BLACKHAM
Resources Limited

ANNUAL REPORT

30 JUNE 2019

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Company Directory

DIRECTORS

Milan Jerkovic (Executive Chairman)

Greg Fitzgerald (Non-Executive Director)

Anthony James (Non-Executive Director)

COMPANY SECRETARY

Dan Travers

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange
Code: BLK
Options: BLKOB

SECURITIES ON ISSUE AT 30 JUNE 2019

Ordinary shares:	3,440,646,212
Listed options:	673,638,562
Unlisted options:	74,200,000
Zero Exercise Price Options:	18,838,476

AUDITOR

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

BANKERS

National Australia Bank
100 St Georges Terrace
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ABN: 18 119 887 606

Chairman's Letter

Dear Shareholders,

The year ended 30 June 2019 was a difficult period for Blackham. However the key stakeholders, and importantly our shareholders, have showed continued support and belief as we work hard to unlock the vast geological potential across our business. I would also like to acknowledge the hard efforts of our founding and departing Managing Director Bryan Dixon, whose spirited contributions to this Company has laid the foundations for future success.

The corporate strategy for the upcoming financial year includes continuing to repay debt, repairing our balance sheet and effecting a simplified capital structure. To achieve this our operational focus remains on mining our highest margin reserves and implementing cost reducing and performance enhancing capital initiatives. To that effect, the Rod Mill refurbishment is expected to be completed in the December 2019 quarter, improving mill throughput, reducing costs and enabling Blackham to take advantage of the strong prevailing market conditions and sentiment towards gold.

Despite low gold production in the Mar'19 and Jun'19 quarters, significant investment over this period means that our operations are set up for better performance over the next 12 months. Strip ratios at our Matilda and Wiluna open pits are dropping and a continuous feed of high-grade ore is expected through our processing plant. Mining activities have commenced at our Williamson open pit mine, which will provide a base load of free-milling ore in the second half of FY20. Mining at Williamson is significantly de-risked as a majority of the funding required for pre-stripping activities has been secured via the sale of our non-core assets. The successful execution of the Williamson mine will provide additional free-cash flow necessary for Blackham to effect its corporate strategy and transition from a free-milling to simple sulphide concentrate operation.

The Company has been focused on developing a low risk, low cost pathway to deliver value from its large sulphide resource. There has been strong demand from parties to secure gold concentrate and a number of parties have showed interest in respect of funding, or potentially a change of control transaction. Work streams supporting the transition to sulphide operations are progressing rapidly as summarised below:

- Total production of approximately 100,000 – 120,000oz per annum;
- Transition to concentrate production in FY21;
- Advanced design of flotation and concentrate dewatering plant to be into EPC contract in the Mar'20 quarter;
- Mine design and mine planning advanced, based predominantly on underground sulphide mining; and
- Advance Wiluna Tailings Retreatment Project which will displace free-milling material at a rate of 2Mtpa.

The Company continues to work on options to optimise and enhance the transition to sulphide mining.

I would like to thank the whole Blackham team for their continued belief and work ethic to make Blackham a long-term success story. The regional scale and quality of our resource base is unique for a company of our size and we are committed to executing a low-risk, low cost pathway to access this value. As Blackham strives towards implementing a simple and transparent corporate strategy, I am confident that shareholders will be rewarded.

Thank you

Milan Jerkovic
Executive Chairman
27 September 2019

Review of Operations

The Matilda – Wiluna Gold Operation ('Operation') is located in Australia's largest gold belt which stretches from Norseman to Wiluna and passes through Kalgoorlie and Leinster. Over the last eight years, Blackham has consolidated the entire Wiluna Goldfield within one tenement package covering over 1,100km^2. This consolidated tenement package has historically produced over 4.4 million ounces. In October 2016, Blackham produced first gold from the Operation

HIGHLIGHTS

Since publishing the Blackham 2018 Annual Report, the Company has delivered the following results:

- Consistent year-on-year throughput and processing plant performance
- Extensive development and mining of free-milling Wiluna open pits with benefits delivered into FY20
- Continued replenishment and extensions of high-grade ore from the Golden Age Underground
- Commenced mining at the Williamson open pit mine with dedicated project funding secured via the sale of certain assets to Salt Lake Potash
- Toll-treatment of Northern Star Resources ('NST') ore with several other regional opportunities identified including neighbouring mines requiring processing solutions
- Exploration success at Williamson, Lake Way and Golden Age North
- Defined low cost capital pathway to deliver value as the Company transitions to its sulphide operations
- Re-structured Management and Board of Directors

CHALLENGES

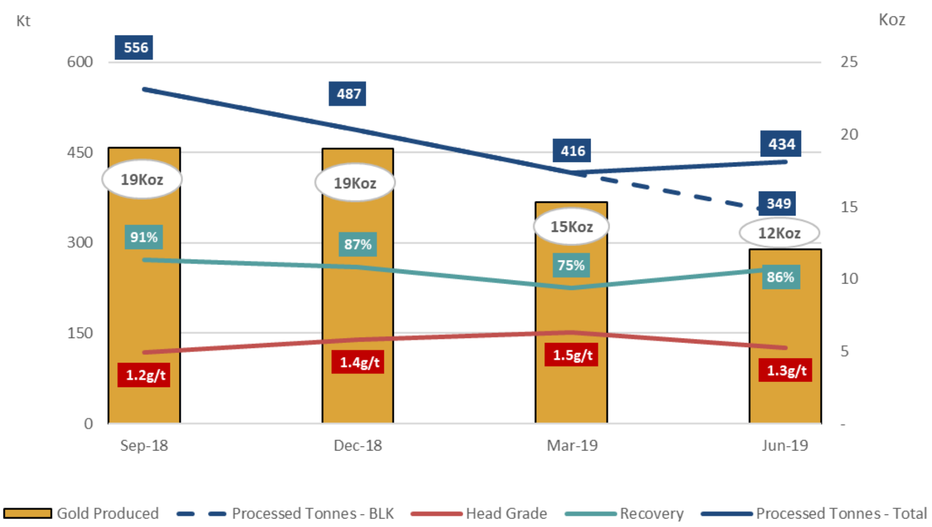
During the year, the Company and its management experienced a number of challenges:

- Gold production in the second half of FY19 was weak and impacted by a number of factors:
    - Lower than required total mining movements and an inability to maintain high grade stockpiles;
    - Lower metallurgical recoveries due to processing partially refractory transitional ores; and
    - Significant concurrent investment in Matilda and Wiluna open pits

- During the year the Company has faced a number of funding challenges but received strong support from its key stakeholders:
    - In April 2019 a $26m non-renounceable rights issue was completed
    - Significant support and financial accommodation provided by MACA Limited, the Company's open pit mining contractor, major shareholder and only secured debt holder

OPERATIONS

Gold production during the year was 65,406oz. The Sep'18 and Dec'18 quarters were primarily attributable to mining at Matilda.



Although gold production was weak in the Mar'19 and Jun'19 quarters, the significant investment in mining development during this period will deliver benefits over the next six months. The key activities completed include:

- M1 North cutback completed with the main ore zone available for mining in the Sep'19 quarter
- High waste stripping in the Jun'19 quarter at the Wiluna open pits (including Happy Jack North and Essex) have improved the availability of ore, with lower waste stripping levels during the Sep'19 quarter
- Stoping of Golden Age Lower U/G commenced, providing increased volumes of high-grade ore

Free milling gold is now being accessed from several pits and the Company remains focused on improving costs and production. The near-term operational focus is on mining the Company's highest margin reserves, by providing steady continuous feed of high-grade ore though the process plant and improving mill availability and utilisation, while also implementing appropriate cost cutting initiatives and operational improvements.

TABLE 1 – FY19 GOLD PRODUCTION STATISTICS

	Units	30 June 2019	30 June 2018
Mining			
UG ore mined	t	70,246	77,608
UG mined grade	g/t	4.3	5.6
Open pit material moved	BCM	8,705,746	7,191,050
Open pit strip ratio	Waste/Ore	9.1	8.6
Open pit mined grade	g/t	1.2	1.3
Open pit ore mined	t	1,868,360	1,619,234
Total ore mined	t	1,938,606	1,696,842
Total mined grade	g/t	1.3	1.5
Total mined contained ounces	oz	79,785	81,283
Processing			
Tonnes processed	t	1,807,931	1,835,057
Grade processed	g/t	1.3	1.4
Plant recovery	%	85	87
Gold produced	**oz**	**65,406**	**70,565**
Gold sold	oz	64,919	71,402
Achieved gold price	A$/oz	1,656	1,654
Costs			
Mining	A$/oz	1,308	1,018
Processing	A$/oz	479	414
Administration	A$/oz	98	73
Capitalisation of UG decline development, OP pre-production mining costs and stockpile movements	A$/oz	(355)	(110)
Royalties, refining costs & silver sales	A$/oz	105	103
Sustaining capital expenditure	A$/oz	99	106
Overhead costs	A$/oz	26	25
All-in sustaining cost	**A$/oz**	**1,760**	**1,629**

PRODUCTION, COST AND CAPITAL GUIDANCE FOR FY20

Production guidance for FY20 is 70k-80koz @ an AISC of A$1,550-$1,750/oz. Forecast FY20 AISC includes approximately $11m of sustaining capital expenditure, mostly comprising the construction of a new tailings storage facility, which will provide storage capacity for the ongoing operations. Non-sustaining capital expenditure outside of the Stage 1 Sulphide Expansion Project, which includes refurbishment of the Rod Mill to increase plant throughput, is forecast to be $5m over the year.

RESOURCE SUMMARY

The Matilda-Wiluna Gold Operation's gold Resources of 93Mt @ 2.1g/t for 6.4Moz are to JORC 2012 standard (see below) and are all within a 20km radius of the Wiluna Gold Plant. 66Mt @ 1.7g/t for 3.7Moz (57% of total resources) are in the Measured and Indicated Resource category. For more information on the resource please refer to ASX announcement dated 27th September 2019.

Table 2: Matilda & Wiluna Gold Operation Gold Resources

Matilda/Wiluna Gold Operation Resource Summary												
Open Pit Resources												
Mining Centre	**Measured**			**Indicated**			**Inferred**			**Total**		
	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(i)	-	-	-	6.1	1.45	285	3.6	1.30	149	9.7	1.40	435
Wiluna(ii)	-	-	-	15.6	2.48	1,245	5.3	3.00	510	20.9	2.61	1,755
Williamson(iii)	-	-	-	2.6	1.30	108	1.5	1.40	66	4.1	1.34	174
Regent	-	-	-	0.7	2.71	61	3.1	3.11	210	3.8	2.22	271
Tailings	-	-	-	34.0	0.62	680	-	-	-	34.0	0.62	680
Stockpiles	0.55	0.80	15	-	-	-	-	-	-	0.55	0.80	15
OP Total	**0.55**	**0.80**	**15**	**59.0**	**1.25**	**2,379**	**13.4**	**2.16**	**935**	**73.0**	**1.42**	**3,330**
Underground Resources												
Mining Centre	**Measured**			**Indicated**			**Inferred**			**Total**		
	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(i)	-	-	-	0.1	2.51	10	0.5	3.66	61	0.6	3.44	71
Wiluna(ii)	-	-	-	6.9	5.49	1,210	11.7	4.42	1,664	18.5	4.82	2,874
Williamson(iii)	-	-	-	-	-	-	0.3	2.61	23	0.3	2.61	23
Golden Age(iv)	0.02	6.80	4	0.2	4.91	28	0.3	3.20	28	0.5	4.01	61
Galaxy(v)	-	-	-	0.1	3.70	6	0.2	2.80	16	0.2	2.98	22
UG Total	**0.02**	**6.80**	**4**	**7.3**	**5.38**	**1,254**	**12.9**	**4.31**	**1,793**	**20.2**	**4.71**	**3,051**
Grand Total	**0.57**	**0.99**	**20**	**66.2**	**1.71**	**3,633**	**26.4**	**3.22**	**2,728**	**93.2**	**2.13**	**6,381**

i) 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 2g/t below 900mRL.

ii) OP Reported within A$2400/oz shell above 0.5g/t cut-off for oxide and transitional 1g/t cut-off for fresh. UG above 2g/t below A$2400/oz shell.

iii) OP Reported within A$2400/oz shell above 0.5g/t cut-off for oxide, transitional and fresh. UG above 2g/t below 1290mRL.

iv) Reported above 3g/t cut-off.

v) Reported above 2g/t cut-off in fresh below OP pit depletion.

Note: Totals may not add up due to rounding differences.

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 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.

RESERVES

The Matilda-Wiluna Gold Operation's gold Reserves of 25Mt @ 1.7g/t for 1.4Moz are to JORC 2012 standard (see below) and are all within a 20km radius of the Wiluna Gold Plant. Free-milling Reserves total, whereas the remaining reserves are focussed on the Sulphide Expansion Project. For more information on the reserve please refer to ASX announcement dated 27th September 2019.

Table 3: Matilda & Wiluna Gold Operation Gold Reserves

Matilda/Wiluna Gold Operation Reserve Summary												
Open Pit Reserves												
Mining Centre	**Proved**			**Probable**			**Total**			**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	1.7	21	0.30	2.2	21	0.30	2.2	21
Wiluna	-	-	-	9.75	2.5	785	9.75	2.5	785	2.05	1.8	116
Williamson	-	-	-	1.05	1.6	53	1.05	1.6	53	1.05	1.6	53
Stockpiles	0.55	0.8	15	-	-	-	0.55	0.8	15	0.55	0.8	15
OP Total	**0.55**	**0.8**	**15**	**11.10**	**2.4**	**859**	**11.65**	**2.3**	**873**	**3.94**	**1.6**	**205**
Underground Reserves												
Mining Centre	**Proved**			**Probable**			**Total**			**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**
East West	-	-	-	0.72	5.0	115	0.72	5.0	115	-	-	-
Bulletin[1]	-	-	-	1.03	4.6	155	1.03	4.6	155	-	-	-
Golden Age	-	-	-	0.03	4.2	3	0.03	4.2	3	0.03	4.2	3
UG Total	**-**	**-**	**-**	**1.78**	**4.8**	**273**	**1.78**	**4.8**	**273**	**0.03**	**4.2**	**3**
Wiltails Reserves												
Mining Centre	**Proved**			**Probable**			**Total**			**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**
Grand Total	**0.55**	**0.8**	**15**	**24.1**	**1.8**	**1,366**	**24.6**	**1.7**	**1,381**	**15.2**	**0.9**	**442**

i) Bulletin Underground includes reserves from Essex, Creek Shear and Lennon underground mining areas. Estimates have been rounded to the nearest 10,000t or ore, 0.1g/t Au grade and 1,000 oz Au metal.

Note: Totals may not add up due to rounding differences.

The information contained in the report that relates to Ore Reserves for the Open Pits at the Matilda-Wiluna Gold Operation is based on information compiled or reviewed by Simon Hewson. Mr Hewson confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. Mr Hewson is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee of Blackham Resources Limited and having prepared the documentation for the Matilda/Wiluna Gold Project on which the Report is based, for the period ended 30 June 2019. He has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Hewson verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

The information contained in the report that relates to Ore Reserves for the Bulletin, Creek Shear, Essex and East-West underground mines at the Wiluna Gold Mine is based on information compiled or reviewed by Matthew Keenan. Mr Keenan confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in *the Report, and to the activity for which he is accepting responsibility. Mr Keenan is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee working for Entech Pty Ltd having been engaged by Blackham Resources Ltd to prepare the documentation for the Matilda Gold Project on which the Report is based, for the period ended 30 June 2019. He disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Keenan verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.*

RESOURCE AND RESERVE DEFINITION DRILLING

During the year, Blackham completed several projects aimed at strengthening and lengthening its gold reserves and ongoing exploration drilling targeted at new oxide deposits, to extend the current free milling mine life. The Company completed 23,551.4m of resource definition drilling during the period, comprising 181 RC holes for 21,858m and 13 DD holes for 1,693.4m.

In the twelve months to 30th June 2019, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. Revised mining and metallurgical studies confirmed that oxide and transitional ores at Wiluna are amenable to CIL processing, leading to infill drilling targeted at Wiluna free-milling pits that have been mined through FY 2019.

Blackham remains focused on extending the life of the Golden Age underground mine in line with recent exploration success. From February to May 2019, Blackham completed surface RC and underground diamond drilling programmes. Results released to the market identified high grade extensions at Golden Age confirming that mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling. Please refer to ASX releases dated 19th February 2019 "Excellent Drill Results Extend Both Open Pit and Underground Mining at Golden Age", 15th May 2019 "High-Grade Extensions to Golden Age", and 19th September 2018 "Additional Wiluna High Grade Free-Milling Mineralisation".

Surface RC drilling above the underground Golden Age workings have confirmed the continuity of the mineralised structure over a 600m strike and to a depth of 370m, with mineralisation remaining open, both laterally and down-dip.

Metallurgical test work indicates mineralisation at Golden Age North is also free-milling, consistent with the Golden Age underground. Mining of a further cutback on the Golden Age North pit is scheduled to commence in the latter half of 2019.

Significant intercepts from the Wiluna / Golden Age surface drilling include:

- **2m @ 28.34g/t** from 75m — WURC0577
- **8m @ 5.82g/t** from 87m — WURC0579
- **6m @ 7.97g/t** from 106m (incl. **1m @ 37.1 g/t** from 107m) — WURC0583
- **8m @ 9.10g/t** from 87m (incl. **3m @ 21.46g/t**) — WURC0668
- **8m @ 4.50g/t** from 74m — WURC0677
- **4m @ 6.68g/t** from 48m — WURC0671
- **8m @ 8.92g/t** from 16m, incl. **4m @ 17.00g/t** — WURC0740
- **3m @ 12.48g/**t from 139m, incl. **2m @ 17.95g/t** — WURC0740
- **7m @ 5.18g/t** from 162m, incl. **1m @ 32.50g/t** — WURC0738
- **4m @ 4.61g/t** from 144m, incl. **1m @ 12.25g/t** — WURC0746
- **2m @ 5.38g/t** from 152m, incl. **1m @ 9.79g/t** — WURC0750
- **3m @ 58.91g/t** from 71m — WURC0763
- **8m @ 6.07g/t** from 10m, incl. **2m @ 20.04 g/t** — WURC0766
- **9m @ 13.6g/t from 95m** incl. **2m @ 54.4g/t** — WURC0728
- **3m @ 9.62 g/t from 71m 29g*m** — WURC0726
- **2m @ 10.66g/t from 103m 21g*m** — WURC0727

Significant intercepts from the Golden Age underground drilling include:

- **6.9m @ 15.5g/t** — GARD0033
- **2.0m @ 11.8g/t** — GARD0036

• **5.61m @ 13.26g/t**	GARD0081
• **2.00m @ 14.02g/t**	GARD0066
• **0.78m @ 17.75g/t**	GARD0063
• **2.00m @ 5.38g/t**	GARD0070
• **2.60m @ 5.72g/t**	GARD0076
• **1.45m @ 5.30g/t**	GARD0077
• **1.00m @ 7.24g/t**	GARD0080

RC and DD drilling completed at Lake Way was included in subsequent resource and reserve models and confirmed extensions to ore zones to the south and beneath the planned pit cutback that are likely to extend free-milling mine life. Please refer to ASX releases dated 7th March 2019 "Drilling Confirms Significant Mineralisation beyond Reserves", and 29th March 2019 "Drilling Confirms High-Grade Zones and Increases Width of Williamson Resources". Mining at Williamson is scheduled to commence in the September '19 quarter with ore production from November 2019. Significant intersections include:

Significant intercepts from Williamson include:

• **11m @ 11.17g/t** from 39m incl. **2m @ 53.05g/t**	WMRC0049
• **6m @ 9.90g/t** from 17m	WMRC0042
• **2m @ 25.49g/t** from 116m	WMRC0046
• **10m @ 4.18g/t** from 47m incl. **2m @ 9.37g/t** & **2m @ 5.77g/t**	WMDD0006
• **4.3m @ 8.26g/t** from 21.7m incl. **1m @ 28.86g/t**	WMDD0007
• **84m @ 2.35g/t** from 84m incl. **9m @ 7.32g/t**	WMRC0098
• **11m @ 7.73g/t** from 188m	WMRC0098
• **41m @ 1.25g/t** from 117m, incl. **2m @ 8.54g/t**	WMRC0096
• **22m @ 1.59g/t** from 153m	WMRC0093
• **29m @ 1.03g/t** from 137m, incl. **1m @ 6.35g/t**	WMRC0094
• **38m @ 0.96g/t** from 127m	WMRC0095
• **29m @ 3.06g/t** from 165m, incl. **13m @ 5.78g/t** & **2m @ 26.98g/t**	WMRC0086
• **38m @ 1.90g/t** from 139m, incl. 2m @ 5.49g/t, 3m @ 7.89g/t	WMRC0089
• **31m @ 2.04g/t** from 131m, incl. **1m @ 23.6g/t** & **1m @ 22.2g/t**	WMRC0091
• **19m @ 1.45g/t** from 110m	WMRC0087
• **15m @ 2.69g/t** from 135m incl. **1m @ 29.00g/t**	WMRC0087

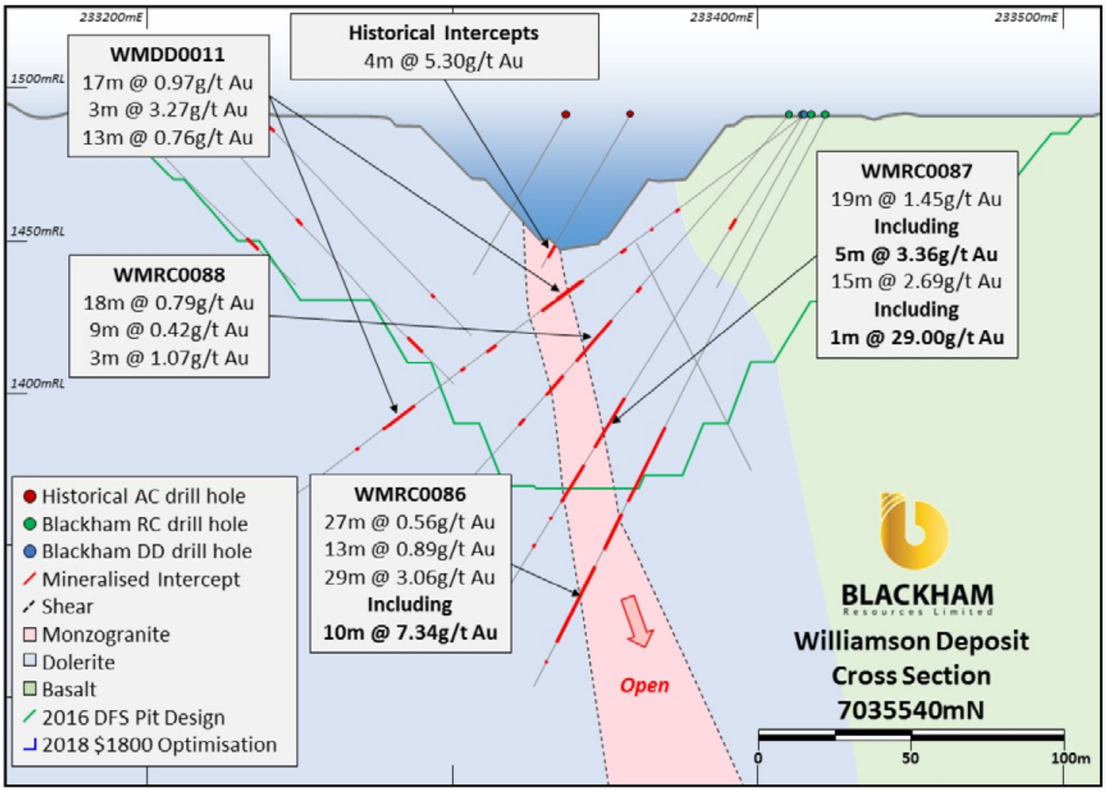


Figure 2: Cross section 7035540mN (looking north) showing mineralised intercepts broader than the modelled Resource.

WILCONI CO-NI RESOURCE UPDATE

The Wilconi Joint Venture (BLK 80%, ACB 20%) published an upgraded laterite resource of 78.8Mt @ 0.74% Ni & 0.07 % Co, including a high grade upper Co-dominant portion of 29Mt @ 0.11% Co and a lower Ni-dominant portion of 49.7Mt (see ASX release 17th September 2019 "Wilconi JORC Resource Update September 2019").

Recent encouraging metallurgical test results indicated potential Ni-Co extraction using a range of possible leaching solutions, and further infill drilling and metallurgical testwork is planned (ASX release 23rd August 2019 "High Metallurgical Recoveries for Cobalt and Nickel at Wilconi").

Mineral Resource Estimate for the Wilconi Deposit - September, 2019							
		Inferred					
Domain	Cut-Off (All cut offs are exclusive)	Tonnes (Mt)	Ni %	Co %	MgO %	Nickel Metal (Tonnes)	Cobalt Metal (Tonnes)
Co (%)	>600 ppm Co (Low MgO, <0.5% Ni)	7.0	0.39	0.10	5.7	27,000	7,000
Ni (%)	>0.5% Ni (Low MgO, >600 ppm Co)	22.0	0.87	0.12	4.4	191,000	27,000
Ni (%)	>0.5% Ni (Low MgO, <600 ppm Co)	18.9	0.73	0.04	6.9	139,000	7,000
Ni (%)	>0.5% Ni (High MgO)	30.8	0.74	0.04	14.8	228,000	12,000
	Total	**78.8**	**0.74**	**0.07**	**9.2**	**585,000**	**53,000**
The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.							

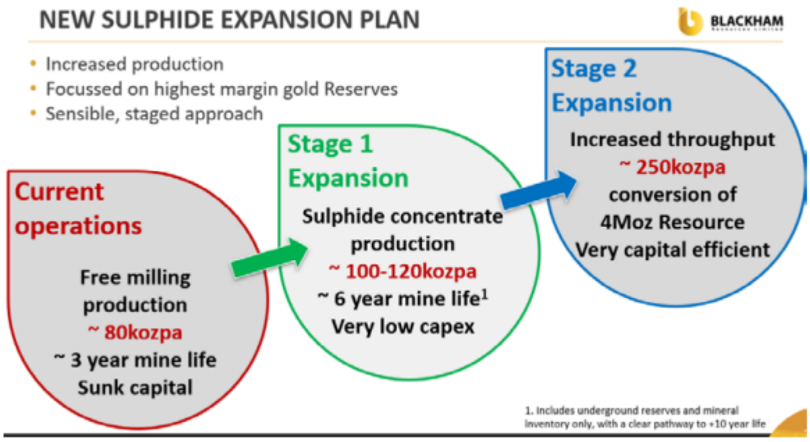
Information in this report relating to Mineral Resources is based on information compiled by Mr Stephen Godfrey, the Principal Consultant of Mining Plus Pty Ltd. Mr Godfrey of Resources Evaluation Services is a Fellow of the AusIMM and a Member of the AIG. Mr Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Godfrey consents to the inclusion of the data in the form and context in which it appears.

WILUNA EXPANSION STUDIES

The Expansion Preliminary Feasibility Study ("Expansion PFS") published on 30 August 2017, 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 reserves. The Stage 1 Expansion targets 100-120kozpa production with costs well below its current free milling operation and long mine life. The initial Stage 1 focuses on the production of a gold concentrate predominantly from the Wiluna underground with flexibility to also process its free milling and tailings Reserves. The Stage 1 Expansion will allow Blackham to focus on its highest margin Reserves.

The overall target is to be in a position to commit to the Stage 1 Expansion during the Dec'19 quarter.



Milan Jerkovic
Executive Chairman
27 September 2019

Directors' Report

Your directors submit the financial report of Blackham Resources Limited ('Blackham' or the 'Company') and its controlled entities (the 'Group') for the year ended 30 June 2019.

DIRECTORS

The names of Directors who held office during or since the end of the financial year are as follows:

Milan Jerkovic **B.App.Sc (Geol), GDip (Mining), GDip (Mineral Economics), FAusImm MAICD**
Executive Chairman

Mr Jerkovic is a geologist with over 30 years' experience in the mining industry including resource evaluation, operations, financing, acquisition, project development and general management. Mr Jerkovic is also principal of the Xavier Group. He was previously the CEO of Straits Resources Limited, has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia and was the founding chairman of Straits Asia Resources.

- Appointed: 27 November 2015
- Committee memberships: Nil
- Other listed board memberships: Nil
- Previous listed board memberships: Geopacific Resources Limited, Metals X Limited
- Interest in shares: 73,218,771
- Interest in options: 23,401,499

Greg Fitzgerald **BBus, CA**
Non-executive Director

Mr Fitzgerald is a Chartered Accountant with more than 30 years' of gold mining and resources related experience, and extensive executive experience in managing finance and administrative matters for listed companies. He held the positions of Chief Financial Officer and Company Secretary for ASX 200 company, Resolute Mining Limited, for more than 15 years until his resignation in 2017.

- Appointed: 19 February 2018
- Committee memberships: Audit & Risk (Chairman), Remuneration & Nomination (Chairman)
- Other listed board memberships: Nil
- Previous listed board memberships: Nil for the last three years
- Interest in shares: None
- Interest in options: None

Anthony James **BEng, AWASM, FAusImm**
Non-executive Director

Mr James is a mining engineer with considerable operational, new project development and corporate experience including roles as Managing Director of Carbine Resources Ltd, Atherton Resources Ltd and Mutiny Gold Ltd. At Atherton Resources, Mr James achieved a favourable outcome for shareholders following the takeover by Auctus Minerals. At Mutiny Gold, Mr James led the implementation of a revised development strategy for the Deflector copper-gold deposit in Western Australia that resulted in the successful merger of Mutiny Gold and Doray Minerals Ltd.

Prior to this, Mr James held a number of senior executive positions with international gold producer Alacer Gold Corporation following the merger of Anatolia Minerals and Avoca Resources in 2011. As the Chief Operations Officer of Avoca Resources, he played a key role in Avoca's initial growth and success, leading the feasibility, development and operations of the Trident Underground Mine and the Higginsville Gold Operations.

- Appointed: 22 June 2018
- Committee memberships: Audit & Risk, Remuneration & Nomination
- Other listed board memberships: Carbine Resources Limited, Apollo Consolidated Limited, Galena Mining Limited
- Previous listed board memberships: Nil for the last three years
- Interest in shares: None
- Interest in options: None

Bryan Dixon **BCom, CA, ACIS**
Managing Director

Mr Dixon has substantial experience in the mining sector and in the management of public and listed companies. Mr Dixon has previously been employed by an international accounting firm, Resolute Mining Limited and Archipelago Resources Plc. Mr Dixon is a Chartered Accountant and specialises in acquisition, feasibility, project development, operations and financing of mining projects.

- Appointed: 7 July 2006
- Terminated 1 May 2019

Geoffrey Jones **BE (Civil), FIEAust, CPEng**
Non-executive Director

- Appointed: 1 August 2018
- Resigned 21 December 2018

Greg Miles **BSc, GDip (Geol)**
Non-executive Director

- Appointed: 17 October 2011
- Resigned 1 August 2018

Daniel Travers **BSc (Hons), FCCA**
Company Secretary - appointed 3 May 2019

Mr Travers is a Fellow of the Association of Chartered Certified Accountants with over 10 years' experience in the administration and accounting of publicly listed companies following significant public practice experience. Mr Travers holds undergraduate degrees with honours in both Mathematics and Accounting and is an employee of Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

Anthony Rechichi **FCA, BCom**
Company Secretary

- Appointed: 17 September 2018
- Resigned 3 May 2019

Mike Robbins
Company Secretary – resigned 17 September 2018

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- production of gold from the Matilda-Wiluna Gold Operation; and
- gold exploration and development.

REVIEW AND RESULTS OF OPERATIONS

Production

Gold production during the year was 65,406oz. The Sep'18 and Dec'18 quarters were primarily attributable to mining at Matilda. Although gold production was below expectations in the Mar'19 and Jun'19 quarters, the significant investment in mining development during this period will deliver benefits over the next six months. The key activities completed include:

- M1 North cutback completed with the main ore zone available for mining in the Sep'19 quarter
- High waste stripping in the Jun'19 quarter at the Wiluna open pits (including Happy Jack North and Essex) have improved the availability of ore, with lower waste stripping levels during the Sep'19 quarter
- Stoping of Golden Age Lower U/G commenced, providing increased volumes of high-grade ore

Free milling gold is now being accessed from several pits and the Company remains focused on improving costs and production. The near-term operational focus is on mining the Company's highest margin reserves, by providing steady continuous feed of high-grade ore though the process plant and improving mill availability and utilisation, while also implementing appropriate cost cutting initiatives and operational improvements.

TABLE 3 – FY19 GOLD PRODUCTION STATISTICS

	Units	30 June 2019	30 June 2018
Mining			
Open pit strip ratio	Waste/Ore	9.1	8.6
Total ore mined (UG and open pit)	t	1,938,606	1,696,842
Total mined grade	g/t	1.3	1.5
Total mined contained ounces	oz	79,785	81,283
Processing			
Tonnes processed	t	1,807,931	1,835,057
Grade processed	g/t	1.3	1.4
Plant recovery	%	85	87
Gold produced	**oz**	**65,406**	**70,565**
All-in sustaining cost	**A$/oz**	**1,760**	**1,629**

Exploration and Resource Definition Drilling
During the year, Blackham completed several projects aimed at strengthening and lengthening its gold reserves and ongoing exploration drilling targeted at new oxide deposits, to extend the current free milling mine life. The Company completed 23,551.4m of resource definition drilling during the period, comprising 181 RC holes for 21,858m and 13 DD holes for 1,693.4m.

In the twelve months to 30th June 2019, Blackham's exploration team concentrated on further delineating free-milling open pit reserves over the 4km strike at the Wiluna mine. Revised mining and metallurgical studies confirmed that oxide and transitional ores at Wiluna are amenable to CIL processing, leading to infill drilling targeted at Wiluna free-milling pits that have been mined through FY 2019.

Blackham remains focused on extending the life of the Golden Age underground mine in line with recent exploration success. From February to May 2019, Blackham completed surface RC and underground diamond drilling programmes. Results released to the market identified high grade extensions at Golden Age confirming that mineralisation is open both down plunge and down dip and future mining is planned to increasingly target the extensions defined from this drilling.

Wilconi Co-Ni Resource Update
The Wilconi Joint Venture (BLK 80%, ACB 20%) published an upgraded laterite resource of 78.8Mt @ 0.74% Ni & 0.07 % Co, including a high grade upper Co-dominant portion of 29Mt @ 0.11% Co and a lower Ni-dominant portion of 49.7Mt (see ASX release 17th September 2019 " Wilconi JORC Resource Update September 2019").

Wiluna Expansion Study
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 reserves. The Stage 1 Expansion targets 100-120kozpa production with costs well below its current free milling operation and long mine life. The initial Stage 1 focuses on the production of a gold concentrate predominantly from the Wiluna underground with flexibility to also process its free milling and tailings Reserves. The Stage 1 Expansion will allow Blackham to focus on its highest margin Reserves.

Corporate
As at 30 June 2019, the Company had $4.2 million in cash and bullion (cash of $0.7 million, bank guarantees of $0.6 million and bullion of $2.9 million) (30 June 2018 - $26.6 million).

Net debt at 30 June 2019 was $11.8 million. Debt as at 30 June 2019 was comprised of the loan payable to MACA (face value of $10.3 million), Lind Convertible Security ($5.3 million) and leases ($0.4 million).

Gold sold during the year was 64,919oz @ A$1,656/oz. There were 18,500oz of forward gold sales contracts in place at 30 June 2019, at an average price of $1,805/oz, maturing over the next 6 months.

Blackham received an additional A$2.8 million cash in January 2019 from sale of 20% interest in the Wiluna Cobalt-Nickel Project.

Salt Lake Potash (ASX: S04) received approvals and commenced the construction of the Lake Way Ponds for brine storage with planned dewatering of Blackham's Williamson Open Pit in advance of mining recommencing in late 2019.

A Binding Heads of Agreement was executed in November 2018 for the establishment of a Joint Venture for the development, mining and processing of gold resources from the GWR Group Limited ("GWR") Wiluna West Gold Project (Blackham 65%, GWR 35%).

Results

The loss after tax for the financial year was $73,161,000 (2018: $20,027,000). The FY19 result included asset impairment charges of $45 million, which also broadly brings the book value of assets back into line with the Group's market capitalisation (refer to Note 15 for further details). The Group's net assets at the end of the year were $62,177,000 (2018: $103,126,000).

Equity Placements

On 11 April 2019, the Company announced that it had raised gross proceeds of $25.8 million through a placement of 1.7 billion shares at a price of $0.015 per share.

Convertible Security Funding Agreement

On 25 September 2018, Blackham announced the execution of an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager, ("Lind").

Lind's A$7.5 million investment was provided as a Secured Convertible Note ("Convertible Note 1"), the proceeds of which were used, along with Blackham's cash, to fully repay the short term secured debt owed to Orion Fund JV Limited. The convertible note was repaid on 2 September 2019.

Controlled Placement Agreement

During July 2018, the Company entered into a Controlled Placement Agreement ("CPA") with Acuity Capital. The CPA provides Blackham with up to $10 million of standby equity capital over the coming 29 month period. Importantly, Blackham retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of shares issued, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on Blackham to utilise the CPA and Blackham may terminate the CPA at any time, without cost or penalty. If Blackham does decide to utilise the CPA, Blackham is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Blackham and a 10% discount to a Volume Weighted Average Price over a period of Blackham's choosing (again at the sole discretion of Blackham).

Issue of shares

Pursuant to the abovementioned Controlled Placement Agreement, the Company issued 25,000,000 collateral shares to Acuity Capital Investment Management ATF Acuity Capital Holdings Trust on 26 September 2018.

Debt financing and working capital facility

During the year and subsequent to reporting date, the Company entered into a working capital facility with MACA Limited ("MACA") that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa gold production and long mine life.

Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to $19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract ("Working Capital Facility"). The Working Capital Facility has been provided within the Company's existing security arrangements, but is separate to the $14.3 million secured loan previously provided by MACA, against which Blackham will continue to make payments in accordance with the agreed schedule, with the balance having reduced to $10.3 million as at 30 June 2019.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments of which the directors are aware which could significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Events Subsequent to Reporting Date sections of the Directors' Report.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend for the 2019 financial year and no amount has been paid or declared by way of a dividend to the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

Salt Lake Potash

On 23 July 2019, Blackham announced that it had agreed to sell its Lake Way tenements, cancel its brine royalty and provide certain water rights to Salt Lake Potash Limited (ASX: SO4) ("Salt Lake Potash") for $10 million cash, whilst retaining certain gold mining rights for both those tenements and Salt Lake Potash's neighbouring tenements ("Lake Way Transaction"). The Lake Way transaction does not restrict Blackham's mining activities as it progresses towards Stage 1 of its Sulphide Expansion Project.

Salt Lake Potash and Blackham also identified a mutual opportunity for Salt Lake Potash to utilize part of the pre-strip material from Blackham's proposed Williamson Pit development for the construction of the Salt Lake Potash's on-lake evaporation ponds. Salt Lake Potash will contribute up to $10 million to the pre-strip of the Williamson open pit mine, allowing Blackham to expedite the mining of the Williamson open pit and also provide Salt Lake Potash with suitable construction material for its Lake Way Sulphate of Potash project.

Lind Funding Facility

In order to simplify its capital structure, Blackham finalised the process to repay and discharge its funding facility with an entity managed by Lind on 2 September 2019. The outstanding balance of $2,925,000 as of 2 September 2019 was settled through a cash payment of $1,625,000 and the issue of 144,444,445 fully paid ordinary shares in Blackham.

MACA Working Capital Facility

During the year and subsequent to reporting date, the Company also entered into a working capital facility with MACA that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa and long mine life. Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to $19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract.

Capital Raising

On 12 September 2019, Blackham announced a capital raising of up to $7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY20 production, including pre-production activities at the Williamson open pit, a new tailings storage facility, rod mill refurbishment, and for general working capital. The capital raising comprises of a $4 million placement to a small number of targeted international and domestic institutional and professional investors at a price of $0.01 per share and a share purchase plan to existing shareholders for up to a further $3 million, at the same price as the Placement.

Apart from the above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

MEETINGS OF DIRECTORS

The number of directors' meetings held (including meetings of the Committees of the Board) and number of meetings attended by each of the directors of the Company during the financial year are:

	Director's meeting		Audit and Risk Committee		Remuneration and Nomination Committee	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Milan Jerkovic	11	11	n/a	n/a	n/a	n/a
Bryan Dixon(i)	10	10	n/a	n/a	n/a	n/a
Greg Fitzgerald	11	11	2	2	4	4
Anthony James	11	11	2	2	3	3
Geoff Jones(ii)	3	3	1	1	2	2
Greg Miles(iii)	2	2	n/a	n/a	1	1

(i) Mr Dixon was terminated as a director on 1 May 2019.

(ii) Mr Jones resigned as a director on 21 December 2018.

(iii) Mr Miles resigned as a director on 1 August 2018.

ENVIRONMENTAL ISSUES

The Group is subject to significant environmental regulations under legislation of the Commonwealth of Australia. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates. There have been no known material breaches of the environmental obligations of the Group's contracts or licences.

OPTIONS

Options on issue at the date of this report:

Grant date	Expiry date	Quoted/Unquoted	Exercise price	Number
12 August 2016	12 August 2019	Unquoted	$0.5700	200,000
1 September 2017	29 February 2020	Unquoted	$0.3080	2,000,000
11 May 2018	31 December 2021	Unquoted	$0.0000	17,908,759
6 December 2018	13 February 2024	Unquoted	$0.0800	72,000,000
16 April 2019	12 October 2020	Quoted	$0.0300	573,638,562
16 April 2019	12 October 2020	Quoted	$0.0300	100,000,000
5 July 2019	30 June 2023	Unquoted	$0.0000	81,561,392
26 August 2019	30 June 2023	Unquoted	$0.0000	13,774,754
Total				**861,083,467**

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of the Company were issued during the year ended 30 June 2019 and up to the date of this report on the exercise of options granted:

Exercise date	Exercise price	Number
6 December 2018	$0.0000	1,609,257
6 December 2018	$0.0800	11,637
15 April 2019	$0.0000	1,567,536
Total		**3,188,430**

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings. The Group was not a party to any such proceedings during the year.

INDEMNIFYING OFFICERS AND AUDITORS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer, or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. No indemnification has been paid with respect to the Group's auditor.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is attached to the Director's Report.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report (Audited)

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, including any director (whether executive or otherwise) of the parent company.

REMUNERATION FRAMEWORK

In April 2017, Blackham engaged an independent expert to design a transparent and comprehensive remuneration approach that would attract, retain and motivate the right calibre of person for the business. A revised Remuneration Policy was proposed which:

(a) *was simple and transparent;*
(b) *promotes the interests of the Company over the medium and long term;*
(c) *encourages a 'pay for performance' culture; and*
(d) *is reflective of good corporate governance.*

This original framework was adopted by the Board.

Following the January 2018 recapitalisation, the Board agreed to re-engage the independent expert to further assist with providing a more simplified framework better aligned with the Company's peers. Further consultative work was also undertaken with other parties, including direct advice from some of the Company's peers and from Blackham's Non-Executive Director and Chairman of the Remuneration and Nomination Committee, Mr Greg Fitzgerald.

Outcome of the Independent and Consultative Reviews

As a result, at the Board's absolute discretion, the Board, the Executive and Key Management Personnel are eligible to participate in the incentive arrangements of the Company. The incentive plan focuses the efforts of the executive and management team on business performance, business sustainability, business growth and long term value creation. It provides for clear 'line of sight' objectives to maximise the effectiveness of the participants' total incentive awards and facilitates the meaningful accumulation of Shares by participants to enforce an ownership mentality which in addition to having a retentive benefit, also further aligns management interests with those of the Shareholders. The revised Remuneration Policy, including the incentive plan, has been tailored to increase goal congruence between Shareholders and executives. Two methods have been applied to achieve this aim, being the Operations and Growth Incentive Plan (short term) and the Value Creation Plan (long term) both of which are administered under the Blackham Employee Option Plan ("EOP").

REMUNERATION FRAMEWORK OVERVIEW

Category	Definition of pay category	Element	Purpose
Fixed pay	Pay which is linked to the present value or market rate of the role	Total Fixed Remuneration ('TFR')	Pay for meeting role requirements
Incentive pay	Pay for delivering the plan and growth agenda for the Group which must create value for shareholders. Incentive pay will be linked to achievement of 'line-of-sight' performance goals *It reflects 'pay for performance'*	Short Term Incentive ('STI')	Incentive for the achievement of annual objectives Incentive for the achievement of sustained business value
Reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. *It reflects 'pay for results'*	Long Term Incentive ('LTI')	Reward for performance over the long term

The incentive opportunities under the revised Remuneration Policy contain a maximum amount of Total Incentive Opportunity ('TIO'), as shown below:

MAXIMUM TOTAL INCENTIVE OPPORTUNITY AS A PERCENTAGE OF TFR ON AN ANNUAL BASIS

Plan:	BLK Ops & Growth	BLK Value Creation	
Performance period:	**1 year (STI)**	**3 year vest (LTI)**	
Award:	**Cash**	**ZEPO's**	**TIO**
Managing Director & Other Executives	48%	19-36%	67-84%

The LTI as a percentage of TFR shown in the above table has been calculated on the basis that LTIs will only be granted once every three years. The maximum amount of TIO will only be delivered to Directors, the Executive and/or Key Management Personnel if the highest performance levels for each of the performance hurdles are achieved. The actual value of incentives may be zero if the performance hurdles are not met.

The Total Annual Remuneration (i.e. TFR + STI + LTI) for the Key Management Personnel has been set at a level that is in line with the average Total Annual Remuneration for a peer group of Australian based gold miners.

Performance Hurdles
Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following performance hurdles:

Short Term Incentive ('STI') performance metrics *(paid in the form of a cash bonus and to ensure goal alignment, are consistent amongst all the Executive):*

Company performance (80%)
- Company operating cash flow
- FY19: Cost per tonne milled (FY20: All in sustaining cost per ounce produced)
- Production target gold ounces
- Safety measures (Total Reportable Injury Frequency Rate "TRIFR")
- Reserve/resource growth

Individual performance (20%)
- Individual specific goals and supervisory discretion

Long Term Incentive ('LTI') performance metrics *(paid in ZEPO's and to ensure goal alignment, are consistent amongst all the Executive):*
- Performance versus ASX Gold Index (*)
- Reserves increased
- Resources maintained

(*) – the hurdle relating to the performance versus the ASX Gold Index will see 50% of this portion of the ZEPO's vest if BLK's share price outperforms the ASX Gold Index. 100% of this portion of the ZEPO's will vest if the BLK share price outperforms the ASX Gold Index by at least 50%. The payout will increase on a straight line basis between these two points.

Vesting conditions for LTI performance hurdles will be tested once only at the end of every 3 year measurement period.

Executive Chairman Remuneration
Effective 1 May 2019, the Executive Chairman's remuneration became as follows:

Total Fixed Remuneration
Total fixed remuneration increased from $300,000pa to $400,000pa. If Mr Jerkovic ceases to be the Company's Executive Chairman prior to 31 December 2019 due to a change of control event, he will receive a payout for the balance of his remaining fixed remuneration owing up to 31 December 2019, and a pro-rata Short Term Incentive. The employment contract for the position of Executive Chairman has a termination date of 31 December 2019.

Short Term Incentives
The STIs are based on two 6 month periods being the 6 months to 30 June 2019, and the 6 months to 31 December 2019. The 12-month STI opportunity is $350,000, split into those two 6 month periods (i.e. $175,000 for the 6 month period ending 30 June 2019, and $175,000 for the 6 month period ending 31 December 2019). Participation in the incentive opportunities of the Remuneration Policy is based on successful milestone achievements against the following Key Performance Indicators ("KPI"):

Company KPIs (80%)

- Company operating cash flow
- Cost per tonne milled (6 months to 30 June 2019), All in sustaining costs per ounce of gold produced (6 months to 31 December 2019)
- Gold ounces produced
- Safety measures
- Reserve growth

Individual performance (20%)

- Individual specific goals and Board's discretion

Long Term Incentives ("LTI")
LTIs expiring on 31 December 2021 remain unchanged, being 2,500,000 unquoted Zero Exercise Price Options ("ZEPOs") with a $nil exercise price. Furthermore, at a general meeting of shareholder on 24 September 2019, shareholders approved the issue of 2,522,596 ZEPOs with a $nil exercise price to Mr Jerkovic which are subject to certain performance conditions and expire 30 June 2023.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2018 ANNUAL GENERAL MEETING ('AGM')

At the 2018 AGM 87% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

KEY MANAGEMENT PERSONNEL

The key management personnel of the Company consisted of the following directors and executives:

Directors	Position
Milan Jerkovic	Executive Chairman
Greg Fitzgerald	Non-executive Director
Anthony James	Non-executive Director
Bryan Dixon	Managing Director – terminated 1 May 2019
Greg Miles	Non-executive Director – resigned 1 August 2018
Geoff Jones	Non-executive Director – appointed 1 August 2018, resigned 21 December 2018
Key Management Personnel ("KMP")	**Position**
Cain Fogarty	GM - Exploration and Business Development – promoted 1 May 2019
Guy Simpson	GM – Operations and Planning – promoted 1 May 2019
Neil Meadows	GM – Projects and Business Improvements – appointed 1 June 2019
Anthony Rechichi	Chief Financial Officer
Richard Boffey	Chief Operations Officer – resigned 31 May 2019
Jonathan Lea	Chief Geological Officer – resigned 24 May 2019

The details of the Key Management Personnel's remuneration have been set out in the following tables.

REMUNERATION STRUCTURE FOR KEY MANAGEMENT PERSONNEL

Managing Director and Executive Remuneration

Remuneration is based on the following components approved by the Remuneration and Nomination Committee;

- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave

Table 1: Contract terms for Key Management Personnel:

Name	Title	Term of Agreement	Notice Period by Executive	Notice Period by Company	Termination benefit
Milan Jerkovic	Executive Chairman	Open	3 months notice	3 months notice	n/a
Greg Fitzgerald	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Anthony James	Non-executive Director	Open	Upon resignation as director	Upon termination as director	n/a
Cain Fogarty	GM – Exploration & Business Development	Open	3 months notice	3 months notice	n/a
Neil Meadows	GM – Projects and Business Improvements	Open	3 months notice	3 months notice	n/a
Anthony Rechichi	Chief Financial Officer	Open	3 months notice	3 months notice	n/a
Guy Simpson	GM – Operations and Planning	Open	3 months notice	3 months notice	n/a

KEY MANAGEMENT PERSONNEL REMUNERATION

Table 2: Remuneration for the year ended 30 June 2019

2019		Short term				Post employment	Long term			Performance related	
		Salary & fees	STI	Non-monetary benefits*	Annual leave	Super-annuation	Long service leave	LTI	Termination payments	At risk – STI	At risk - LTI
		$	$	$	$	$	$	$	$	%	%
Directors											
Milan Jerkovic		290,335	(iii)189,293	4,150	-	26,332	-	50,514	-	34%	9%
Bryan Dixon(i)	Terminated 1 May 2019	405,833	(iv)51,000	3,458	-	-	-	(33,676)	243,500	8%	n/a
Greg Fitzgerald		77,627	-	-	-	7,375	-	-	-	n/a	n/a
Anthony James		77,626	-	-	-	7,375	-	-	-	n/a	n/a
Geoff Jones	Appointed 1 August 2018 Resigned 21 December 2018	32,344	-	-	-	3,073	-	-	-	n/a	n/a
Greg Miles(ii)	Resigned 1 August 2018	7,076	-	-	-	-	-	-	-	n/a	n/a
Other KMP											
Richard Boffey	Resigned 31 May 2019	301,565	-	3,804	22,992	28,630	-	(17,511)	-	n/a	n/a
Cain Fogarty	Promoted 1 May 2019	38,167	(iv)7,403	691	2,356	3,500	884	3,834	-	13%	8%
Jonathan Lea	Resigned 24 May 2019	207,713	-	3,804	15,981	19,733	-	(9,607)	-	n/a	n/a
Neil Meadows	Appointed 1 June 2019	23,250	(iv)4,369	346	1,789	1,750	-	-	-	14%	n/a
Anthony Rechichi		263,346	(iv)56,216	4,150	20,261	24,654	800	65,878	-	13%	15%
Guy Simpson	Promoted 1 May 2019	54,000	(iv)9,782	-	4,315	3,500	744	11,800	-	12%	15%

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

i) An aggregate amount of $456,833 (2018: $540,825) was paid or was due and payable to Warrior Strategic Pty Ltd, a company controlled by Mr Bryan Dixon, for the provision of corporate and management services to the Company in lieu of Mr Dixon's remuneration. In accordance with the terms of the previously disclosed services contract between the Company and Warrior Strategic Pty Ltd, Mr Dixon is obliged to work out his 6 month notice period beginning from 1 May 2019, and at the satisfactory completion of this notice period, the Company is contractually obliged to pay a termination fee of $243,500. This termination expense has been accrued as at 30 June 2019.

ii) An aggregate amount of $7,076 (2018: $85,000) was paid or due and payable to Hidden Asset Pty Ltd, a company controlled by Mr Greg Miles, for the provision of corporate and management services to the Group in lieu of Mr Miles' remuneration.

iii) Mr Jerkovic's STI for the 6 months ended 31 December 2018 was 1,567,536 Zero Exercise Price Options, and for the 6 months to 30 June 2019 was $65,625 payable in cash.

iv) The STI remuneration represents the estimated amounts to be paid in cash in or around October 2019 and relates to incentives offered for the 12 month period ended 30 June 2019.

Table 3: Remuneration for the year ended 30 June 2018

2018		Short term					Post employment	Long term				Performance related	
		Salary & fees	STI	Discretionary cash bonus	Non-monetary benefits*	Annual leave	Super-annuation	Long service leave	LTI	Performance rights	Termination payments	At risk STI	At risk LTI
		$	$	$	$	$	$	$	$	$	$	%	%
Directors													
Milan Jerkovic		205,481	[iii]148,059	-	5,929	-	19,521	-	6,980	(76,457)	-	48%	n/a
Bryan Dixon[i]		487,000	[iv]53,825	-	5,929	-	-	-	27,918	(194,074)	-	14%	n/a
Greg Fitzgerald	Appointed 19 February 2018	33,744	-	-	-	-	3,206	-	-	-	-	n/a	n/a
Anthony James	Appointed 22 June 2018	1,791	-	-	-	-	170	-	-	-	-	n/a	n/a
Greg Miles[ii]		85,000	-	-	-	-	-	-	-	-	-	n/a	n/a
Peter Rozenauers	Resigned 19 September 2017	-	-	-	-	-	-	-	-	-	-	n/a	n/a
Other KMP													
Richard Boffey		294,521	[iv]39,788	-	-	24,422	27,979	1,212	(9,578)	(35,106)	-	12%	n/a
Jonathan Lea	Appointed 1 February 2018	94,064	[iv]27,852	-	698	7,167	8,936	-	7,965	-	-	19%	5%
Anthony Rechichi		251,599	[iv]31,831	[v]15,000	4,450	18,772	23,902	244	9,102	-	-	13%	3%
Bruce Kendall	Resigned 16 February 2018	138,487	-	[v]60,000	5,230	10,655	13,156	123	44,467	27,052	7,340	n/a	23%

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Group.

i) An aggregate amount of $540,825 (2017: $361,667) was paid or was due and payable to Warrior Strategic Pty Ltd, a company controlled by Mr Bryan Dixon, for the provision of corporate and management services to the Company in lieu of Mr Dixon's remuneration. Mr Dixon's remuneration was reset last year to bring his fixed remuneration closer to the average for a peer group of Australian based gold miners.

ii) An aggregate amount of $85,000 (2017: $55,000) was paid or was due and payable to Hidden Asset Pty Ltd, a company controlled by Mr Greg Miles, for the provision of corporate and management services to the Group in lieu of Mr Miles' remuneration.

iii) The STI opportunity for the 6 months ended 30 June 2018 (and for the year) was 3,750,000 Zero Exercise Price Options. 48% of these ZEPO's are expected to vest due to achieving threshold performance for cost per tonne milled and gold production and above target performance for safety. The fair value of the ZEPO's to vest for the 6 month period has been shown as STI remuneration in the table above.

iv) The STI remuneration represents the estimated amounts to be paid in cash on or around October 2018 and relates to incentives offered for the 6 month period ended 30 June 2018. The STI equates to 48% of their fixed remuneration over this period, and in line with their performance, an average of 55% of this STI opportunity was earned due to a combination of better than target performance for cost per tonne milled, threshold performance for operating cashflows and gold production and on target performance for safety and reserve/resource growth.

v) The discretionary cash bonus was awarded for achieving personal KPI objectives during the year. The discretionary cash bonus was awarded for the period prior to the introduction of the new remuneration framework and reflect a reward for services rendered over and above that expected from a person in that position.

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 4: Share holdings of key management personnel:

Name	Held at the start of the year	Issued on exercise of options	Participation in April 2019 rights issue(ii)	Disposed	Net Change/Other(i)	Held at the end of the year
Directors						
Milan Jerkovic	7,337,477	3,176,793	62,704,501	-	-	73,218,771
Bryan Dixon	11,340,000	-	-	-	(11,340,000)	-
Greg Fitzgerald	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-
Geoff Jones	-	-	-	-	-	-
Greg Miles	1,262,500	-	-	-	(1,262,500)	-
Other KMP						
Richard Boffey	150,000	-	-	-	(150,000)	-
Cain Fogarty	-	-	-	-	-	-
Jonathan Lea	-	-	-	-	-	-
Neil Meadows	-	-	-	-	-	-
Anthony Rechichi	-	-	-	-	-	-
Guy Simpson	-	-	-	-	-	-
Total	**20,089,977**	**3,176,793**	**62,704,501**	**-**	**(12,752,500)**	**73,218,771**

i) "Net Change/Other" represents the number of shares held at the time of termination/resignation.

ii) Shares were purchased at an issue price of $0.015 per share and received 1 free attaching option (exercisable at $0.03 on or before 12 October 2020) for every 3 new shares issued.

KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

Table 5: Option holdings of key management personnel:

Name	Held at the start of the year	Granted as remuneration	Participation in April 2019 Entitlement Offer[(ii)]	Grant date	Fair value at grant date	Vesting conditions	Expiry	Exercise price	Other (i)	Held at the end of the year
		Number	Number							
Directors										
Milan Jerkovic[(i)]	3,028,326	-	-	19/02/2018	n/a	n/a	31/01/2019	$0.08	(3,028,326)	-
	1,250,000	-	-	11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,250,000
	1,250,000	-	-	11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	1,250,000
	7,500,000	-	-	11/05/2018	[(iv)]$0.0768	STI - Company performance	31/12/2021	$0.00	(7,500,000)	-
	-	-	20,901,499	15/04/2019	n/a	n/a	12/10/2020	$0.03	-	20,901,499
Bryan Dixon[(i)]	4,050,000			19/02/2018	n/a	n/a	31/12/2021	$0.08	(4,050,000)	-
	5,000,000			11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	(5,000,000)	-
	5,000,000			11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	(5,000,000)	-
Greg Fitzgerald	-	-	-	-	-	-	-	-	-	-
Anthony James	-	-	-	-	-	-	-	-	-	-
Greg Miles[(i)]	125,000	-	-	-	n/a	n/a	31/01/2019	$0.08	(125,000)	-
Other KMP										
Richard Boffey[(i)]	2,600,000			11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	(2,600,000)	-
	2,600,000			11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	(2,600,000)	-
Cain Fogarty	569,292	-	-	11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	569,292
	569,292	-	-	11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	569,292
Jonathan Lea[(i)]	1,426,415	-	-	11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	(1,426,415)	-
	1,426,415	-	-	11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	(1,426,415)	-
Neil Meadows	-	-	-	-	-	-	-	-	-	-
Anthony Rechichi	1,630,188	-	-	11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,630,188
	1,630,189	-	-	11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	1,630,189
Guy Simpson	1,752,000	-	-	11/05/2018	[(iii)]$0.0517	Performance vs ASX Gold Index	31/12/2021	$0.00	-	1,752,000
	1,752,000	-	-	11/05/2018	[(iii)]$0.0768	Reserves & resources increased	31/12/2021	$0.00	-	1,752,000
Total	**43,159,117**	**-**	**20,901,499**	**-**	**-**	**-**	**-**	**-**	**(32,756,156)**	**31,304,460**

(i) "Other" represents options vested, expired during the year and/or forfeited due to termination/resignation.
(ii) Shares were purchased at an issue price of $0.015 per share and received 1 free attaching option (exercisable at $0.03 on or before 12 October 2020) for every 3 new shares issued
(iii) The vesting date of the LTI options is 31 December 2020.
(iv) (iv) The vesting date of Mr Jerkovic's STI options is 31 December 2018.
(v) (v) 3,176,393 of these options vested and were exercised during the year.

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The earnings of the Group for the five years to 30 June 2019 are summarised below:

		2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Sales revenue	**($'000)**	102,466	118,252	47,331	-	-
Loss after income tax	**($'000)**	(73,161)	(20,027)	(6,844)	(8,009)	(4,570)
Share price at 30 June	**$ per share**	0.011	0.07	0.28	0.70	0.16
Basic loss per share	**cents per share**	(4.29)	(2.95)	(2.28)	(3.73)	(3.04)

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the years ended 30 June 2019 and 30 June 2018.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

	Transactions with related parties $'000	Balances outstanding $'000
Xavier Group Pty Ltd[(i)]	176	43

(i) Entity related to Milan Jerkovic, Executive Chairman.

All transactions were made on normal commercial terms and conditions and at market rates.

[End of audited Remuneration Report.]

Signed in accordance with a resolution of the Board of Directors pursuant to section 298(2)(a) of the Corporations Act 2001.

Milan Jerkovic
Executive Chairman
Perth, 27 September 2019

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.

The information contained in the report that relates to Ore Reserves for the Wiluna underground mines are based on information compiled or reviewed by Matthew Keenan. Mr Keenan confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. Mr Keenan is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee working for Entech Pty Ltd having been engaged by Blackham Resources Ltd to prepare the documentation for the Matilda Gold Project on which the Report is based, for the period ended 30 June 2019. He disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Keenan verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

The information contained in the report that relates to Ore Reserves for the Open Pits at the Wiluna Gold Operation is based on information compiled or reviewed by Simon Hewson. Mr Hewson confirmed that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having more than five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. Mr Hewson is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is a full time employee working for Intermine Engineering Consultants having been engaged by Blackham Resources Ltd to prepare the documentation for the Matilda Gold Project on which the Report is based, for the period ended 30 June 2019. He disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Mr Hewson verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

The information relating to the Ore Reserve estimate was reported to the ASX on the 27 September 2019. 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 the estimates have not materially changed.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Blackham Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 27 September 2019

TUTU PHONG
Partner

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Continuing operations			
Revenue from gold and silver sales	1	102,466	118,252
Cost of production relating to gold sales	2	(103,459)	(113,458)
Gross (loss)/profit before depreciation and amortisation		**(993)**	**4,794**
Depreciation and amortisation relating to gold sales	2	(14,077)	(17,443)
Gross loss from operations		**(15,070)**	**(12,649)**
Administration expenses		(4,775)	(4,118)
Non-capital exploration expenditure		(1,293)	(1,349)
Depreciation of non-mine site assets		(65)	(60)
Share-based payments	3	(273)	(508)
Finance costs	3	(8,943)	(4,486)
Other income	4	6,582	1,022
Other expenses		(597)	(568)
Asset impairment charges	15	(45,002)	-
Treasury – realised gain	5	2,126	3,007
Treasury – unrealised loss	5	(5,851)	(318)
Loss before income tax expense for the year from continuing operations		**(73,161)**	**(20,027)**
Income tax expense	6	-	-
Loss after income tax expense for the year from continuing operations		**(73,161)**	**(20,027)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year, net of tax		**(73,161)**	**(20,027)**
		Cents	**Cents**
Basic and diluted loss per share attributable to ordinary equity holders of Blackham Resources Limited (cents per share)	7	(4.29)	(2.95)

The accompanying notes form part of these financial statements

BLACKHAM
Resources Limited

Consolidated Statement of Financial Position

AS AT 30 JUNE 2019

		Consolidated	
	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	16	693	20,742
Gold bullion awaiting settlement	17	2,939	2,713
Trade and other receivables	23	2,994	2,132
Inventories	24	16,308	11,870
Financial assets	19	10	965
Total current assets		**22,944**	**38,422**
Non-current assets			
Plant and equipment	11	45,166	55,264
Mine properties – areas in production	12	69,780	77,508
Mine properties – areas in development	13	3,581	3,348
Exploration and evaluation expenditure	14	5,209	15,733
Inventories	24	-	1,504
Total non-current assets		**123,736**	**153,357**
Total assets		**146,680**	**191,779**
Current liabilities			
Trade and other payables	25	41,375	29,399
Provisions	26	1,342	844
Financial liabilities	19	4,478	-
Interest-bearing liabilities	18	11,933	21,823
Total current liabilities		**59,128**	**52,066**
Non-current liabilities			
Interest-bearing liabilities	18	207	10,478
Provisions	26	25,168	26,109
Total non-current liabilities		**25,375**	**36,587**
Total liabilities		**84,503**	**88,653**
Net assets		**62,177**	**103,126**
Equity			
Issued capital	21	175,285	145,459
Reserves	22	5,647	4,621
Accumulated losses		(118,755)	(46,954)
Total equity		**62,177**	**103,126**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2019

	Consolidated			
	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
At 1 July 2018	**145,459**	**4,621**	**(46,954)**	**103,126**
Loss after income tax for the year	-	-	(73,161)	(73,161)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(73,161)	(73,161)
Transactions with owners in their capacity as owners:				
Share-based payments expense	5,992	2,386	-	8,378
Shares issued, net of transactions costs	23,834	-	-	23,834
Expiry of options	-	(1,360)	1,360	-
At 30 June 2019	**175,285**	**5,647**	**(118,755)**	**62,177**
At 1 July 2017	**109,960**	**6,310**	**(29,945)**	**86,325**
Loss after income tax for the year	-	-	(20,027)	(20,027)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(20,027)	(20,027)
Transactions with owners in their capacity as owners:				
Share-based payments expense	625	1,329	-	1,954
Shares issued, net of transactions costs	34,874	-	-	34,874
Expiry of options	-	(3,018)	3,018	-
At 30 June 2018	**145,459**	**4,621**	**(46,954)**	**103,126**

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated 2019 $'000	2018 $'000
Cash flows from operating activities			
Proceeds from gold sales		103,083	116,608
Payments to suppliers and employees		(106,092)	(107,199)
Interest received		52	157
Interest paid		(2,461)	(7,237)
Hedge premium income	5	2,126	3,007
Toll treatment revenue		3,125	-
Other		406	899
Net cash flows from operating activities	16	**239**	**6,235**
Cash flows from investing activities			
Purchase of plant and equipment		(10,946)	(5,289)
Proceeds from disposal of plant and equipment		4	126
Proceeds from sale of non-core assets		2,850	-
Payments for exploration and evaluation		(7,599)	(6,467)
Payments for mine properties		(14,743)	(9,081)
Proceeds from pre-production gold sales		5,267	-
Other		4	-
Net cash flows used in investing activities		**(25,163)**	**(20,711)**
Cash flows from financing activities			
Proceeds from issue of equities		24,131	38,327
Payment of share issue costs		(1,838)	(2,278)
Proceeds from loan, net of fees		5,401	14,178
Repayment of loans		(22,737)	(33,500)
Proceeds from finance lease		242	-
Repayment of finance lease		(208)	(146)
Change in bank guarantees		(116)	167
Net cash flows from financing activities		**4,875**	**16,748**
Net (decrease)/increase in cash held		(20,049)	2,272
Cash and cash equivalents at beginning of the year		20,742	18,470
Cash and cash equivalents at end of the year		**693**	**20,742**

The accompanying notes form part of these financial statements

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2019

Basis of preparation

These consolidated financial statements and notes represent those of Blackham Resources Limited (the 'Company' or 'Blackham') and its controlled entities (the 'Group').

The financial statements were authorised for issue on 27 September 2019 by the directors of the Company.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), International Financial Reporting Standards ('IFRS') and the *Corporations Act 2001*;
- are presented in Australian dollars, which is the Company's and Group's functional and presentation currency, with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/91;.
- have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2018. Refer to note 36 for further details;
- Does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note 36 for further details.

CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new, revised and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted by the Group.

The following new Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There is no impact on adoption of AASB 9 and AASB 15.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the 30 June 2019 financial statements, the Group incurred a loss of $73.2m (inclusive of a $45.0m non-cash impairment write-down of non-current assets), despite having positive net cash inflows from operating activities of $0.2m. As at that date, the Group had net current liabilities of $36.2m. Notwithstanding those amounts, the Group had net assets of $62.2m.

There would be inherent uncertainties regarding the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report, if the Group did not:

1. Achieve its forecasted gold production quantities; and
2. fund a forecasted short-term working capital deficiency during a time of significant mine development of open pit mining locations, whilst concurrently making working capital and debt repayments to its financier.

Despite this, the Directors believe that the going concern basis of preparation of the financial report remains appropriate, after consideration of the following mitigating factors:

- The Company continues to progress discussions with a number of parties in relation to a variety of potential funding and corporate transactions that will facilitate Blackham's transition to Stage 1 of its Sulphide Expansion Project[1]. These potential funding and corporate transactions include equity, debt and offtake investment into Blackham, as well as potential strategic investment into Blackham, including change of control transactions.
- The Group's mining operation has generated positive operating cash flows since the Group's capital restructure in early 2018, and the Group has forecasted to continue to achieve positive cash flows from its operations which, following the headroom created by the new funds to meet short-term working capital commitments, will generate sufficient cash inflows to meet the repayment of trade debts and other liabilities when they become due and payable.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

[1] *Refer to the ASX release dated 28 February 2019.*

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries of the Company at the end of the reporting period. A list of controlled entities (subsidiaries) at year end is contained in note 28.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined as non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the financial statements.

KEY ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The judgements, estimates and assumptions material to the financial report are found in the following notes:

Note 2: Cost of goods sold
Note 12: Mine properties – areas in production
Note 13: Mine properties – areas in development
Note 14: Exploration and evaluation expenditure
Note 24: Inventories
Note 26: Provisions
Note 27: Share-based payments

THE NOTES TO THE FINANCIAL STATEMENTS

The notes include information which is required to understand the financial statements and is material and relevant to the operations and the financial position and performance of the Group.
Information is considered relevant and material if, for example:

- The amount is significant due to its size and nature;
- The amount is important for understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Performance for the year;
- Production and growth assets;
- Cash, debt and capital;
- Operating assets and liabilities; and
- Other disclosures.

A brief explanation is included under each section.

Performance for the year

This section focuses on the results and performance of the Group. This covers both profitability and the return to shareholders via earnings per share combined with cash generation.

1. REVENUE FROM GOLD AND SILVER SALES

	Consolidated	
	2019 $'000	**2018 $'000**
Gold and silver sales		
- gold sales at spot price[(i)]	107,589	119,872
- loss on gold forward contracts	(5,305)	(1,743)
Total gold sales	**102,284**	**118,129**
Silver sales	182	123
Total gold and silver sales	**102,466**	**118,252**

(i) Pre-production gold sales are capitalised and are not included in sales revenue

Accounting Policies

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

GOLD SALE

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods. Control is generally considered to have passed when:

- physical possession and risk of goods are transferred;
- determination of accuracy of the metal content of the goods delivered; and
- The refiner has no practical ability to reject the goods where it is within contractually specified terms.

2. COST OF GOODS SOLD

	Consolidated	
	2019 $'000	2018 $'000
Cost of goods sold		
Costs of production	102,053	100,686
Royalties	6,747	7,234
Depreciation of mine plant and equipment	2,347	2,477
Amortisation of mine properties	11,730	14,966
Open pit waste removal movements	(339)	4,896
Underground costs capitalised	(574)	(253)
Stockpile movements	(3,043)	32
Gold in circuit movements	(1,385)	863
Total	**117,536**	**130,901**

Accounting Policies

COSTS OF PRODUCTION

Cash costs of production include direct costs incurred for mining, processing and mine site administration, net of costs capitalised to pre-strip and production stripping assets.

ROYALTIES

Royalty expenses under existing royalty regimes are payable on sales and are therefore recognised as the sale occurs.

DEPRECIATION

Depreciation of mine specific plant and equipment and buildings and infrastructure is charged to the statement of comprehensive income on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan), except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is used. The unit of account is ounces of gold produced.

Depreciation of non-mine specific plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment 10% to 33%
- Motor vehicles 6% to 33%
- Office furniture and equipment 6% to 50%
- Buildings and infrastructure 4%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

AMORTISATION

Mine properties are amortised on a unit-of-production basis over the mine inventory of the mine concerned (consistent with the Life of Mine plan). The unit of account is ounces of gold produced.

KEY JUDGMENTS

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

3. EXPENSES

	Consolidated	
	2019 $'000	2018 $'000
Share-based payments expense		
Employees/service providers	273	580
Directors	-	(72)
Share-based payments expense recognised in the statement of comprehensive income	**273**	**508**

SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to employees and consultants. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and consultants in exchange for the rendering of services under an employee share plan.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

		Consolidated	
	Note	2019 $'000	2018 $'000
Finance costs			
Interest		4,080	4,151
Borrowing costs		4,153	(320)
Unwinding on discount of rehabilitation provision	26	710	655
Total		**8,943**	**4,486**

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed as part of finance costs in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

UNWINDING OF DISCOUNT ON PROVISIONS

The unwinding of discount on provisions represents the cost associated with the passage of time. Rehabilitation provisions are recognised at the discounted value of the present obligation to restore, dismantle and rehabilitate each mine site with the increase in the provision due to the passage of time being recognised as a finance cost in accordance with the policy described in note 26.

4. OTHER INCOME

		Consolidated	
		2019 $'000	2018 $'000
Other income			
- interest revenue		52	153
- toll treatment revenue		3,125	-
- sale of non-core assets		3,350	-
- other income		55	341
- research and development tax rebate		-	528
Total		**6,582**	**1,022**

Accounting Policies

OTHER INCOME

Interest revenue is recognised as it accrues using the effective interest rate method. Other revenue is recognised when it is received or when the right to receive payment is established.

5. TREASURY GAINS AND LOSSES

		Consolidated	
		2019 $'000	2018 $'000
Treasury – realised gain			
- hedge premium income		2,126	3,007
Total		**2,126**	**3,007**
Treasury – unrealised loss			
Unrealised loss on forward contracts	8	(4,841)	(325)
(Loss)/gain on financial assets		(1,010)	7
Total		**(5,851)**	**(318)**

Note: Gold forward contracts have been marked to market at 30 June 2019, as per note 8.

6. INCOME TAX

	Consolidated	
	2019 $'000	2018 $'000
The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
Total	-	-

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Net loss before income tax	(73,161)	(20,027)
Prima facie tax on loss from ordinary activities before income tax at 30% (2018: 30%)	(21,948)	(6,008)
Add the tax effect of:		
Permanent differences	94	(2)
Effect of current year temporary differences not recognised	15,238	636
Effect of current year tax losses not recognised	6,616	5,374
Income tax expense reported in the income statement	**-**	**-**

(b) Unrecognised deferred tax assets and (liabilities)

	Consolidated	
	2019 $'000	2018 $'000
Trade and other receivables	(39)	(32)
Financial assets and liabilities	1,379	(264)
Plant and equipment	1,373	(966)
Exploration and development expenditure	(1,557)	(4,713)
Mine properties	(8,545)	(16,229)
Trade and other payables	131	62
Interest-bearing liabilities	124	61
Provisions	7,953	8,086
Equity	1,643	1,219
(Deferred tax assets which have not been recognised) / tax losses recognised to offset deferred tax liabilities	(2,462)	12,776
Balance at the end of the year	-	-

The directors have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised.

6. INCOME TAX (CONT'D)

(c) Tax losses

	Consolidated	
	2019 $'000	2018 $'000
The group has estimated carried forward tax losses which are available indefinitely for offset against future taxable income, subject to meeting the relevant statutory tests:		
Revenue losses		
Income tax losses	135,927	111,532
Losses used against deferred tax liabilities	-	(42,585)
Gross tax losses for which no deferred tax asset has been recognised	135,927	68,947
Tax effected at 30%	40,778	20,684
Capital losses		
Estimated capital losses for which no deferred tax asset is recognised	-	-

Accounting Policies

INCOME TAX

The income tax expense/benefit for the year comprises current income tax expense/benefit and deferred tax expense/benefit.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense/benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/benefit is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

7. EARNINGS PER SHARE

	Consolidated 2019 $'000	Consolidated 2018 $'000
Loss after income tax for the year	(73,161)	(20,027)
	No. of Shares ('000s)	**No. of Shares ('000s)**
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted EPS:	1,705,110	678,796

Accounting Policies

EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

8. PHYSICAL GOLD DELIVERY COMMITMENTS

	Gold for physical delivery		Contracted gold sale price		Value of committed sales		Mark-to-market[(i)]	
Open contracts	**2019 Ounces**	**2018 Ounces**	**2019 $/oz**	**2018 $/oz**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Within one year								
- Fixed forward contracts	18,500	28,389	1,805	1,738	33,393	49,337	(3,898)	944
	18,500	**28,389**			**33,393**	**49,337**	**(3,898)**	**944**

(i) Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold spot price at that date. A negative amount reflects a valuation in the counterparty's favour.

Accounting Policies

GOLD FORWARD CONTRACTS

As part of the risk management policy, the Group enters into gold forward contracts to manage the gold price of a proportion of anticipated gold sales. The counterparty of the gold forward contracts is MKS (Switzerland) S.A.

9. OPERATING SEGMENT INFORMATION

The Group has one reportable segment which is gold production for the years ended 30 June 2019 and 30 June 2018. The Chief Operating Decision Maker ("CODM") is the Board of Directors and the Executives. There is currently one operating segment identified, being the operating of the of the Matilda-Wiluna Gold Operation based on internal reports reviewed by the Chief Operating Decision Maker in assessing performance and allocation of resources.

Major customers
During the year ended 30 June 2019, the Group's external revenue was predominantly derived from sales to MKS through the Matilda-Wiluna Gold Operation operating segment.

Accounting Policies

OPERATING SEGMENTS

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

10. DIVIDENDS PAID OR PROVIDED FOR

There were no dividends paid or provided for during the year (2018: Nil).

Accounting Policies

DIVIDENDS

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Production and growth assets

Included in this section is relevant information about recognition, measurement, depreciation, amortisation and impairment considerations of the core producing and growth (exploration and evaluation) assets of the Group.

11. PLANT AND EQUIPMENT

	Consolidated						
	Plant & Equipment $'000	Motor Vehicles $'000	Furniture & Equipment $'000	Buildings & Infrastructure $'000	Tails Dam $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2018	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**
Additions	426	-	-	-	-	8,012	8,438
Depreciation expense	(1,645)	(157)	(227)	(369)	(246)	-	(2,644)
Transfers between classes	1,344	224	188	1,850	9,636	(13,242)	-
Impaired during the year	(9,328)	(167)	(251)	(2,656)	(3,475)	-	(15,877)
Disposals	-	(15)	-	-	-	-	(15)
Net carrying amount at 30 June 2019	**25,186**	**476**	**714**	**7,557**	**9,884**	**1,349**	**45,166**
At 30 June 2019							
Cost	38,902	1,057	1,552	11,173	13,902	1,349	67,935
Accumulated depreciation and impairment adjustment	(13,716)	(581)	(838)	(3,616)	(4,018)	-	(22,769)
Net carrying amount	**25,186**	**476**	**714**	**7,557**	**9,884**	**1,349**	**45,166**
Net carrying amount at 1 July 2017	**33,450**	**708**	**899**	**7,677**	**4,136**	**3,052**	**49,922**
Additions	493	-	-	-	-	7,717	8,210
Depreciation expense	(1,635)	(129)	(185)	(421)	(167)	-	(2,537)
Transfers between classes	2,404	16	294	1,476	-	(4,190)	-
Other	(136)	-	-	-	-	-	(136)
Disposals	(187)	(4)	(4)	-	-	-	(195)
Net carrying amount at 30 June 2018	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**
At 30 June 2018							
Cost	37,131	860	1,364	9,323	4,266	6,579	59,523
Accumulated depreciation	(2,742)	(269)	(360)	(591)	(297)	-	(4,259)
Net carrying amount	**34,389**	**591**	**1,004**	**8,732**	**3,969**	**6,579**	**55,264**

PLANT AND EQUIPMENT SECURED UNDER FINANCE LEASES

Refer to note 18 for further information on plant and equipment secured under finance leases.

11. PLANT AND EQUIPMENT (CONT'D)

Accounting Policies

PLANT AND EQUIPMENT

Plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Gains and losses on disposals of plant and equipment are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

12. MINE PROPERTIES – AREAS IN PRODUCTION

		Consolidated		
2019	**Note**	**Mine Properties $'000**	**Stripping Activity Asset $'000**	**Total $'000**
Balance at 1 July		76,919	589	77,508
Transferred from mine properties – areas in development	13	14,131	-	14,131
Additions		1,875	5,240	7,115
Transferred from exploration and evaluation expenditure	14	15,417	-	15,417
Rehabilitation provision adjustment	26	(1,400)	-	(1,400)
Amortisation charged to costs of production		-	(4,901)	(4,901)
Amortisation during production	2	(11,730)	-	(11,730)
Impaired during the year		(26,360)	-	(26,360)
Balance at 30 June 2019		**68,852**	**928**	**69,780**

		Consolidated		
2018	**Note**	**Mine Properties $'000**	**Stripping Activity Asset $'000**	**Total $'000**
Balance at 1 July		82,377	5,486	87,863
Transferred from mine properties – areas in development	13	7,385	-	7,385
Additions		505	16,840	17,345
Transferred from exploration and evaluation expenditure	14	1,020	-	1,020
Rehabilitation provision adjustment	26	598	-	598
Amortisation charged to costs of production		-	(21,737)	(21,737)
Amortisation during production	2	(14,966)	-	(14,966)
Balance at 30 June 2018		**76,919**	**589**	**77,508**

Accounting Policies

MINE PROPERTIES – AREAS IN PRODUCTION

Mine development expenditure incurred by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

12. MINE PROPERTIES – AREAS IN PRODUCTION (CONT'D)

A development property is reclassified as a mining property in this category at the end of the commissioning phase, when the property is capable of operating in the manner intended by management.

Amortisation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the estimated mine inventory (consistent with the Life of Mine plan). Development properties are tested for impairment in accordance with the policy on impairment of assets.

Stripping activity asset
Once access to the ore is attained, all waste that is removed from that point forward is considered production stripping activity. The amount of production stripping costs deferred is based on the extent to which the current strip ratio of ore mined exceeds the life of mine strip ratio of the identified component. A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity and is identified based on the mine plan.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is amortised over the expected useful life of the identified component (determined based on economically recoverable mine plan), on a unit-of-production basis. The unit of account is tonnes of ore mined.

KEY JUDGMENTS
Unit-of-production method of depreciation/amortisation
The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Determination of mineral resources, ore reserves and mine plan
The determination of mineral resources and ore reserves impacts the accounting for asset carrying values. The Group estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC" Code). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and the mine plan and may ultimately result in reserves and mine plan being restated.

Stripping asset
The Group capitalises stripping costs incurred during the development and production phase of mining. As a result, the Group distinguishes between the production stripping that relates to the extraction of inventory and that which relates to the stripping asset.

The Group has identified its production stripping for each surface mining operation it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and ore to be mined in each of these identified components.

These assessments are undertaken for each individual identified component based on life of mine strip ratio. Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each identified component. Changes in the expected strip ratio is accounted for prospectively from the date of change.

13. MINE PROPERTIES – AREAS IN DEVELOPMENT

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Balance at 1 July		3,348	1,206
Pre-production expenditure capitalised, net of gold sales		14,087	7,429
Transferred to mine properties – areas in production	12	(14,131)	(7,385)
Impaired during the year		(1,259)	-
Expansion study expenses		1,536	2,098
Balance at 30 June		**3,581**	**3,348**

Accounting Policies

MINE PROPERTIES – AREAS IN DEVELOPMENT

Mine properties under development represent the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

KEY JUDGMENTS

Production start date

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine and the processing plant is substantially complete and ready for its intended use. At this time, any costs capitalised to 'mine properties – areas in development' are reclassified to 'mine properties – areas in production' and 'property, plant and equipment'. Some of the criteria will include, but are not limited, to the following:

- availability of the plant;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain ongoing production of metal at commercial rates of production.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mine asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

14. EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated 2019 $'000	Consolidated 2018 $'000
Reconciliation of movements during the year			
Balance at 1 July		15,733	10,662
Exploration expenditure capitalised during the year		5,392	7,212
Transferred to mine properties – areas in production	12	(15,417)	(1,020)
Written off during the year		(499)	(1,121)
Balance at 30 June		**5,209**	**15,733**

Accounting Policies

EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the mine development expenditure and classified under non-current assets as development properties.

The value of the Groups interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

KEY JUDGMENTS

Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

EXPLORATION EXPENDITURE COMMITMENTS

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Within one year	1,803	1,521

15. IMPAIRMENT OF ASSETS

The carrying values of non-current assets are reviewed for impairment when indicators of impairment exist or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ('CGU') to which the asset belongs and where the carrying values exceed the estimated recoverable amount, the assets or CGU are written down to their recoverable amount.

The recoverable amount of an asset is the greater of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The relevant CGU for Blackham Resources Limited is the Matilda-Wiluna Gold Mine.

DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for decommissioning and restoration. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves". The information has been prepared by or under supervision of competent persons as identified by the Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs, ore grades and/or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

IMPAIRMENT OF MINE PROPERTIES, PLANT AND EQUIPMENT

The future recoverability of capitalised mine properties and plant and equipment is dependent on a number of key factors including; gold price, discount rates used in determining the estimated discounted cash flows of CGUs, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources, the estimated value of unmined inferred mineral properties included in the determination of fair value less cost to dispose ('fair value'), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations).

Fair value is estimated based on discounted cash flows using market based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on CGU life of mine ('LOM') plans. Consideration is also given to analysts' valuations, and the market value of the Company's securities. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of mineral properties is included in the determination of fair value. The Group considers this valuation approach to be consistent with the approach taken by market participants.

The Group has estimated its unmined resource values based on a dollar value per gold equivalent ounce basis, taking into account a range of factors although principally the current market rate for similar resources. However, where the value per ounce from the reserves/resources included in the CGU's discounted cash flow model (i.e. in the LOM) is less than this market rate determination, the lower value per ounce from the CGU's discounted cash flow model is used when calculating that CGU's value of unmined ounces. Where appropriate, the value per ounce is also discounted accordingly for any future costs which would be required to exploit the in-situ resources.

In determining the fair value of CGUs, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. Life of mine operating and capital cost assumptions are based on the Group's latest budget and LOM plans. Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

15. IMPAIRMENT OF ASSETS (CONT'D)

The Group carried out recoverable amount assessments for its CGU, and this has resulted in impairment charges for the Matilda-Wiluna Gold Mine. Included in the events which triggered a review were the net losses incurred, and the sustained difference in the carrying amount of the net assets of the group and its quoted market capitalisation.

KEY ASSUMPTIONS FOR THIS REVIEW:

Gold price (A$ per ounce): A$1,948/oz – A$2,153/oz (with a mid-point of $2,050/oz).

Commodity prices are estimated with reference to external market forecasts. The rates applied to the valuation have regard to observable market data.

Discount rate % (post tax): 28%-48% (with a mid-point of 38%)

In determining the fair value the CGU, the future cash flows were discounted using rates based on the Blackham's estimated real weighted average cost of capital.

Value of unmined resources ($A per ounce) is the lower of:

- A$56/oz, and;
- the value per ounce of the gold ounces in the discounted cash flow model of the CGU at the respective gold price and discount rate ranges.

Operating and capital costs:
Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life-of-mine plans.
Operating cost assumptions reflect the expectation that costs will, over the long term, have a degree of positive correlation to the prevailing commodity price and exchange rate assumptions.

IMPACTS

The Group conducted carrying value analysis and non-current asset impairment charges of $45 million (after tax) were applied to the balance sheet in the following manner:

	2019 $'000	2018 $'000
Matilda-Wiluna Gold Mine		
Mine properties – areas in development	1,259	-
Mine properties – areas in production	26,360	-
Property, plant and equipment	15,877	-
Inventories	1,504	-
Other	2	-
Total impairment (after tax)	**45,002**	**-**

SENSITIVITY ANALYSIS

Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of the CGU that has been subject to impairment testing:

	Increase $'000	Decrease $'000
Change of:		
Gold price by 2.5%	51,000	(56,000)
Discount rate by 5%	(44,000)	56,000
Value of unmined resources by 2.5%	2,722	(2,722)

Changes in the specific assumptions above are assumed to move in isolation, while all other assumptions are held constant.

Cash, debt and capital

This section outlines how the Group manages its cash, capital, related financing costs and its exposure to various financial risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage these risks.

16. CASH AND CASH EQUIVALENTS

Accounting Policies

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits available on demand with banks and other short-term highly liquid investments with original maturities of three months or less.

	Consolidated	
	2019 $'000	**2018 $'000**
Cash and cash equivalents in the statement of financial position and statement of cash flows		
Cash at bank and on hand	693	14,732
Short-term deposits	-	6,010
Total	**693**	**20,742**

	Consolidated	
	2019 $'000	**2018 $'000**
Reconciliation of loss after income tax to the net cash flow from operating activities		
Loss after income tax	**(73,161)**	**(20,027)**
Adjustments for		
Depreciation and amortisation	14,373	17,503
Asset impairment charges	45,002	-
Equity based payments	273	139
Treasury – unrealised loss	5,851	325
Loss on disposal of fixed asset	12	69
Non-capital exploration expenditure	1,293	1,349
Unwinding of discount on rehabilitation provision	710	655
Finance costs	4,267	378
Sale of non-core assets	(2,850)	-
Other	(383)	310
Changes in net assets and liabilities		
Receivables	(689)	(2,039)
Inventories	(4,439)	934
Payables	9,980	6,639
Net cash inflow/(outflows) from operating activities	**239**	**6,235**

	Consolidated	
	2019 $'000	**2018 $'000**
Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance lease	242	-
Entitlement Offer facilitation fee	305	794
Interest on Lind convertible note	1,500	-

17. GOLD BULLION AWAITING SETTLEMENT

	Consolidated	
	2019 $'000	2018 $'000
Current		
Gold bullion awaiting settlement	2,939	2,713

Accounting Policies

GOLD BULLION AWAITING SETTLEMENT

Bullion awaiting settlement comprises gold that has been received by the refiner prior to period end but which has not yet been delivered into a sale contract. Gold bullion awaiting settlement is initially recognised at the expected selling price and adjustments for variations in the gold price are made at the time of final settlement, which is within a matter of days.

Due to the short-term nature of the bullion awaiting settlement, the carrying value is assumed to approximate fair value. The maximum exposure to credit risk is the fair value.

18. INTEREST-BEARING LIABILITIES

	Consolidated	
	2019 $'000	2018 $'000
Current interest-bearing liabilities		
Secured loan – MACA	7,506	6,173
Convertible note, net of fees & collateral shares	4,277	-
Finance lease liabilities	150	150
Secured loan – Orion	-	15,500
	11,933	**21,823**
Non-current interest-bearing liabilities		
Finance lease liabilities	207	178
Secured loan – MACA	-	10,300
	207	**10,478**

Accounting Policies

BORROWINGS AND BORROWING COSTS

Loans and borrowings are initially recognised at the fair value of the consideration received.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Borrowing costs are expensed as incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

18. INTEREST-BEARING LIABILITIES (CONT'D)

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

INTEREST-BEARING LIABILITIES

SECURED LOANS – MACA LIMITED ("MACA")

At balance date, the Group had a loan outstanding with MACA Mining Limited with a face value of $10.3 million (June 2018: face value of $17.0 million), having a maturity repayment date of 31 May 2020, secured against the Group's assets. The facility initially attracted an interest rate of 10% per annum, but increased to 12.5% per annum as of 31 March 2019 (2018: 10%).

The Group has entered into a general security deed to secure the Group's obligations under the relevant documents encompassing the MACA Debt Facility. The securities granted to MACA are first ranking and at 30 June 2019 were pari pasu with Lind.

In addition to the MACA loan amount, there were $22.3 million of mining contractor costs included in trade payable which were also secured against the Group's assets.

During the year and subsequent to reporting date, the Company also entered into a working capital facility with MACA that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa and long mine life. Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to $19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract.

SECURED CONVERTIBLE NOTE – LIND PARTNERS ("LIND")

As announced on 25 September 2018, the Company executed an agreement with an entity managed by The Lind Partners, a New York based institutional fund manager.

The funding commitment of A$7.5 million was provided as a Secured Convertible Note ("Convertible Note 1") with a 24 month term, the proceeds of which were used to fully repay the short term secured debt owed to Orion Fund JV Limited. The Funding Agreement included repayment provisions that allowed for conversion into Blackham shares, optional cash payments or early repayment, at the Company's sole discretion, at any time. A lock-up provision restricted conversion of debt into shares for four and a half months until 14 February 2019.

In order to simplify its capital structure, Blackham finalized the process to repay and discharge its funding facility with an entity managed by The Lind Partners ("Lind"). The outstanding balance of $2,925,000 on 2 September 2019 was settled through a cash payment of $1,625,000 and the issue of 144,444,445 fully paid ordinary shares in Blackham.

FINANCE LEASE LIABILITIES

The Group holds hire purchase agreements for the acquisition of computers and mobile. The agreements incorporate fixed rates between 2% and 5%, monthly repayments and expiry dates between June 2019 and July 2021. Finance lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position revert to the lessor in the event of default.

FINANCING ARRANGEMENTS

	Consolidated	
	2019 $'000	**2018 $'000**
Unused at the reporting date		
Secured loans	-	-

19. FINANCIAL ASSETS AND LIABILITIES

	Consolidated	
	2019 $'000	2018 $'000
Financial assets		
Derivative financial asset	-	944
Other	10	21
Total	**10**	**965**

Financial liabilities		
Derivative financial liability	3,898	-
Embedded derivative	580	-
Total	**4,478**	**-**

Gold forward contracts have been marked-to-market at 30 June 2019 as per note 8.

Accounting Policies

FINANCIAL ASSETS

Financial assets are initially recognised at fair value, plus transaction costs that are directly attributable to its acquisition and subsequently measured at amortised costs or fair value depending on the business model for those assets and the contractual cash flow characteristics.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative.

Derivatives are classified as current or non-current depending on the expected period of realisation.

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, held-for-trading investments, derivative financial instruments, cash and short-term deposits.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

20. FINANCIAL RISK MANAGEMENT (CONT'D)

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Gold price volatility and exchange rate risks

Any revenue the Group derives from the sale of gold is exposed to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, technological advancements, forward selling activities, financial investment and speculation and other macro-economic factors.

Interest rate risks

The Group's exposure to market interest rates relates to cash deposits held at variable rates. The Board regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions.

Sensitivity analysis

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2019, the effect on loss as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Consolidated	
	2019 $'000	**2018 $'000**
Change in loss/equity		
Increase in interest rate by 100 basis points	4	197
Decrease in interest rate by 100 basis points	(4)	(197)

CREDIT RISK

The maximum exposure to credit risk at reporting date is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Credit risk related to balances with banks and other financial institutions is managed by the Board. The Board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least A+. All of the Group's surplus funds are invested with AA and A+ Rated financial institutions.

LIQUIDITY RISK

The responsibility for liquidity risk management rests with the Board. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

Financing arrangements

Refer to note 18 for unused borrowing facilities at reporting date.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2019	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	41,375	-	-	-	41,375
Interest-bearing – fixed rate						
Secured loan – MACA	12.50%	7,506	-	-	-	7,506
Secured loan – Lind	20%	4,277	-	-	-	4,277
Finance lease liability	3%	150	150	57		357
Total non-derivatives		**53,308**	**150**	**57**		**53,515**

2018	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	30,243	-	-	-	30,243
Interest-bearing – fixed rate						
Secured loan – MACA	10%	6,173	10,300	-	-	16,473
Secured loan – Orion	10%	15,500	-	-	-	15,500
Finance lease liability	3%	150	117	61	-	328
Total non-derivatives		**52,066**	**10,417**	**61**	**-**	**62,544**

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial assets held for trading
- Derivative financial instrument – receivable in relation to equity swap

The Company does not subsequently measure any liabilities at fair value on a non-recurring basis.

FAIR VALUE HIERARCHY

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- **Level 1**
  Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2**
  Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3**
  Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the Company is:

- *Market approach:*
  Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	30 June 2019			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	10	-	-	10
- convertible note embedded derivative	-	(580)	-	(580)
- gold forward contracts	-	(3,898)	-	(3,898)

	30 June 2018			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
- held-for-trading Australian listed shares	21	-	-	21
- gold forward contracts	-	944	-	944

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting Policies

FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

INVESTMENT AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

21. ISSUED CAPITAL

	Consolidated	
	2019 $'000	2018 $'000
Ordinary shares – issued and fully paid	175,285	145,459

	Number ('000s)	$'000
Movement in ordinary shares on issue		
At 1 July 2017	338,928	109,960
Issued on exercise of options	98	20
Issued on conversion of performance rights	550	-
Placement	913,211	38,306
Issued in lieu of payment	12,732	625
Transaction costs	-	(3,452)
On issue at 30 June 2018	**1,265,519**	**145,459**
At 1 July 2018	1,265,519	145,459
Issued on exercise of options	3,188	1
Placement	1,727,340	26,076
Issued in lieu of payment	444,599	5,992
Transaction costs	-	(2,243)
On issue at 30 June 2019	**3,440,646**	**175,285**

Accounting Policies

ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

22. RESERVES

	Consolidated	
	Number ('000s)	**$'000**
Share-based payments reserve consists of:		
Share options	766,677	4,237
Performance rights	-	1,410
	766,677	**5,647**
Balance at 1 July 2017	33,342	6,310
Options expired	(26,649)	(2,998)
Options issued	588,057	1,783
Options exercised	(98)	-
Options forfeited	(875)	(2)
Performance rights expired	(3,600)	(507)
Performance rights converted	(550)	35
Balance at 30 June 2018	**589,627**	**4,621**
Balance at 1 July 2018	589,627	4,621
Options expired	(535,819)	(1,360)
Options issued	745,639	2,386
Options exercised	(3,188)	-
Options forfeited	(29,582)	-
Balance at 30 June 2019	**766,677**	**5,647**

Accounting Policies

SHARE-BASED PAYMENT RESERVES

Options and performance rights are issued to suppliers, directors, employees and consultants. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between executives, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

Operating assets and liabilities

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the capital structure and finance costs section.

Accounting Policies

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:
- it is expected to be realised or intended to be sold or consumed in a normal operating cycle;
- it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities, when recognised, are classified as non-current.

23. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2019 $'000	**2018 $'000**
Current		
GST receivable	723	1,020
Fuel tax credit receivable	121	99
Trade debtors	407	248
Other debtors	1,343	315
Bank guarantees (restricted cash)	400	450
Total	**2,994**	**2,132**

Accounting Policies

TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO').

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

24. INVENTORIES

	Consolidated	
	2019 $'000	2018 $'000
Current		
Consumable stores	3,036	2,495
Ore stockpiles – at cost	1,636	1,135
Ore stockpiles – at net realisable value	7,747	5,736
Gold in circuit – at net realisable value	3,889	2,504
Total current	**16,308**	**11,870**
Non-current		
Ore stockpiles – at cost	1,504	1,504
Asset impairment charges	(1,504)	-
Total non-current	-	1,504

(a) Amounts recognised in profit or loss

Write-downs of inventories on hand at 30 June 2019 to net realisable value amounted to $2,354,000 (2018: $4,727,000). Write down of inventories during the year are recognised in profit and loss.

Accounting Policies

INVENTORY

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on an average basis.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the reporting date are classified as current assets, all other inventories are classified as non-current.

KEY JUDGMENTS

Inventories

Ore stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated processing plant metal recovery percentage. Stockpile tonnages are verified by periodic surveys.

25. TRADE AND OTHER PAYABLES

	Consolidated	
	2019 $'000	2018 $'000
Current		
Trade payables	28,215	13,924
Accrued expenses	11,421	14,815
Other creditors	1,739	660
Total	**41,375**	**29,399**

25. TRADE AND OTHER PAYABLES (CONT'D)

Accounting Policies

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. Except for the amount payable to MACA Mining Limited for $22.3 million, the amounts are unsecured and are usually paid within 30 to 60 days of recognition.

ANNUAL LEAVE

A liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may be reasonably entitled to.

DEFINED CONTRIBUTION SUPERANNUATION EXPENSE

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

26. PROVISIONS

		Consolidated	
	Note	2019 $'000	2018 $'000
Current			
Rehabilitation		261	-
Annual leave payable		1,081	844
Balance at 30 June		**1,342**	**844**
Non-Current			
Long service leave		80	49
Rehabilitation		25,088	26,060
Balance at 30 June		**25,168**	**26,109**
Provision for rehabilitation			
Balance at 1 July		26,060	24,912
Provisions re-measured during the year	12	(1,400)	598
Provision used during the year		(21)	(105)
Unwinding of discount	3	710	655
Balance at 30 June		**25,349**	**26,060**

The provision for mine rehabilitation and closure on acquired tenements has been recognised at each reporting date. The provision is based on the net present value of the current life of mine model.

Accounting Policies

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

LONG SERVICE LEAVE

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs. The benefit is discounted to determine its present value and the discount rate is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

KEY JUDGMENTS

Site rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Other disclosures

27. SHARE-BASED PAYMENTS

Options and performance rights are issued to directors, employees and service providers. The options and performance rights issued may be subject to performance criteria and are issued to directors and employees of the Company to increase goal congruence between employees, directors and shareholders. Options and performance rights granted carry no dividend or voting rights.

SUMMARY OF OPTIONS GRANTED

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options issued under the Employee Option Plan during the year:

	2019		2018	
	No.	**WAEP**	**No.**	**WAEP**
At beginning of reporting period	589,627,328	$0.076	29,191,667	$0.285
Granted during the period:				
- Entitlements Offer	573,638,562	$0.030	448,835,183	$0.080
- Employees and service providers	172,000,000	$0.050	119,221,895	$0.013
- Directors	-	-	20,000,000	$0.000
Forfeited during the period	(29,581,628)	$0.000	(875,000)	$0.503
Exercised during the period	(3,188,430)	$0.000	(97,719)	$0.202
Expired during the period	(535,818,796)	$0.008	(26,648,698)	$0.245
Balance the end of reporting period	**766,677,036**	**$0.0360**	**589,627,328**	**$0.076**
Exercisable at end of reporting period	**749,188,562**	**$0.0360**	**537,430,433**	**$0.0826**

		2019	**2018**
Weighted average remaining contractual life	**years**	1.6 years	0.8 years
Range of exercise prices	**$**	$0.00 - $0.308	$0.00 - $0.308
Weighted average fair value of entitlement offer options granted during the year	**$**	0.000	0.000
Weighted average fair value of employee and service providers' options granted during the year	**$**	0.003	0.083
Weighted average fair value of directors' options granted during the year	**$**	0.000	0.069

OPTION PRICING MODEL

The following table lists the inputs to the Black-Scholes & Monte Carlo pricing models used for the year ended 30 June 2019:

Allottee	**Number of options**	**Fair value at grant date per option $**	**Estimated volatility %**	**Life of option (years)**	**Exercise price $**	**Share price at grant date $**	**Risk free interest rate %**
Service providers	72,000,000	0.025	89.4%	5	0.080	0.042	2.26
Entitlement offer	573,638,562	-	n/a	1.5	0.030	n/a	n/a
Service providers	50,000,000	0.002	82%	1.5	0.030	0.012	1.51
Service providers	50,000,000	0.002	82%	1.5	0.030	0.012	1.51

27. SHARE-BASED PAYMENTS (CONT'D)

The following table lists the inputs to the Black-Scholes & Monte Carlo pricing models used for the year ended 30 June 2018:

Allottee	Number of options	Fair value at grant date per option $	Estimated volatility %	Life of option (years)	Exercise price $	Share price at grant date $	Risk free interest rate %
Service providers	2,000,000	0.132	90	2.5	0.308	0.265	1.98
Entitlement offer	448,835,183	0.000	n/a	n/a	n/a	n/a	n/a
Service providers	43,152,270	0.006	90	0.9	0.080	0.040	1.94
Service providers	42,472,730	0.022	90	0.7	0.080	0.077	2.02
Directors & employees	29,548,448	0.077	90	3.64	0.000	0.077	2.16
Directors & employees	22,048,448	0.052	90	3.64	0.000	0.077	2.16

Summary of performance rights granted

The following table illustrates the number ("No.") of, and movements in, performance rights issued under the Employee Option Plan during the year:

	2019 No.	2018 No.
At beginning of reporting period	-	4,150,000
Exercised during the period	-	(550,000)
Expired during the period	-	(3,600,000)
Balance the end of reporting period	**-**	**-**

Key estimates

Equity-based payments

The fair value of options granted to directors, executives and contractors is recognised as an expense with a corresponding increase in contributed equity. The fair value is measured at grant date and recognised over the period during which the directors, executives and contractors becomes unconditionally entitled to the options.

The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected divided yield and the risk-free interest rate for the term of the option.

28. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation included in employee benefits expense and share-based payments (note 27) is as follows:

	Consolidated 2019 $'000	Consolidated 2018 $'000
Short-term employee benefits	2,184	2,051
Long-term employee benefits	74	(190)
Post employment benefits	126	97
Termination benefits	244	7
Total compensation	**2,628**	**1,965**

28. RELATED PARTIES (CONT'D)

CONTROLLED ENTITIES

The consolidated financial statements include the assets, liabilities and results of the following wholly-owned subsidiaries:

Name of controlled entity	Country of incorporation	Consolidated entity company holding the investment	% Entity Interest 2019	2018
Scaddan Energy Pty Ltd	Australia	Blackham Resources Limited	100%	100%
Zanthus Energy Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Lignite Pty Ltd	Australia	Scaddan Energy Pty Ltd	100%	100%
Matilda Gold Pty Ltd	Australia	Blackham Resources Limited	100%	100%
Kimba Resources Pty Ltd	Australia	Matilda Gold Pty Ltd	100%	100%
Matilda Operations Pty Ltd	Australia	Matilda Gold Pty Ltd	100%	100%

Parent entity

Blackham Resources Limited is the parent entity of the Group.

TRANSACTIONS WITH RELATED ENTITIES

XAVIER GROUP PTY LTD ("XAVIER")

Mr Milan Jerkovic is an officer of Xavier, a company who provides consulting services to the Group. During the year, Xavier was paid $176,030 (2018: $324,000) for consulting services provided to the Group. $43,290 (2018: $41,000) was outstanding at balance date. All transactions were made on normal commercial terms and conditions and at market rates.

LOANS TO/ FROM RELATED PARTIES:

There were no loans from related parties as at 30 June 2019.

29. JOINT VENTURES AND ASSOCIATES

Joint Operation	Joint Operation Parties	Principal Activities	30 June 2019 Interest %	30 June 2018 Interest %
Wilconi JV	Blackham A-Cap Resources Limited	Exploration	20%	-

The joint venture operations are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint operation assets.

30. PARENT ENTITY INFORMATION

The following information is for the parent entity, Blackham Resources Limited, at 30 June 2019. The information presented here has been prepared using consistent accounting policies as detailed in the relevant notes of this report.

	2019 $'000	2018 $'000
Current assets	1,462	20,968
Non-current assets	81,589	137,878
Total assets	**83,051**	**158,846**
Current liabilities	(20,828)	(25,231)
Non-current liabilities	(46)	(10,334)
Total liabilities	**(20,874)**	**(35,565)**
Issued capital	175,285	145,459
Reserves	5,646	4,620
Accumulated losses	(118,754)	(26,798)
Total equity	**62,177**	**123,281**
Total comprehensive (loss) of the parent	**(93,317)**	**(4,952)**

There are no contingent liabilities of the parent entity as at the reporting date.

31. COMMITMENTS

OPERATING LEASES

Operating lease commitments includes contracted amounts for offices and supply of electricity to the Matilda-Wiluna Gold Operation under non-cancellable operating leases expiring within one to ten years. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:

	Consolidated	
	2019 $'000	**2018 $'000**
Not longer than one year	2,274	1,976
Longer than one year, but not longer than five years	3,588	4,940
Longer than five years	-	-
Total	**5,862**	**6,916**

FINANCE LEASES

The Group holds finance leases for the acquisition of motor vehicles. The agreements incorporate a fixed rate between of 2% and 5% (2018: 2% and 5%), monthly repayments and expiry dates between June 2019 and July 2021:

	Consolidated	
	2019 $'000	**2018 $'000**
Not longer than one year	150	177
Longer than one year, but not longer than five years	150	134
Longer than five years	57	72
Total	**357**	**383**

CONTRACTUAL COMMITMENTS

On 5 December 2017, the Group re-negotiated its agreement with Synergy for the supply of gas to the Matilda-Wiluna Gold Operation. In addition, during FY19 the Group entered into a new gas supply contract with Kufpec Australia Pty Ltd. The terms of these agreement commit the Group to purchasing a minimum amount of gas for the term of the contract. As at 30 June 2019, at the current contract price, the Group had commitments to purchase gas for the remaining term of $1,004,000 (2018: $1,040,000).

During FY19, the Group's agreements with APA and Goldfields Gas Transmission Pty in relation to gas transportation to the Matilda-Wiluna Gold Operation, were extended out to 2021 with no other amendments made to the terms. The terms of the agreements commit the Group to transporting a minimum monthly amount of gas for the term of the contract. As at 30 June 2019, at the current contract prices, the Group had commitments for the use of the pipeline for the remaining term of $2,273,000 (2018: $754,000).

	Consolidated	
	2019 $'000	**2018 $'000**
Not longer than one year	2,521	1,794
Longer than one year, but not longer than five years	756	-
Longer than five years	-	-
Total	**3,277**	**1,794**

32. CONTINGENT ASSETS AND LIABILITIES

CONTINGENT LIABILITIES:

As part of the sale and purchase agreement of the Wiluna Gold Project from Apex Minerals NL (Receivers and Managers Appointed)(In Liquidation) and Apex Gold Pty Ltd (Receivers and Managers Appointed)(In Liquidation), the following contingent liabilities exist:

- $1,300,000 in cash (or shares at Blackham's election) on production of 50,000 ounces of gold from the Wiluna tenements.
- $1,300,000 in cash (or shares at Blackham's election) on production of 100,000 ounces of gold from the Wiluna tenements.

CONTINGENT ASSETS:

As part of the farm-in and Joint Venture Agreement with A-Cap Resources Limited on the exploration tenements ("project") owned by the Group, the following contingent assets exist:

- $500,000 in cash and incurred Exploration expenditure of not less than $5 million on exclusive right to earn 35% participant interest on the project by A-Cap Resources Limited (Second Earn in Interest).
- $1 million in cash and issuing A-Cap Resources Limited' shares equal to $1.5 million on exclusive right to earn 20% participant interest on the project by A-Cap Resources Limited (Third Earn in Interest).

33. AUDITORS' REMUNERATION

	Consolidated	
	2019 $'000	**2018 $'000**
Audit services – RSM Australia Partners		
- Auditing or reviewing the financial report	128	118
- Other services	-	11
Total	**128**	**129**

34. SUBSEQUENT EVENTS

Salt Lake Potash

On 23 July 2019, Blackham announced that it had agreed to sell its Lake Way tenements, cancel its brine royalty and provide certain water rights to Salt Lake Potash Limited (ASX: SO4) ("Salt Lake Potash") for $10 million cash, whilst retaining certain gold mining rights for both those tenements and Salt Lake Potash's neighbouring tenements ("Lake Way Transaction"). The Lake Way transaction does not restrict Blackham's mining activities as it progresses towards Stage 1 of its Sulphide Expansion Project.

Salt Lake Potash and Blackham also identified a mutual opportunity for Salt Lake Potash to utilize part of the pre-strip material from Blackham's proposed Williamson Pit development for the construction of the Salt Lake Potash's on-lake evaporation ponds. Salt Lake Potash will contribute up to $10 million to the pre-strip of the Williamson open pit mine, allowing Blackham to expedite the mining of the Williamson open pit and also provide Salt Lake Potash with suitable construction material for its Lake Way Sulphate of Potash project.

Lind Funding Facility

In order to simplify its capital structure, Blackham finalized the process to repay and discharge its funding facility with an entity managed by The Lind Partners ("Lind"). The outstanding balance of $2,925,000 on 2 September 2019 was settled through a cash payment of $1,625,000 and the issue of 144,444,445 fully paid ordinary shares in Blackham.

MACA Working Capital Facility

During the year and subsequent to reporting date, the Company also entered into a working capital facility with MACA that will assist Blackham to progress towards its transition to the Stage 1 Expansion Sulphide Development, targeting 120kozpa and long mine life. Pursuant to the working capital facility, MACA will provide Blackham with working capital of up to $19 million until 29 February 2020, which will be provided to Blackham in the form of extended payment terms for amounts payable to MACA under its mining services contract.

Capital Raising

On 12 September 2019, Blackham announced a capital raising of up to $7 million (before costs) that will provide funding for key mine development work programs that will underpin Blackham's FY20 production, including pre-production activities at the Williamson open pit, a new tailings storage facility, rod mill refurbishment, and for general working capital. The capital raising comprises of a $4 million placement to a small number of targeted international and domestic institutional and professional investors at a price of $0.01 per share and a share purchase plan to existing shareholders for up to a further $3 million, at the same price as the Placement.

Apart from the above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

35. ROUNDING

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/91 and in accordance with that class order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

36. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

New standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. At the date of this report, the Group does not plan to adopt these standards early.

Standard/Interpretation	Description
AASB 16 'Leases' Effective for annual reporting periods beginning on or after: 1 January 2019 Expected to be initially applied in the financial year ending: 30 June 2019	The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group is in the process of assessing the impact of the application of AASB 16.

Directors' Declaration

In accordance with a resolution of the directors of Blackham Resources Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements, notes and additional disclosures included in the directors' report designated as audited, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

3. The directors draw attention to the notes to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the board

____

Milan Jerkovic
Executive Chairman
Perth, 27 September 2019

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BLACKHAM RESOURCE LIMITED

Opinion

We have audited the financial report of Blackham Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the going concern note in the Basis of Preparation section in the notes to the financial statements, which indicates that the Group incurred a loss of $73,161,000 for the year ended 30 June 2019 and, as of that date, the Group had net current liabilities of $36,184,000. As stated in the going concern note, these events or conditions, along with other matters as set forth in the going concern note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Mine properties - Refer to Note 12 and 13 to the financial statements	
The Group holds mine properties with a carrying value of $73.4 million. This asset balance is considered a key audit matter due to the significant judgment involved in determining the appropriate accounting treatment. Areas of judgment include: • The transfer of the exploration and evaluation asset to mine properties during the year; • Application of the units of production method in determining the amortisation charge. This includes determining the appropriate mine reserve estimate and the cost allocation attributable to each asset; and • The recognition and measurement of the deferred stripping asset, which involves determining the date of commercial production, identifying the components within the ore body being stripped, determining the costs relating to the stripping activity and estimating the stripping ratio over the life of mine.	Our audit procedures included: • Reviewing management's amortisation models and agreeing key inputs to supporting information. This included an assessment of the work performed by management's expert in respect of the Life of Mine model and the mine reserve estimate, including the competency and objectivity of the expert; • Testing the mathematical accuracy of the rates applied; • Reviewing management's assessment that the technical feasibility and commercial viability of extracting a mineral resource was demonstrable, and that therefore the existing exploration and evaluation asset should be transferred to mine properties; • Agreeing a sample of the additions, including the transfer of the exploration and evaluation asset, to mine properties during the year to supporting documentation to ensure that the amounts were capital in nature; and • Assessing whether the recognition of the deferred stripping asset was consistent with the requirements of Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine,* including the determination of the date of commercial production and the identification of the relevant ore body.
Impairment of processing plant and mine properties - Refer to Note 11, 12, 13 and 15 to the financial statements	
The carrying value of the Group's non-current assets, which includes processing plant and mine properties amounted to $118.5 million at the reporting date. The Group is exposed to volatility in commodity prices, foreign exchange and the reduction in production of its operations are factors which intensify the risk of impairment associated with the Group's non-current assets. The management has identified that impairment indicators existed at the reporting date.	Our audit procedures included: • Assessing management's determination of allocating the non-current assets to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported; • Assessing the appropriateness of the impairment model prepared by management; • Challenging the reasonableness of key assumptions used in the impairment model, including:

The management's assessment of the recoverability of these non-current assets is performed using an impairment model which is based on the 'value-in-use' of the cash generating unit (CGU). This impairment model is dependent on macro-economic assumptions about future commodity prices and exchange rates as well as the Group's internal assumptions for the future productions level, life of mine and operations costs. An impairment expense of $45.0 million has been recognised within adjusting items as set out in Note 15 to the financial statements. We determined this area to be a key audit matter due to the significant account balances and the judgement involved in the preparation of the impairment model.	- future production levels and operations costs; - future commodity prices and exchange rates; - estimated reserves and resources; - the discount rate applied; and - the life of mine; • Checking the mathematical accuracy of the impairment model and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • Assess the adequacy of the disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Blackham Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 27 September 2019

TUTU PHONG
Partner

ASX Additional Shareholder Information

SHAREHOLDING

The distribution of members and their holdings of equity securities in the Company is:

Number Held as at 23 September 2019	Fully Paid Ordinary Shares
1 - 1,000	90,568
1,001 - 5,000	1,355,320
5,001 – 10,000	4,100,051
10,001 - 100,000	112,598,487
100,001 and over	4,289,098,161
Totals	**4,407,242,587**

The number of holders with less than a marketable parcel of fully paid ordinary shares is 2,591.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as at 23 September 2019:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
MACA LIMITED	651,408,220	16.30
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	312,000,000	7.08

VOTING RIGHTS

ORDINARY SHARES

In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest ordinary fully paid shareholders at 23 September 2019:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
MACA LIMITED	694,908,220	15.77
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	312,000,000	7.08
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	206,805,330	4.69
CITICORP NOMINEES PTY LIMITED	162,252,408	3.68
LIND ASSET MANAGEMENT XIV, LLC	159,280,061	3.61
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	95,312,150	2.16
BNP PARIBAS NOMINEES PTY LTD	73,666,011	1.67
MR MILAN JERKOVIC	64,263,256	1.46
TYSON RESOURCES PTY LTD	46,081,515	1.05
MCNEIL NOMINEES PTY LIMITED	42,244,581	0.96
MR CLAUDE CAINERO & MR HAK HAU KWOK	38,557,517	0.87
MR IAIN JAMES AITKEN	30,773,400	0.70
DR STEPHEN GARTH NORDSTROM	30,000,000	0.68
AJAVA HOLDINGS PTY LTD	27,912,658	0.63
VINGO HOLDINGS LTD	25,760,546	0.58
ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD	25,000,000	0.57
LEET INVESTMENTS PTY LIMITED	24,000,000	0.54
CUSTODIAL SERVICES LIMITED	21,846,101	0.50
SWISS TRADING OVERSEAS CORP	21,671,000	0.49
MR HUGH ROBINSON BEGGS	20,131,015	0.46
Total	**2,122,465,769**	**48.16**

RESTRICTED SECURITIES

The Company has no restricted securities.

TWENTY LARGEST OPTION HOLDERS

The names of the twenty largest listed option holders at 23 September 2019:

Name	Number of Fully Paid Ordinary Shares Held	% Held of Issued Ordinary Capital
MACA LIMITED	128,802,740	19.12
BERNE NO 132 NOMINEES PTY LTD	50,000,000	7.42
ZENIX NOMINEES PTY LTD	50,000,000	7.42
LIND ASSET MANAGEMENT XIV, LLC	42,934,246	6.37
TAYLOR FAMILY INVESTMENTS PTY LTD	34,700,000	5.15
MCNEIL NOMINEES PTY LIMITED	26,372,144	3.91
CS THIRD NOMINEES PTY LIMITED	19,349,752	2.87
MR MILAN JERKOVIC	19,243,071	2.86
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,435,995	1.99
MR ADAM ANTHONY MIOCEVICH	12,600,000	1.87
AJAVA HOLDINGS PTY LTD	10,304,219	1.53
VINGO HOLDINGS LTD	8,586,848	1.27
MR ROBERT WALTER RUSH	8,123,431	1.21
BINKARRA PTY LTD	8,058,333	1.20
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,964,619	1.18
ROSS SUTHERLAND PROPERTIES PTY LTD	6,525,000	0.97
CITICORP NOMINEES PTY LIMITED	5,978,178	0.89
MR CLAUDE CAINERO & MR HAK HAU KWOK	5,288,429	0.79
ALCARDO INVESTMENTS LIMITED	5,250,219	0.78
LEEJAMES NOMINEES PTY LTD	5,000,000	0.74
Total	**468,517,224**	**69.55**

UNLISTED OPTIONS

The unlisted options on issue at 23 September 2019:

Grant Date	Number of options Held	Number of holders
12 August 2016	200,000	1
1 September 2017	2,000,000	1
5 December 2018 – Lind Asset Management XIV, LLC	72,000,000	1
11 May 2018	17,908,759	11
5 July 2019	81,561,392	21
26 August 2019	13,774,754	7

Schedule of Mineral Tenements & Rights

AS AT 27 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	100%
Wiluna	E53/1853	100%
Wiluna	E53/1862 to E53/1863	100%
Wiluna	E53/1908	100%
Wiluna	E53/1912	100%
Wiluna	G53/0018 to G53/0019	100%
Wiluna	G53/0021 to G53/0023	100%
Wiluna	L53/0020 to L53/0024	100%
Wiluna	L53/0030	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0051	100%
Wiluna	L53/0053	100%
Wiluna	L53/0062	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0140	100%
Wiluna	L53/0144	100%
Wiluna	L53/0202	100%
Wiluna	M53/0006	100%
Wiluna	M53/0024 to M53/0027	100%
Wiluna	M53/0030	97.5%
Wiluna	M53/0032	100%
Wiluna	M53/0034	100%
Wiluna	M53/0040 to M53/0041	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0045	100%
Wiluna	M53/0049	100%
Wiluna	M53/0050	100%
Wiluna	M53/0052 to M53/0054	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0092	100%
Wiluna	M53/0095 to M53/0096	100%

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