

## Quarterly Activities Report

### September 2019

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

#### Highlights

- Significant turnaround, production within guidance, costs below guidance
- Quarterly results strengthen balance sheet from improved operational performance and cost reductions
- Strong operating cash flows of \$9m, an \$18m improvement on the prior quarter
- \$6m debt reduction and Lind Convertible Note repaid
- \$4m placement completed, supported by a small number of international and domestic institutional and professional investors
- Lake Way Transaction completed in early October, with Blackham receiving a further \$7m cash and \$10m to be received towards Williamson mining activities
- Share Purchase Plan to raise up to \$3 million

#### Summary

##### Matilda-Wiluna Gold Operation

- Sep'19 quarterly gold production of 17,565oz @ an All-In-Sustaining-Cost per ounce ("AISC") of A\$1,519/oz (Jun'19 Qtr: 12,045oz @ A\$2,376/oz), within production guidance range and below the cost guidance range of A\$1,550-\$1,750/oz.
- Net operating cash flows for the Sep'19 quarter of \$8.6m.
- The standalone month of September 2019 contributed to the strong turn-around with 7,220oz produced @ an AISC of A\$1,025/oz, from 144kt processed @ 1.94g/t and 80.4% recovery in line with expectations.
- Strong start to the October month with production success expected to continue in the Dec'19 quarter:
  - High grade stockpiles of 132,399 tonnes at 1.54g/t were available for processing at 30 September 2019 and have continued to build in October.
  - Strip ratios (Sep'19 Qtr: 8.3, Jun'19 Qtr: 15.6) will continue to improve across the Operation's exposed open pit mines which include M1 North, Essex, Happy Jack North and Bulletin.
  - Golden Age Underground extensions continue to be delineated with further high-grade contributions expected in the Dec'19 quarter.
- Mining at Williamson commenced as planned in September and is expected to contribute a significant base-load of free-milling ore in the second half of FY20. Forecast Williamson pre-stripping activity of \$15 million will be offset by a \$10 million contribution from Salt Lake Potash Limited ("Salt Lake Potash") pursuant to the completion of the Lake Way Transaction (refer ASX announcement 8 October 2019).
- Forecast FY20 AISC includes ~\$11m of sustaining capital expenditure, mostly comprising the construction of a new tailings storage facility, which will provide storage capacity for the ongoing operations. The AISC/oz achieved in Sep'19 quarter benefitted from the deferral of tailings storage facility expenditure, although this has been included in the annual guidance which remains at 70,000 – 80,000oz @ an AISC of A\$1,550 – A\$1,750/oz

##### BOARD OF DIRECTORS

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

##### CORPORATE INFORMATION

4,407M Ordinary Shares  
674M Quoted Options  
190M Unquoted Options

##### POSTAL ADDRESS

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##### ASX CODE

BLK

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## Reserve Development, Resources and Exploration

- Blackham Annual Resources and Reserves update announced on 27 September 2019:
  - Total resource now 93Mt @ 2.1g/t for 6.4Moz
  - 57% of resource in measured and indicated categories
  - Total reserve now 25Mt @ 1.7g/t for 1.4Moz
- Reserve definition drilling planned for Dec '19 quarter to follow up significant results at M4 North, M6, Starlight and Happy Jack South free-milling open pit deposits, as well as Golden Age footwall and Lennon underground deposits, with the intention of fast-tracking these areas into production.
- Wilconi resource upgrade confirms large Nickel – Cobalt resource of 78.8 million tonnes (refer to A-cap Energy Limited announcement dated 17 September 2019).

## Stage 1 Sulphide Expansion

- Underground mine plan optimisation to support the first stage sulphide expansion plan was near completion by the end of the quarter, to be completed during the Dec' 19 quarter.
- The first draft engineering design for the sulphide flotation plant was completed during the Sep'19 quarter.
- Concentrate offtake, pricing discussions, logistics solutions and potential financing options were well progressed during the quarter.
- Compilation and internal presentation of the project's components will be completed during the Dec' 19 quarter.

## Corporate

- Cash and Bullion at 30 September 2019 was \$7.1m (Jun'19: \$4.2m).
- Net debt (excluding the MACA Working Capital Facility) at 30 September 2019 was \$2.4m (Jun'19: \$11.7m), with a key outcome for the Sep'19 quarter being the simplification of Blackham's debt and capital structure, through the repayment of its funding facility with an entity managed by The Lind Partners ("Lind") (refer ASX announcement 25 September 2018). Consequently, MACA Mining Limited ("MACA") is the Company's only secured debt holder (see announcement dated 2 September 2019).
- MACA Working Capital Facility increased to \$19m (see announcement dated 2 September 2019). Strong operating cash flows in September and forecast for the Dec'19 quarter, as well as the completion of key corporate transactions (e.g. Lake Way Transaction, refer to ASX announcement 8 October 2019) will allow Blackham to reduce its reliance on the Working Capital Facility throughout the remainder of CY19.
- Successful \$4 million placement completed, supported by a small number of international and domestic institutional and professional investors.
- Lake Way Transaction has completed in early October, with Blackham receiving a further \$7m cash and up to \$10m contribution towards Williamson open pit pre-production mining activities. The initial non-refundable deposit of \$3m relating to the Lake Way Transaction was received in July 19.
- Blackham's gold production is largely unhedged, with gold forward sales contracts at 30 September 2019 being for 9,060oz at an average price of A\$1,990/oz, maturing by 31 December 2019.
- Blackham has purchased additional revenue protection via put options, which provide the Company the right (but not the obligation) to sell 12,000oz at a minimum price of \$2,025/oz between Jan'20 and Mar'20 inclusive.
- 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.
- The Company intends to perform a share consolidation in due course.

**Table 1 - Production & Cost Summary**

		SEP19 QTR	JUN19 QTR
<b>Production</b>	<b>Unit</b>		
<b>Open Pit Mining</b>			
Total Mining	bcm	1,669,655	2,372,818
Strip Ratio	w:o	8.3	15.6
Ore Mined	t	420,088	302,270
Mined Grade	g/t	1.4	1.2
<b>Underground Mining</b>			
Total UG lateral development	m	66	279
Ore Mined	t	29,773	29,026
Mined Grade	g/t	5.2	3.9
Total Ore Mined	t	449,861	331,296
Total Mined Grade	g/t	1.6	1.4
Total OP & UG Contained Gold	oz	23,664	15,305
<b>Processing</b>			
Tonnes Processed	t	420,242	348,838
Grade Processed	g/t	1.6	1.3
Recovery	%	84%	86%
<b>Gold Produced</b>	<b>oz</b>	<b>17,565</b>	<b>12,045</b>
Gold Sold	oz	17,783	11,478
Achieved Gold Price	A\$/oz	1,882	1,701
<b>Costs</b>			
	<b>Unit</b>		
Mining	A\$/oz	1,052	2,096
Mining costs capitalised to preproduction	A\$/oz	(92)	(616)
Processing	A\$/oz	453	525
Site Administration	A\$/oz	81	136
Stockpile movements	A\$/oz	(160)	14
Royalties, refining costs & silver sales	A\$/oz	129	106
Sustaining Capital Expenditure	A\$/oz	34	62
Overhead costs	A\$/oz	22	52
<b>All - In - Sustaining Costs Per Ounce</b>	<b>A\$/oz</b>	<b>1,519</b>	<b>2,376</b>

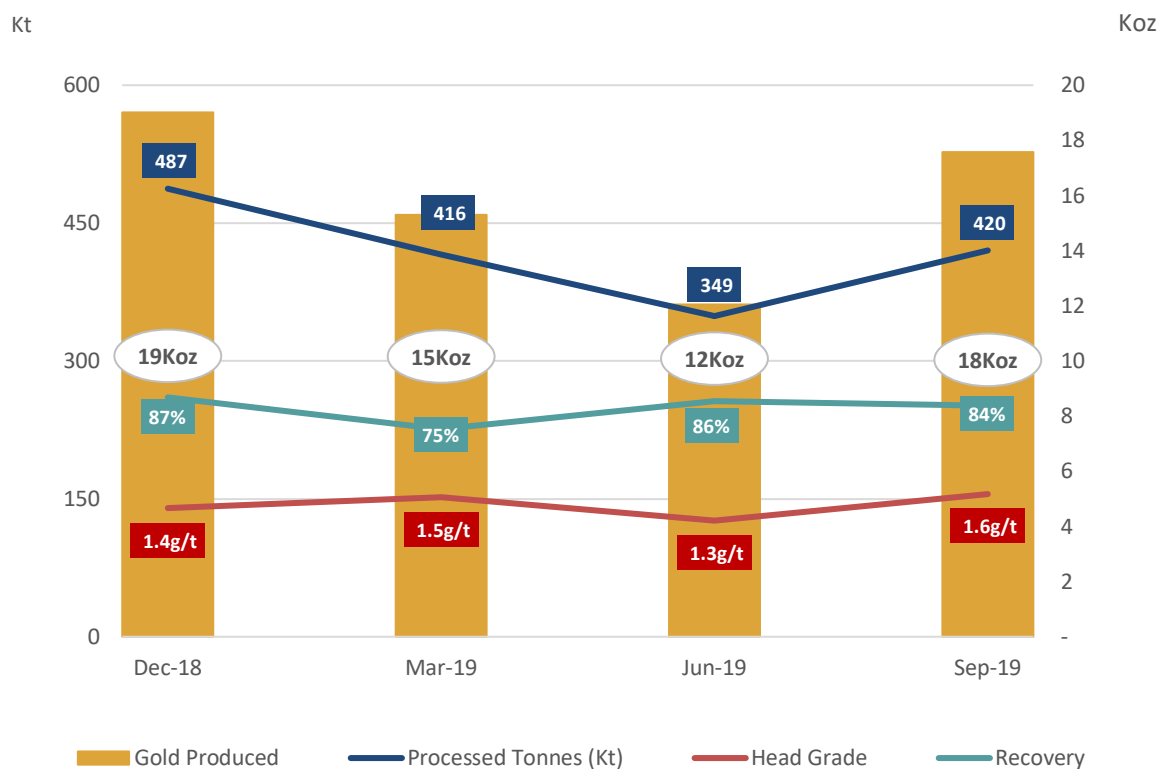
### Gold production

The Sep'19 quarter benefitted from the prior quarter's investments in mine development. Processing head grade of 1.6g/t (Jun'19 Qtr: 1.3g/t) increased over the quarter as access to ore improved from both the Matilda and Wiluna open pit mines. Further contributing to the improved processing head grade were higher grades mined from the Golden Age Underground.

Gold production for the Sep'19 quarter was at the lower end of the guidance range, primarily due to lower than planned mill availability. A mill motor failure in August disrupted production for nine days which negatively impacted plant throughput for the quarter. In general, ore hardness increased as mining crossed from oxide into transitional ore zones and this trend is expected to continue into the Dec'19 quarter. The refurbishment of the Rod Mill is underway and the associated throughput benefits are expected from Jan'20 onwards.

Metallurgical recoveries of 84% in the Sep'19 quarter (Jun'19 Qtr: 86%) were in line with expectations and will reduce in the Dec'19 quarter as open pit mining continues into the deeper transitional and fresh ore zones. The reduction in metallurgical recoveries will be offset by higher processing head grades.

**Chart 1 – Gold production**

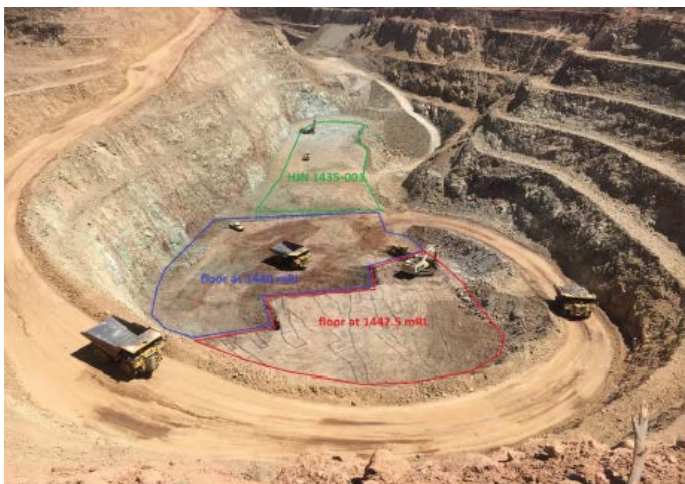
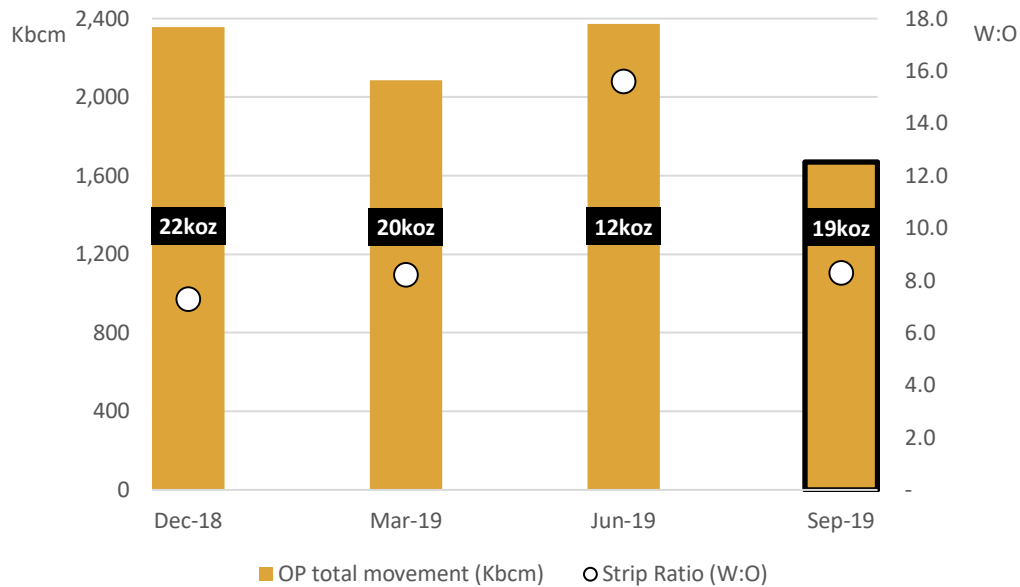


### Mining

Earth movement was reduced in the Sep'19 quarter (Sep'19 Qtr: 1.7Mbcm, Jun'19 Qtr: 2.4Mbcm) in line with reduced stripping ratios and increased high-grade ore available to feed the processing plant. High grade stockpiles at 30 September 2019 were 132,399 tonnes at 1.54g/t and have continued to build in October.

Mining at Williamson open pit commenced in Sep'19 and total earth movement will increase in the Dec'19 quarter, commensurate with pre-stripping required to access the Williamson ore body (targeted for the second half of FY20). Pre-stripping activities will also occur in the Dec'19 quarter for a further cut-back at the Wiluna Golden Age North open pit mine (GAN Extension). Waste rock from this mining area will be used in the construction of the new tailings storage facility, and high-grade ore supply from this mining area will also become available in the second half of FY20.

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



**Photo 1: Happy Jack pit viewed from the northern lookout**



**Photo 2: Wiluna Essex pit viewed from the Northern highwall**

The Golden Age Underground continues to deliver and the extraction of ore in the Sep'19 quarter totalled 4,958 mined oz (Jun'19 Qtr: 3,600oz). Blackham has successfully, on an ongoing basis, continued to replenish and extend reserves at the Golden Age Underground. The Company has set a strategic objective to continue mining Golden Age Underground in parallel with free milling open pits. Extensions to high-grade footwall mineralisation on 1160, 1148 and 1123 levels have been identified for further drill testing. Potential reserve extensions below the currently stoped 800 level are also under investigation. The Lennon free-milling resource, which comprises high-grade narrow gold shears cutting across the Golden Age reef mineralisation in the footwall position adjacent to Golden Age, is also under evaluation for potential drilling in the Dec '19 quarter.

### Resources and Reserves

Blackham released Mineral Resource and Ore Reserve Estimates (MRRE) for the Wiluna, Williamson and Matilda mining centres at the Wiluna Gold Operation on 27 September 2019. The latest resources and reserves update reflects work during the quarter to strengthen resources and reserves in support of a robust mine plan moving forward, and mining depletion during the 2019 financial year.

**Table 2: Mineral Resources as at 30 June 2019**

Matilda-Wiluna Gold Operation Resource Summary												
OPEN PIT RESOURCES												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda <sup>1</sup>	-	-	-	6.1	1.45	285	3.6	1.30	149	9.7	1.40	435
Wiluna <sup>2</sup>	-	-	-	15.6	2.48	1,245	5.3	3.00	510	20.9	2.61	1,755
Williamson <sup>3</sup>	-	-	-	2.6	1.30	108	1.5	1.40	66	4.1	1.34	174
Regent	-	-	-	0.7	2.71	61	3.1	2.11	210	3.8	2.22	271
Tailings	-	-	-	34.0	0.62	680	-	-	-	34.0	0.62	680
Stockpiles	0.6	0.80	15	-	-	-	-	-	-	0.6	0.80	15
<b>OP Total</b>	<b>0.6</b>	<b>0.80</b>	<b>15</b>	<b>59.0</b>	<b>1.25</b>	<b>2,379</b>	<b>13.4</b>	<b>2.16</b>	<b>935</b>	<b>73.0</b>	<b>1.42</b>	<b>3,330</b>
UNDERGROUND RESOURCES												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda <sup>1</sup>	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna <sup>2</sup>	-	-	-	6.9	5.49	1,210	11.7	4.42	1,664	18.5	4.82	2,874
Williamson <sup>3</sup>	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age <sup>4</sup>	0.02	6.80	4	0.2	4.91	28	0.3	3.20	28	0.5	4.01	61
Galaxy <sup>5</sup>	-	-	-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
<b>UG Total</b>	<b>0.02</b>	<b>6.80</b>	<b>4</b>	<b>7.3</b>	<b>5.38</b>	<b>1,254</b>	<b>12.9</b>	<b>4.31</b>	<b>1,793</b>	<b>20.2</b>	<b>4.71</b>	<b>3,051</b>
<b>Grand Total</b>	<b>0.6</b>	<b>0.99</b>	<b>20</b>	<b>66.2</b>	<b>1.71</b>	<b>3,633</b>	<b>26.4</b>	<b>3.22</b>	<b>2,728</b>	<b>93.2</b>	<b>2.13</b>	<b>6,381</b>

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

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

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

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

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

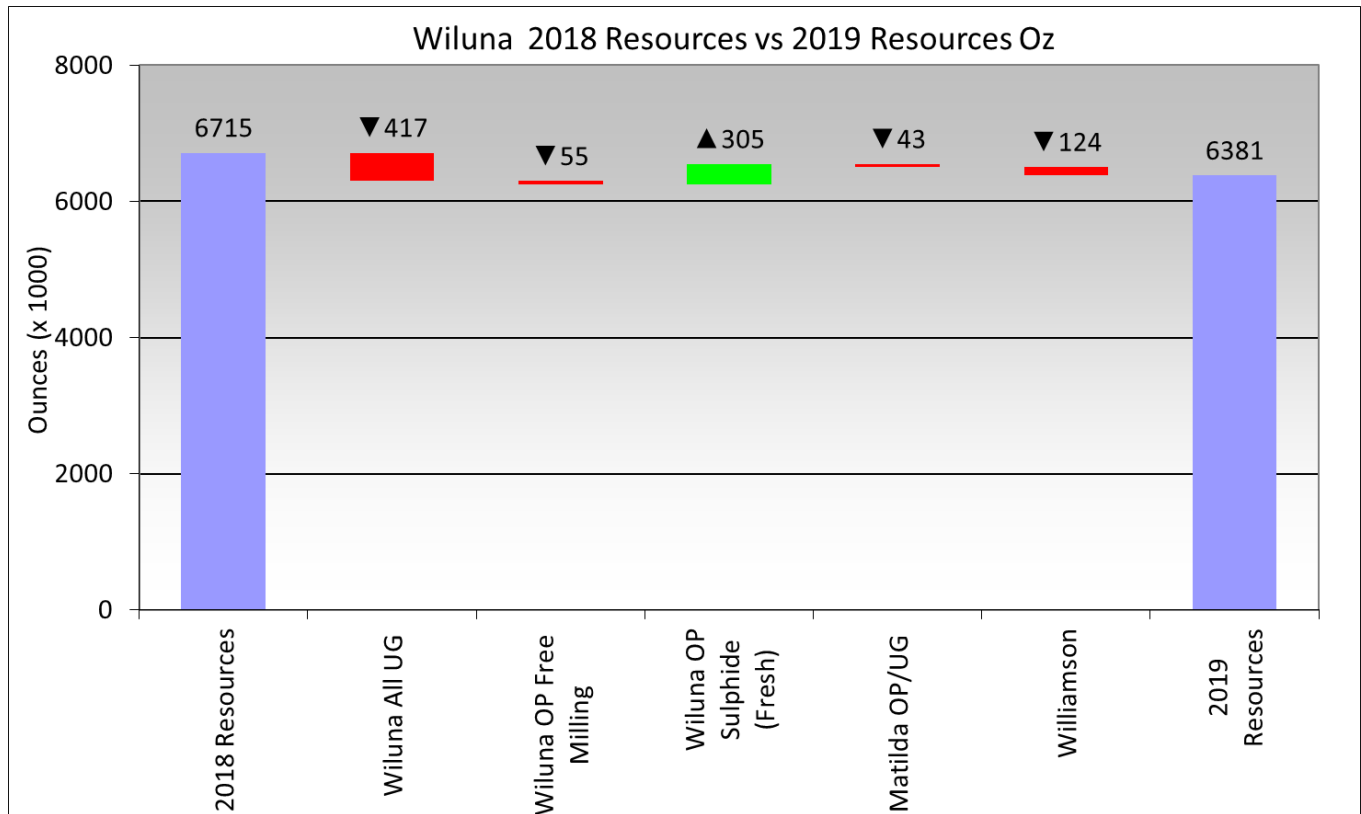
Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. Note rounding errors may occur.

**Table 3: Ore Reserves as at 30 June 2019**

OPEN PIT RESERVES												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	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	-	-	-	0.30	2.2	21	0.30	2.2	21	0.30	2.2	21
Williamson	-	-	-	1.05	1.6	53	1.05	1.6	53	1.05	1.6	53
Wiluna	-	-	-	9.75	2.5	785	9.75	2.5	785	2.05	1.8	116
Stockpiles	0.55	0.8	15	-	-	-	0.55	0.8	15	0.55	0.8	15
<b>OP Total</b>	<b>0.55</b>	<b>0.8</b>	<b>15</b>	<b>11.10</b>	<b>2.4</b>	<b>859</b>	<b>11.65</b>	<b>2.3</b>	<b>873</b>	<b>3.94</b>	<b>1.6</b>	<b>205</b>
UNDERGROUND RESERVES												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	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	-	-	-	0.03	4.2	3	0.03	4.2	3	0.03	4.2	3
East West	-	-	-	0.72	5.0	115	0.72	5.0	115	-	-	-
Bulletin <sup>1</sup>	-	-	-	1.03	4.6	155	1.03	4.6	155	-	-	-
<b>UG Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.78</b>	<b>4.8</b>	<b>273</b>	<b>1.78</b>	<b>4.8</b>	<b>273</b>	<b>0.03</b>	<b>4.2</b>	<b>3</b>
Wiluna Tailings												
Mining Centre	Proved			Probable			Total 100%			Free Milling		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Wiltails Total	-	-	-	11.2	0.7	234	11.2	0.7	234	11.2	0.7	234
<b>Total</b>	<b>0.55</b>	<b>0.8</b>	<b>15</b>	<b>24.1</b>	<b>1.8</b>	<b>1,366</b>	<b>24.6</b>	<b>1.7</b>	<b>1,381</b>	<b>15.2</b>	<b>0.9</b>	<b>442</b>

1. Bulletin Underground includes reserves from the Essex, Creek Shear and Lennon underground mining areas.

Note rounding errors may occur.



**Chart 3 Resource comparison from 2018 to 2019**

The change in resources from 2018 to 2019 (Chart 3) is predominantly as a result of reporting from a A\$2,400/oz optimised pit shell compared to the A\$1,800/oz shell in 2018. This has resulted in an increase in open pit resources for Wiluna and a decrease in the underground resources as the latter are reported below the shell. Other changes include updated underground models for Bulletin, Essex and Golden Age and mining depletions for the free milling portion of the Wiluna and Matilda deposits. These factors in conjunction with the mining depletions have resulted in a reduction in total ounces of less than 5%.

The Williamson deposit also has been reported from a A\$2,400/oz pit shell for the first time which has reduced the total reportable resource compared to 2018 when open pit resources were reported above the -200m relative level (defined as less than 200m below surface).

Underground sulphide resources at Wiluna for Essex and Bulletin have also been updated from 2018. Blackham is focussed on its Stage 1 Sulphide Expansion Project and further updates to resources and reserves are expected in the coming quarter as sulphide mine optimisation studies are nearing completion.

Ore reserves have been depleted for mining during the 2019 financial year, and updated operational costs, as well as updated geotechnical, dilution, recovery and cut-off grade parameters. Open pit reserves are now estimated using a gold price of A\$2,000/oz, whereas the 2018 reserves update used a gold price of \$A1,650/oz. Wiluna underground and Wiltails reserves have not changed since the last update. These factors resulted in a reduction in total reserve ounces of less than 10%.

### Wiluna Expansion Studies

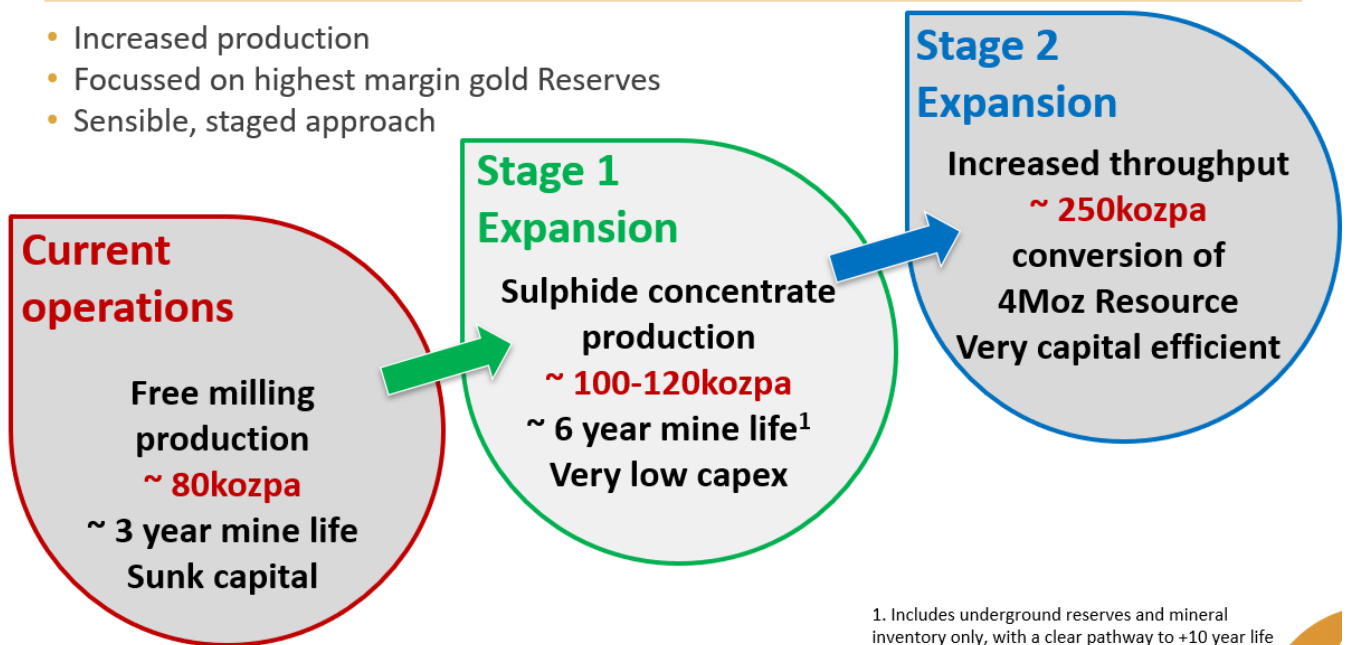
Blackham published its Expansion Preliminary Feasibility Study (“Expansion PFS”) on 30 August 2017, which confirmed the robust economics for a +200kozpa long mine life operation. This study confirmed the Wiluna Expansion opportunity is capital efficient with economies of scale significantly reducing 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 1.4Moz 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 while maintaining 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 Sep'19 quarter include:

- Underground resources models were reviewed and updated where required during the quarter in support of the development and optimisation of a mining plan which was almost complete as at the end of the quarter. The final stage is then the generation of the capital and operating cost estimates in support of the plan.
- The first draft engineering design for the sulphide concentrator and filtration plant was completed during the Sept'19 quarter. The final report will be completed in the Dec' 19 quarter.
- Approvals and the engineering design for the new tailings storage facility were received and construction commenced.
- Concentrate pricing and offtake agreements together with a logistics solution for concentrate sale and transport together with potential financing options were well progressed during the quarter.

## NEW SULPHIDE EXPANSION PLAN

- Increased production
- Focussed on highest margin gold Reserves
- Sensible, staged approach



### Lake Way Transaction Completed

On 8 April 2019, Blackham Salt Lake Potash executed a binding Split Commodity Agreement for the development of a Sulphate of Potash 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 Salt Lake Potash ("Lake Way Transaction").

On 8 October 2019, the Lake Way Transaction completed with Blackham receiving \$7m cash and up to a further \$10m contribution to be received towards Williamson open pit pre-production mining activities. (see announcement dated 8 October 2019). An initial non-refundable deposit of \$3m was received in July 19.



### Wiluna Cobalt-Nickel Project (Wilconi)

On 20 December 2018, A-Cap Energy 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% for cash consideration of A\$2.8m to Blackham.

During the Sep’19 quarter ACB completed a resource upgrade that confirms a large Nickel – Cobalt Resource of 78.8 million tonnes. Please refer to the ACB’s ASX announcement dated 17 September 2019 for further details.

### Corporate & Treasury

As at 30 September 2019 Blackham had \$7.1m in cash and bullion. The face value of debt decreased to \$9.6m (Jun’19 Qtr: \$15.9m) with MACA becoming the Company’s only secured debt holder (see announcement dated 2 September 2019).

**Table 4: Quarterly Cash Flows**

<b>Qtrly Cash flows</b>	<b>Sep’19 (A\$000)</b>	<b>Jun’19 (A\$000)</b>
Site operating cash flow, including capex and preproduction mining	8,590	(9,119)
Net corporate and administration costs	(1,258)	(1,225)
Development expenditure (studies, resource development and other projects)	(1,265)	(1,194)
Treasury activities (hedging, offtake discount & working capital movements)	(6,654)	(3,427)
Proceeds from equity issued	3,820	23,733
Debt drawdowns	1,625	-
Debt service (principal & interest)	(4,853)	(7,101)
Net proceeds from sale of non-core assets	2,925	-
<b>Net Cash Flows</b>	<b>2,930</b>	<b>1,667</b>
<b>Opening Cash &amp; Bullion</b>	<b>4,198</b>	<b>2,531</b>
<b>Closing Cash &amp; Bullion</b>	<b>7,127</b>	<b>4,198</b>

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

On 2 September 2019 MACA agreed to temporarily increase its Working Capital Facility to \$19 million. An establishment fee of \$950,000 is payable on the Working Capital Facility extension, with a further fee of \$750,000 payable if the Working Capital Facility has not reduced below \$12 million by 21 December 2019. Interest at 12.5% per annum is payable on all amounts above \$10m outstanding on the surface mining contract payables.

Strong operational cash flow in the Sep’19 quarter has positioned Blackham to effectively manage the level of utilisation of the Working Capital Facility and expects to reduce its reliance on it for the remainder of CY2019.

Also in September 2019, Blackham repaid and discharged its funding facility with an entity managed by Lind (refer ASX announcement 25 September 2018). After taking into account a \$375,000 early repayment benefit, the outstanding balance of \$2,925,000 was settled through a cash payment of \$1,625,000 and the issue of 144,444,445 fully paid ordinary shares in Blackham.

On 12 September 2019, the Company successfully completed a \$4m placement which was supported by a small number of international and domestic institutional and professional investors. Furthermore, Blackham reminds eligible shareholders that the Share Purchase Plan (“SPP”) Offer to raise up to \$3m is now open, with the closing date for acceptance of applications having been extended to 5pm (EST), Friday 18 October 2019 (refer ASX announcements dated 19 September 2019 and 1 October 2019). The SPP entitles eligible shareholders to purchase up to \$30,000 worth of shares in the Company at \$0.01 per share. If total demand for the SPP Offer exceeds \$3m, the Company reserves the right to close the Offer early and scale back applications in its absolute and sole discretion.

As at 30 September 2019 Blackham’s gold production is largely unhedged, with gold forward sales contracts for 9,060oz at an average price of A\$1,990/oz, maturing by 31 December 2019. Furthermore, Blackham has purchased additional revenue protection via put options, which provide the Company the right (but not the obligation) to sell 12,000oz at a minimum price of \$2,025/oz between Jan’20 and Mar’20 inclusive.

For further information on Blackham please contact:

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**Executive Chairman**

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**Investor Relations**

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#### **Competent Persons Statement**

The information contained in the report that relates to Exploration Targets and Exploration Results at the Wiluna Gold Project is based on information compiled or reviewed by Mr Cain Fogarty, who is a full-time employee and security holder of the Company. Mr Lea 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 Fogarty has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information contained in the report that relates to Mineral Resources is based on information compiled or reviewed by Mr Marcus Osiejak, who is a full-time employee and security holder of the Company. Mr Osiejak, is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Osiejak has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

With regard to the Matilda-Wiluna Gold Operation Mineral Resources, the Company is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates as reported in the market announcements dated 27 September 2019 continue to apply and have not materially changed.

#### **Forward Looking Statements**

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

## Blackham Resources Limited

### Schedule of Mineral Tenements and Rights at 30 September 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%
Scaddan	P63/2153	100%
Wiluna	E53/1645	100%
Wiluna	E53/1791	100%
Wiluna	E53/1794	100%
Wiluna	E53/1852 to 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 to 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 to 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%
Wiluna	M53/0147	100%
Wiluna	M53/0173	100%

Project	Tenement	Interest held by Blackham
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 to 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