m</b>	WURC0726
<b>2m @ 10.66g/t from 103m</b>	<b>21g*m</b>	WURC0727

The aim of the drill programme was to test the potential for:

- further deepening of the GAN pit mined during the last 2 quarters; and
- accessing the high-grade Golden Age Fault from the base of the pit and/or shallow underground workings.

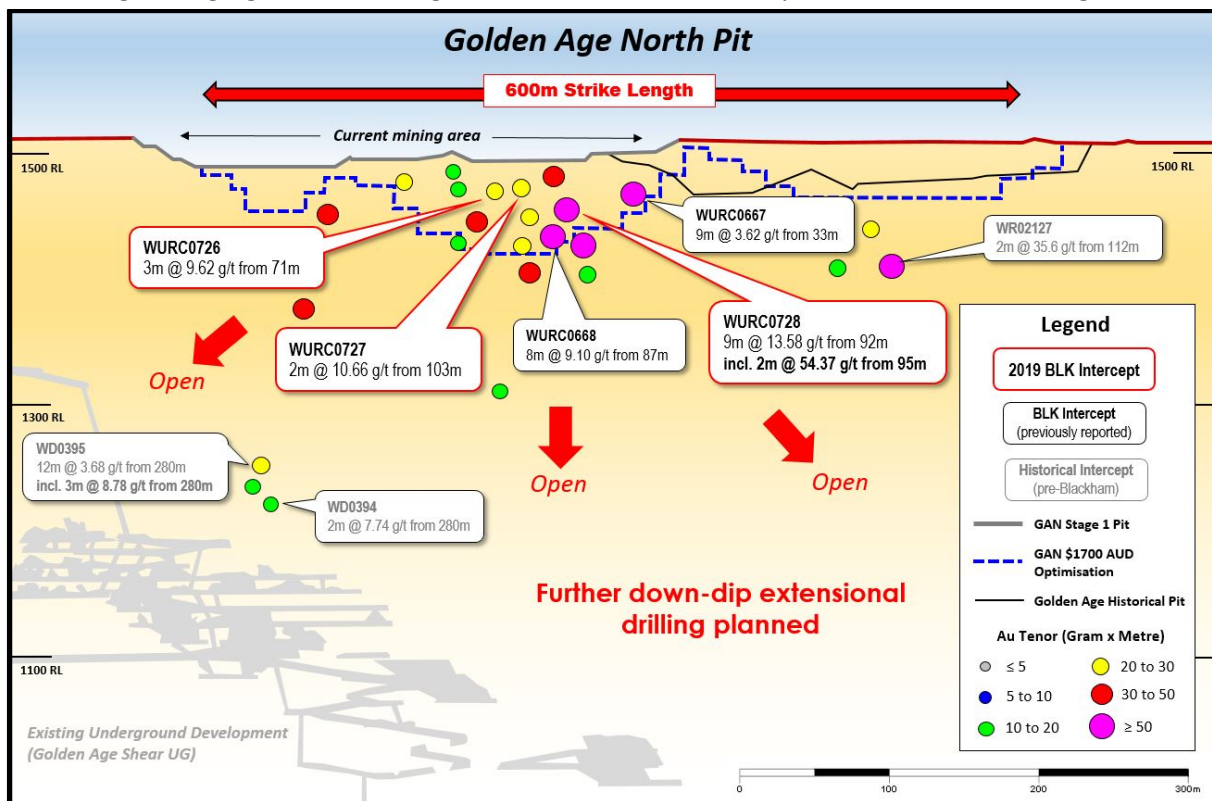


Figure 2. Long-section through Golden Age North area showing pierce points of new and previous drilling.

Recent grade control drilling has confirmed that the GAN pit (in open pit production during last 2 quarters) and the historically completed Golden Age Pit (GA Pit) form a continuous zone of over 600m in length.

The recent results during mining enabled the originally planned GAN pit to be extended southward and deepened to connect with the GA Pit. The high-grade tenor of the Golden Age mineralisation supports the potential for either further pit deepening or underground extraction (well above the current underground workings). Once the assays results are returned optimisation studies will assess the potential for both options.

Underground diamond drilling below the current planned mining area continued, aimed at further identifying high grade mill feed so that the underground GA Lower operation can extend through 2019 and beyond. In the quarter underground core drilling focused on the Golden Age Lower area. Results are pending and will be released to the ASX when returned.

The Golden Age underground, Blackham's highest-grade orebody, has been consistently extended over the last 2 years and has successfully maintained a rolling mine life of at least 6 months.

## Wiluna West Gold Project

Activities at the Wiluna West Gold project have focused on updating Mineral Resource estimates at Golden Monarch, Eagle and Emu, and securing Mining Approvals for Golden Monarch.

In January 2019 the Company announced results achieved from a 72 hole (3,918m) RC drilling program completed at the Golden Monarch, Eagle and Emu prospects. Mineral Resource updates are currently being undertaken and results from this work are anticipated in May 2019.

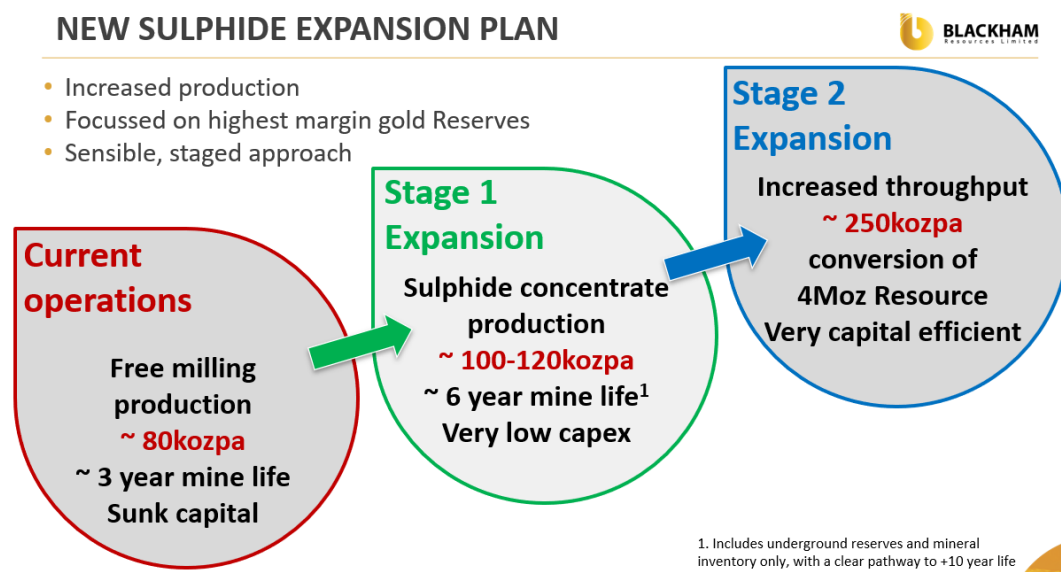
Aboriginal Heritage surveys have recently been completed to underpin the Golden Monarch mining approvals and potential future drilling programs at Eagle and Emu. Clearing Permits to allow mining operations have previously been granted and are still current for the adjacent JWD iron deposit. An amended Clearing Permit has been submitted to incorporate the Golden Monarch gold deposit. Preparation of a Mining Proposal seeking mining approval for Golden Monarch is well advanced and it is expected that this will be submit to DMIRS in May 2019.

In November 2018 a binding Heads of Agreement (“HoA”) was executed between Blackham (65%) and the GWR Group Ltd (GWR) (35%) for the establishment of a Joint Venture for the mining and processing gold deposits from Wiluna West Gold project at the Wiluna gold plant located approximately 40 km to the north east. Negotiations with GWR for finalising the Joint Venture agreement are ongoing and well advanced.

## 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 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 predominately 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.



The Stage 1 Expansion study contemplates the potential to sell a gold concentrate. Over the last 18 months Blackham has engaged with potential buyers of a gold concentrate produced from the sulphide orebodies. Strong demand has been received from parties wanting to secure gold concentrate offtake. The Company continues to engage with potential concentrate offtake partners with a view to firming up concentrate pricing and potential financing.

1. Refer to ASX release dated 28 February 2019



### Wiltails Retreatment

Work on the Wiluna Tailings (Wiltails) resource has resulted in the conversion of part of the resource to reserves with a probable reserve of 11.2 Mt @ 0.65 g/t for 234 koz being announced (refer to ASX announcement dated 31 October 2018) supported by a preliminary feasibility study. The Wiltails can be treated as a whole of ore leach through the existing Wiluna leach tanks which are not required when milling a Sulphide gold concentrate. Further studies have commenced re-examination of the feasibility and further conversion of additional resource dams into reserves.

### Blackham & SO4 Sign Split Commodity Agreement

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. The Split Commodity Agreement is on substantially the same terms as announced by SO4 on 12 March 2018. Under the Split Commodity Agreement, SO4 will acquire Blackham’s brine rights and Blackham will acquire gold rights to SO4’s Lake Way holdings, with each company retaining a royalty on their respective holdings. SO4 will sole fund the evaluation and development of any SOP operation at Lake Way.

SO4 last quarter commenced construction of commercial scale evaporation ponds on Blackham’s Lake Way mining leases. SO4 plans to commence the dewatering of Blackham’s Williamson Pit this quarter in advance of Blackham’s scheduled commencement of mining at the Williamson Pit in the September quarter. SO4’s development of the SOP project at Lake Way will have significant benefits to Blackham including:

- SO4 will pay for all costs of dewatering Williamson Pit
- Sharing of overheads and infrastructure costs between the SOP Plant and Blackham’s Wiluna Gold Mine, including a reduction in tenement holding costs for Blackham
- Access to approximately 290km<sup>2</sup> of tenements prospective of gold to the south of the Wiluna Mine Sequence
- Blackham receives a 4% royalty on all SOP production from its tenure.

### 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’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). In January 2019, ACB acquired an initial interest of 20% in the project for cash consideration of A\$2.8million to Blackham. ACB’s work programme this quarter focuses on a metallurgical drill programme to collect samples to test the amenability of Wilconi ore to several atmospheric leaching routes (see announcement dated 30 April 2019).

### Corporate & Treasury

As at 31 March 2019 Blackham had \$2.5m in cash and bullion. Loan liabilities decreased to \$21.2m (Dec’18 Qtr: \$22.9m) as repayments of \$0.8m (in shares) and \$1.0m were made to Lind and MACA respectively.

Subsequent to the Mar’19 quarter end, Blackham successfully completed a Rights Issue raising \$25.8m (before costs). Part of the proceeds from the fully underwritten Rights Issue have been used to repay amounts owed to MACA and Lind, other creditors and to normalise trade payables. For details on the purpose and use of funds received from the Rights Issue, refer to section 3.1 of the Prospectus lodged with the ASX on 21 March 2019.

Gold sales price achieved for the quarter was A\$1,667/oz (Dec’19 Qtr: A\$1,646/oz). Blackham’s current gold forward sales contracts position at the date of this report is for 33,500oz at an average price of \$1,785/oz (being A\$118/oz higher than the gold price achieved last quarter) for delivery over the next 9 months.

For further information on Blackham please contact:

**Milan Jerkovic**  
Executive Chairman  
+618 9322 6418

**Bryan Dixon**  
Managing Director  
+618 9322 6418

**Jim Malone**  
Investor Relations  
+61 419 537 714

## 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
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			
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 Jonathan Lea and Cain Fogarty, who are full-time employee of the Company. Mr Lea is a Member of the Australian Institute of Mining and Metallurgy and Mr Fogarty is a Member of the Australian Institute of Geoscientists and both have 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'. Both Mr Lea and Mr Fogarty have 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 13<sup>th</sup> 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 28<sup>th</sup> 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 31 March 2019**

<b>Project</b>	<b>Tenement</b>	<b>Interest held by Blackham</b>
Scaddan	E63/1145 to E63/1146	100%
Scaddan	E63/1202	100%
Scaddan	M63/0194	100%
Wiluna	E53/1645	100%
Wiluna	E53/1791	100%
Wiluna	E53/1794	100%
Wiluna	E53/1852	100%
Wiluna	L53/0021 to L53/0022	100%
Wiluna	L53/0051	100%
Wiluna	L53/0062	100%
Wiluna	L53/0140	100%
Wiluna	M53/0034	100%
Wiluna	M53/0041	100%
Wiluna	M53/0052 to M53/0054	100%
Wiluna	M53/0188	100%
Wiluna	M53/0955	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	P53/1637	100%
Wiluna	P53/1642 to P53/1646	100%
Wiluna	P53/1666 to P53/1668	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 to M53/0798	100%
Wiluna	M53/0910	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	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%
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%

<b>Project</b>	<b>Tenement</b>	<b>Interest held by Blackham</b>
Wiluna	M53/0024 to M53/0027	100%
Wiluna	M53/0030	97.5%
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	M53/0139	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0415	100%
Wiluna	M53/0468	100%
Wiluna	M53/0129 to M53/0131	100%
Wiluna	M53/1097	100%
Wiluna	M53/1098	100%
Wiluna	P53/1560	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")**

31 March 2019

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	27,769	88,110
1.2	Payments for:	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(18,941)	(61,819)
	(d) staff costs	(4,742)	(13,667)
	(e) administration and corporate costs	(292)	(1,168)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	46
1.5	Interest and other costs of finance paid	(1,126)	(2,316)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	2,711	2,911
<b>1.9</b>	<b>Net cash from/(used in) operating activities</b>	<b>5,385</b>	<b>12,097</b>

		Current quarter \$A'000	Year to date (9 months) \$A'000
2	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,093)	(7,583)
	(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)	-	-
	(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	1,360	1,931
	- exploration and evaluation	(1,330)	(5,538)
	- development (incl. pre-production mining)	(3,034)	(10,891)
2.6	<b>Net cash from/(used in) investing activities</b>	<b>(5,098)</b>	<b>(22,198)</b>
3	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	262	262
3.2	Proceeds from issue of convertible notes	-	7,500
3.3	Proceeds from exercise of share options	16	17
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(542)
3.5	Proceeds from borrowings	241	241
3.6	Repayment of borrowings	(1,000)	(19,169)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Hedge book close out	-	2,460
	- Finance lease repayments	(56)	(149)
3.10	<b>Net cash from/(used in) financing activities</b>	<b>(536)</b>	<b>(9,379)</b>

		Current quarter \$A'000	Year to date (9 months) \$A'000
4	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,512	20,743
4.2	Net cash from/(used in) operating activities (item 1.9 above)	5,385	12,097
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(5,098)	(22,198)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	(536)	(9,379)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,264</b>	<b>1,264</b>
	Bank guarantees at end of period	566	566
	Gold bullion at end of period	701	701
	<b>Total cash and bullion at end of period</b>	<b>2,531</b>	<b>2,531</b>

5	<b>Reconciliation of cash and cash equivalents</b> 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	1,264	1,512
5.2	Call deposits	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,264</b>	<b>1,512</b>

6	<b>Payments to directors of the entity and their associates</b>	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	<b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	8
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	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position.</i>	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
8.1	Loan facilities	21,208	21,208
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"> <li>- A secured finance facility is held with MACA Limited, with an interest rate of 10% p.a. with \$13.3m outstanding.</li> <li>- 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 an initial face value amount of \$8.25 million. \$0.8m was repaid during the quarter via the issue of BLK shares.</li> </ul>			

9	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	380
9.2	Development (incl. pre-production mining costs)	4,512
9.3	Production	21,040
9.4	Staff costs	4,459
9.5	Administration and corporate costs	292
9.6	Other	
	- Payments for plant and equipment	2,067
	- Interest and facility fee payments	396
	- Loan repayments	3,000
	- Working capital movements	9,990
9.7	<b>Total</b>	<b>46,135</b>

- Cash outflows do not include forecast gold revenues from production at the Operation.
- Working capital outflows, Development and payments for plant and equipment include amounts allowed for in the Use of Funds of the \$25.8m raised (see the Company's Prospectus announced to the market on 21 March 2019).



10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E53/1644 E69/2506	Wiluna Zanthus	100% 100%	0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1897 E63/1937	Lake Way Scaddan	0% 0%	100% 100%

### Compliance statement

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

Date: 30 April 2019

Anthony Rechichi

(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.