ASX Announcement
7th December 2016

DRILLING CONFIRMS WILUNA OPEN PIT MINING POTENTIAL

Blackham Resources Ltd **(ASX: BLK) ("Blackham")** is pleased to announce additional assay results from the East and West Lodes at Wiluna which were drilled as part of a 25,000m RC and diamond drilling program undertaken to investigate open pit potential at Wiluna and support the mill expansion study. These results follow on from those reported to the ASX on 9th November 2016 and confirm continuity of mineralisation.

Drilling has continued to intersect significant mineralisation along strike, between and beneath the East, West and North pits at shallow depths, highlighting the potential for open pit mining.

Highlights:

- **High grade mineralisation intersected at shallow depths**
- **Continuity of mineralisation over 300m outside current pit**
- **Discovery of new mineralisation between East and West Lodes; remains open**
- **Amenable to open pit mining**

Significant results include:

○ **WURC0127: 24m @ 7.73 g/t from 95m &**	**186 g*m**
21m @ 1.19g/t from 129m (EOH)	**25 g*m**
○ **WURC0119: 10m @ 3.51g/t from 65m &**	**35 g*m**
13m @ 2.87g/t	**37 g*m**
○ **WURC0117: 8m @ 2.21g/t from 172m**	**18 g*m**
○ **WURC0125: 14m @ 1.60g/t from 123m**	**22 g*m**

Blackham's 100% owned Matilda and Wiluna Gold Operations are located in Australia's largest gold belt. The Wiluna Gold Plant is located in the centre of the combined Operation and can currently process 1.7Mtpa or ~100,000ozpa (Stage 1). The project contains JORC 2012 Measured, Indicated and Inferred Resources of 48Mt @ 3.3g/t for 5.1Moz Au (refer to ASX release 27th June 2016) within a 860km^2 exploration tenement package which has historically produced in excess of 4.3 million ounces. A mill expansion study (Stage 2), which is exploring the potential to grow production beyond 200,000ozpa, is in progress.

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Since the mid 1990's, previous operators at the Wiluna Mine have focused on the underground resources and have not explored the potential of open pit cutbacks. As outlined in a release to the ASX dated 9th November 2016, preliminary mining pit optimisations of mineralisation modelled using underground cut-off grades from only the historical drilling indicate the potential to profitably extract higher grade mineralisation beneath and along strike from existing pits. Pit optimisations based on an A$1,800 gold price indicate that with additional drilling there is the potential to have a single 1.9km long open pit from Bulletin to Happy Jack and deeper pits beneath the existing East and West pits (Figure 1).

Assays have now been received for the remaining holes drilled as part of the open pit and mill expansion study which targeted the East and West Lodes. The East and West Lodes are located within 1.5km of the refurbished Wiluna Gold Plant (Figure 1). Results for the remainder of the drilling program are expected within the next two weeks.

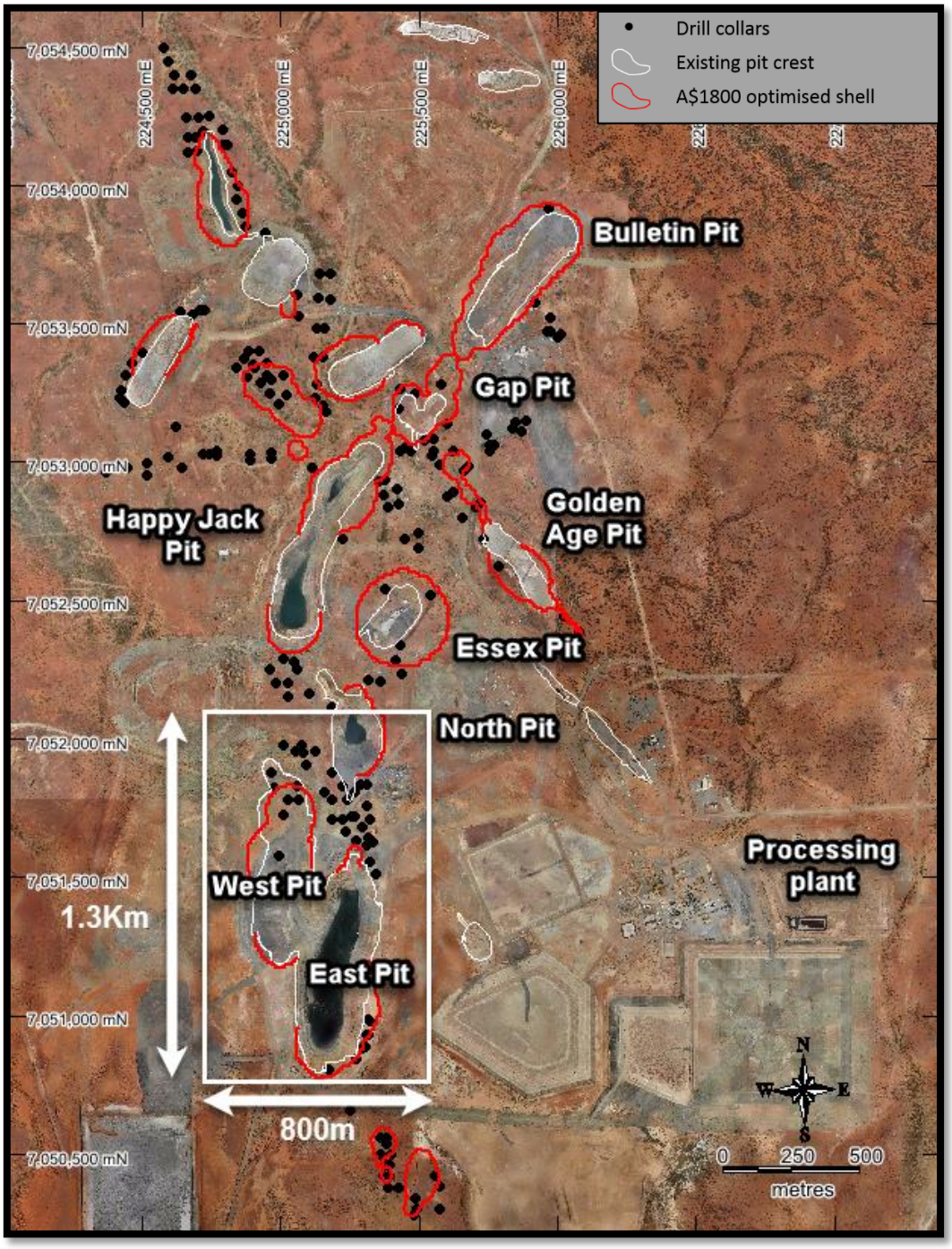

Figure 1. RC and Diamond drilling collar locations. Current pit crests shown as white outline with the A$1800 pit optimisation based on historical drilling shown as red outlines. White rectangle shows location of Figure 2.

The East and West Lodes at Wiluna have historically produced over 1.5Moz predominately from underground mining. Mineralisation has been intersected below and along strike from the East and West pits (Figure 2) and results to date from the East Lode indicate good continuity of mineralisation between the East and North Pits with an overall strike length in excess of 1.4km.

Historical drilling targeting the West Lode intersected mineralisation between the East and West Lodes including 12m @ 2.9g/t from 124m (including 5m @ 5.4g/t), 25m @ 2.7g/t from 126m (including 10m @ 3.5g/t) and 18m @ 3.3g/t from 106m (including 10m @ 5.1g/t). Many of the historical holes which intersected this central zone were drilled on two sections and limited drilling to the north and south was often only assayed on broad composite intervals. A re-logging and resampling program is currently underway on all available historical holes which are likely to have intersected this structure.

Several holes drilled as part of the current campaign targeted this central lode and have returned significant intercepts including:

- **WURC0119: 13m @ 2.87g/t from 90m (including 3m @ 9.38g/t) 37 g*m**
- **WURC0127: 21m @ 1.19g/t from 129m (End of hole) 25 g*m**
- **WURC0117: 8m @ 2.21 g/t from 172m 18 g*m**
- **WURC0091: 13m @ 2.23g/t from 64m (previously reported) 29 g*m**
- **WURC0085: 5m @ 2.41g/t from 141m (previously reported) 12 g*m**

Due to the limited drill testing of this zone (Figure 3), the orientation of mineralisation is unconfirmed at this stage. However, indications are that this zone may represent a linking structure between the East and West Lodes. Mineralisation in this central zone remains open to the north, south and down dip (Figure 3 -Figure 5). Any mineralisation identified between the East and West lodes is likely to have significant economic impact as it will lower the strip ratio and potentially allow the East and West lodes to be mined within a single pit.

Further significant mineralisation was intersected on the East Lode between the North and East pits enhancing the potential for the pits to be combined.

Better intercepts from the East Lode include:

- **WURC0127: 24m @ 7.73 g/t from 95m (including 14m @ 12.5g/t) 186 g*m**
- **WURC0119: 10m @ 3.51 g/t from 65m (including 2m @ 13.2g/t) 35 g*m**
- **WURC0115: 9m @ 1.29 g/t from 282m 12 g*m**
- **WURC0121: 12m @ 1.63 g/t from 32m 20 g*m**
- **WURC0125: 14m @ 1.60 g/t from 123m 22 g*m**
- **WURC0130: 3m @ 7.14 g/t from 140m 21 g*m**
- **WURC0113: 11m @ 1.81 g/t from 169m 20 g*m**

All intercepts from the holes targeting the East and West lodes are given in Table 1.

The Resources at the Matilda and Wiluna Gold Operation currently stand at **48Mt @3.3g/t for 5.1Moz Au (48% indicated)** (ASX release 27th June 2016). The Project resources are currently being re-estimated to incorporate this additional drilling.

An update of the East West resource model is nearing completion. Resource estimates are also in the process of being completed at the remaining deposits. There is the potential for a significant reduction in operating costs if sufficient additional open pit resources to justify a mill expansion can be identified.

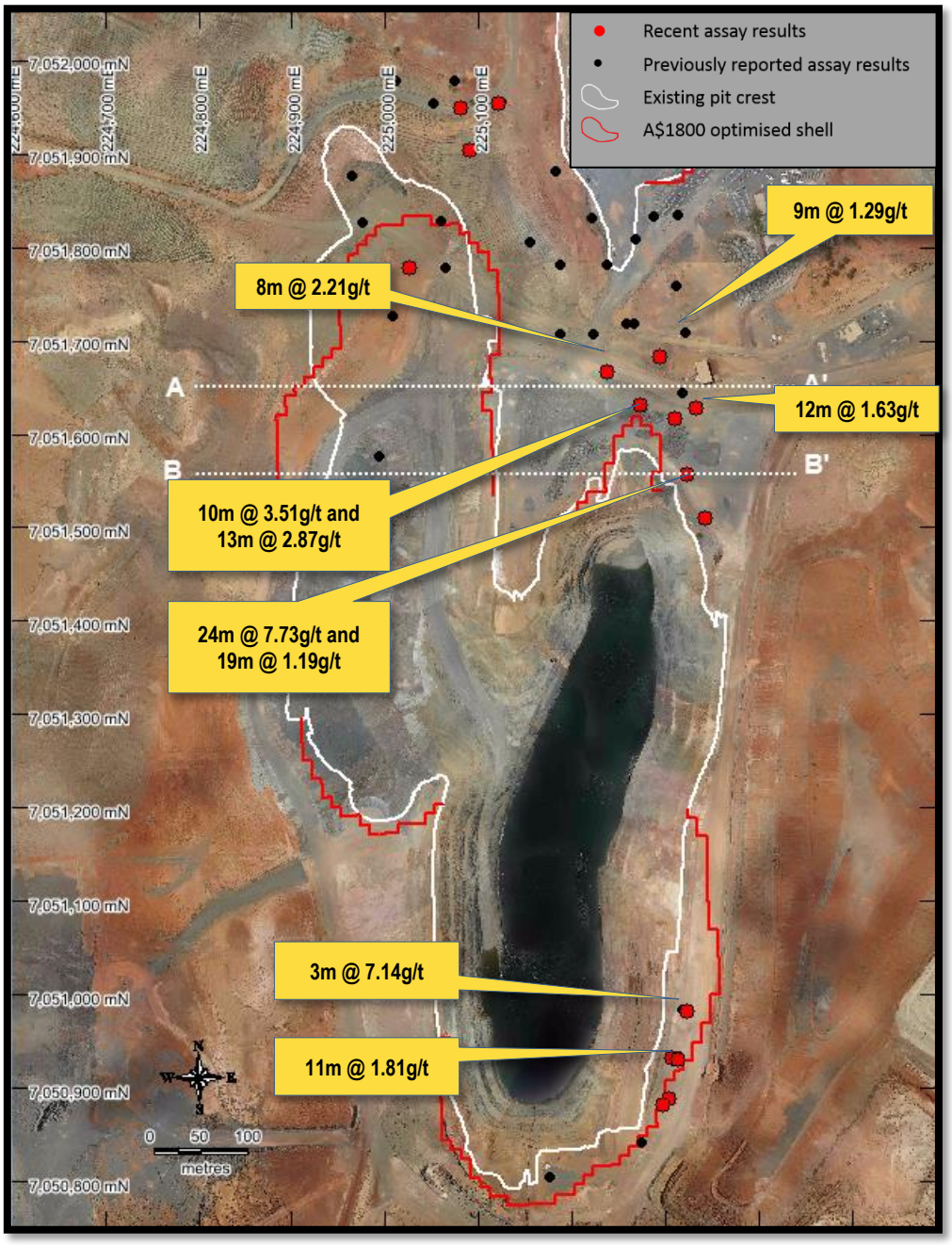

Figure 2. Collar locations and significant intersections from the northern strike extensions of East and West Lodes

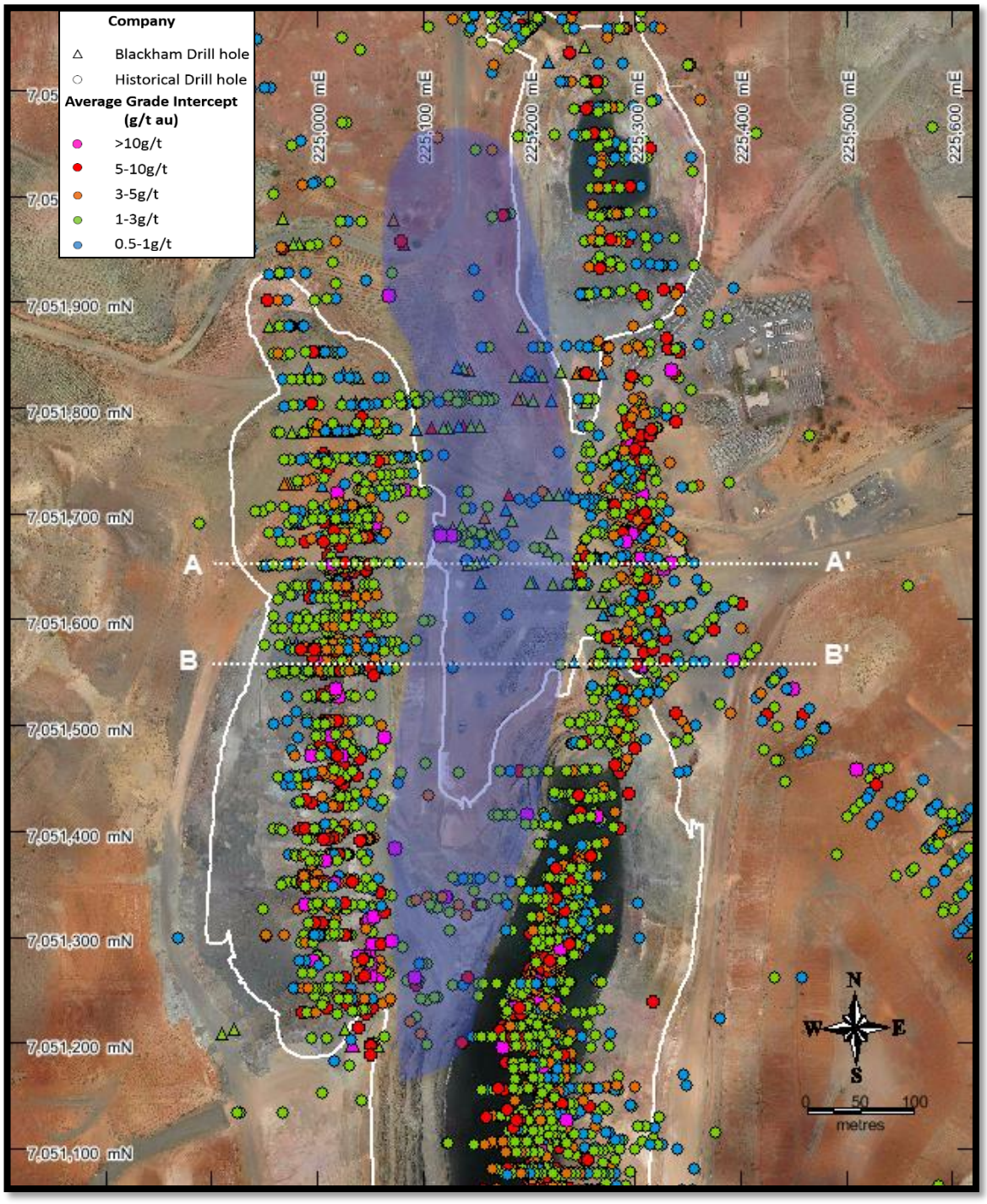

Figure 3. Pierce points of mineralised intercepts at depths shallower than 300 vertical metres. Blue polygon outlines zones of mineralisation between the East and West lodes which has not been captured in pit optimisation studies.

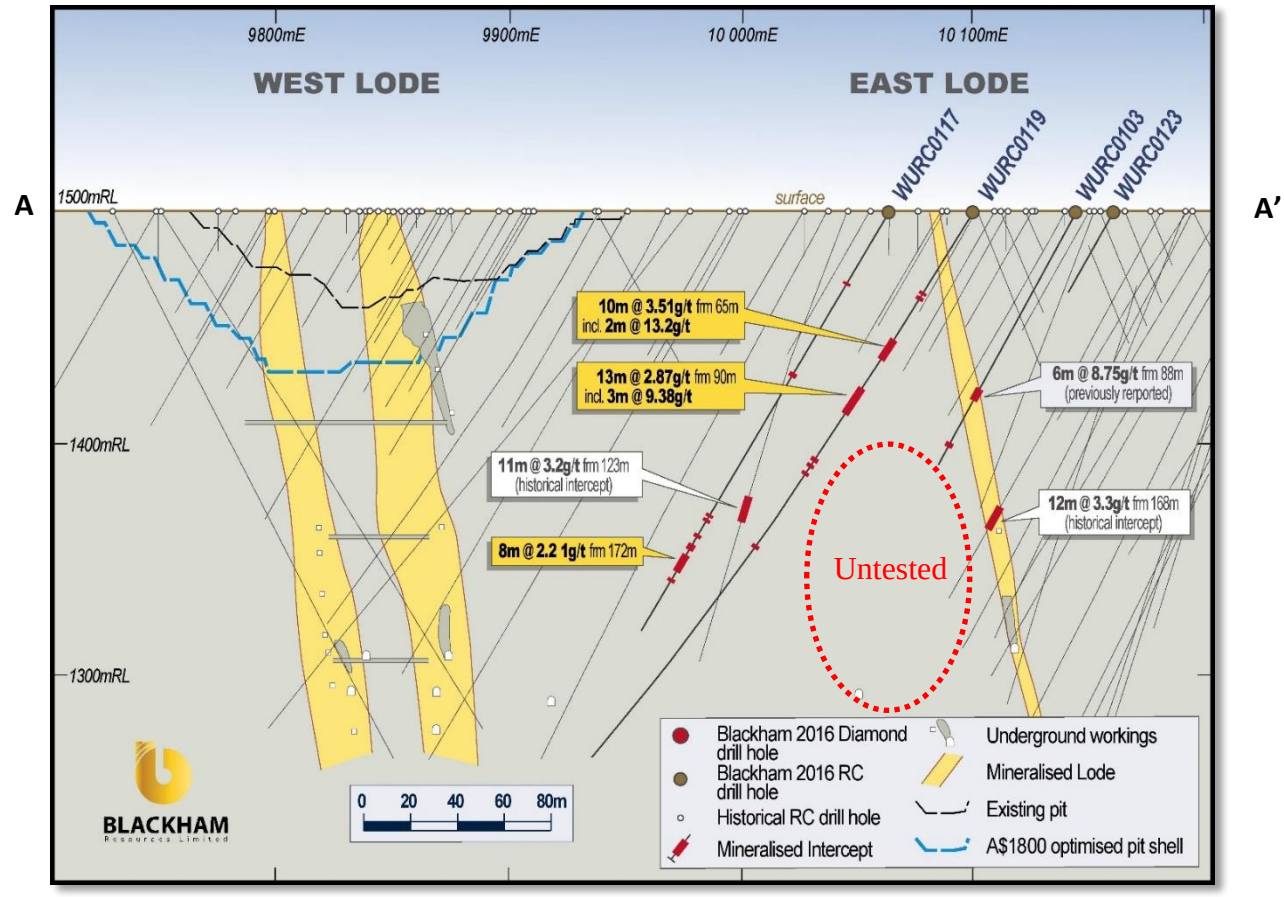

Figure 4. Cross Section 10290N looking North through East and West Lodes.

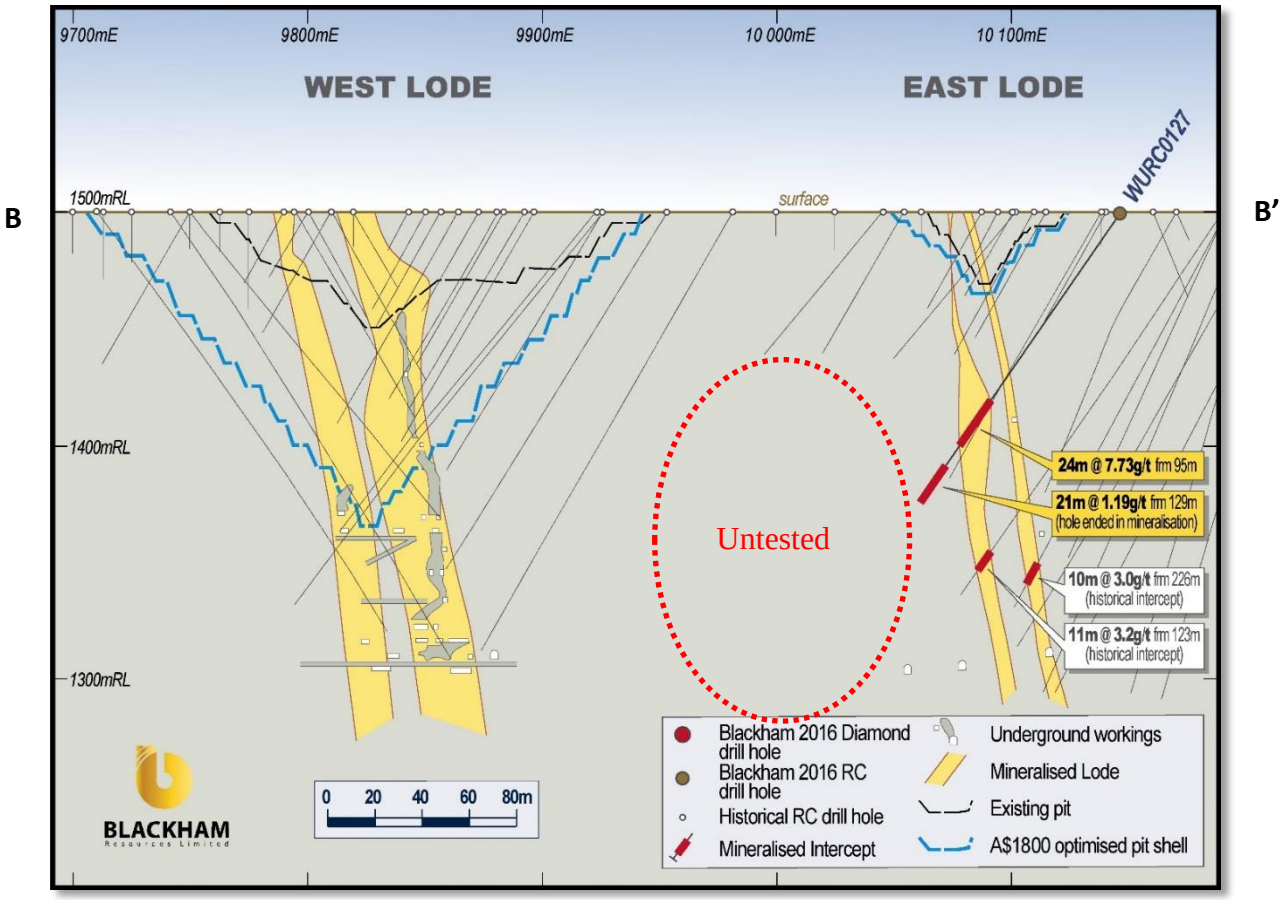

Figure 5. Cross Section 10190N looking North through East and West Lodes.

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Gold Resources

The Matilda Gold Project has an updated Mineral Resource of **48Mt @ 3.3g/t for 5.1Moz** (48% indicated) all within a 20 kilometres radius of Blackham's 100% owned Wiluna gold plant capable of processing up to 1.7Mtpa for over 100,000ozpa gold production (refer to BLK ASX release dated 27th June 2016). Measured and Indicated Resources now total **22Mt @ 3.4g/t for 2.4Moz**.

Matilda Gold Project Resource Summary												
Mining Centre	Measured			Indicated			Inferred			Total 100%		
	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au	Mt	g/t Au	Koz Au
Matilda Mine	0.2	2.1	13	7.8	1.8	447	5.1	1.6	261	13.1	1.7	**721**
Western/ Bulletin Shear				5.7	5.6	1031	5.4	5.2	924	11.3	5.4	**1955**
Eastern Shear				3.4	5.4	595	3.4	4.3	479	6.8	4.9	**1075**
Moonlight Shear				0.4	3.4	47	3	4.6	451	4.0	4.5	**498**
Golden Age				0.4	4.5	51	0.9	3.7	107	1.3	3.8	**158**
Galaxy				0.4	3.1	42	0.4	2.2	25	0.8	2.7	**68**
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7.1	1.6	**360**
Regent				0.7	2.7	61	3.1	2.1	210	3.8	2.2	**271**
Total	**0.2**	**2.1**	**13**	**22**	**3.4**	**2,444**	**25**	**3.3**	**2,647**	**48**	**3.3**	**5,106**

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location shape and continuity of the occurrence and on the available sampling results. The figures in the above table are rounded to two significant figures to reflect the relative uncertainty of the estimate.

Competent Persons Statement

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

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

With regard to the Matilda Gold Project 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 14 March 2016, 17 June 2016 and 27 June 2016 continue to apply and have not materially changed.

Forward Looking Statements

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

Table 1.Significant assays

Hole ID	East	North	RL	EOH (m)	Azi	Dip	From	To	Downhole Thickness (m)	Au g/t	True Thickness (m)
WURC0053	225090	7051904	1499	102	270	-60	NSI				
WURC0109	**225303**	**7050889**	**1498**	**210**	**267**	**-74**	**172**	**174**	**2.0**	**2.37**	**1.3**
WURC0111	225305	7050932	1498	150	270	-50	80	81	1.0	1.41	0.7
WURC0113	225312	7050932	1498	252	269	-75	169	180	11.0	1.81	7.3
						incl.	**179**	**180**	**1.0**	**6.70**	**0.7**
WURC0115	225292	7051683	1499	300	271	-59	135	137	2.0	1.43	1.3
							241	**242**	**1.0**	**1.29**	**0.7**
							249	250	1.0	1.56	0.7
							282	**291**	**9.0**	**1.29**	**6.0**
WURC0117	225236	7051668	1499	210	262	-59	36	37	1.0	1.33	0.7
							167	169	2.0	1.54	1.3
							172	**180**	**8.0**	**2.21**	**5.3**
							184	185	1.0	1.63	0.7
WURC0119	225272	7051632	1499	300	273	-59	2	4	2.0	1.32	1.3
							65	75	10.0	3.51	6.7
						incl.	**69**	**71**	**2.0**	**13.20**	**1.3**
							90	103	13.0	2.87	8.7
						incl.	**93**	**96**	**3.0**	**9.38**	**2.0**
							133	134	1.0	2.22	0.7
WURC0121	225309	7051616	1499	108	270	-60	32	44	12.0	1.63	8.0
							78	**79**	**1.0**	**1.28**	**0.7**
							95	98	3.0	1.28	2.0
WURC0123	**225331**	**7051628**	**1500**	**150**	**251**	**-60**	116	118	2.0	3.00	1.3
						incl.	**116**	**117**	**1.0**	**5.31**	**0.7**
WURC0125	**225342**	**7051510**	**1498**	**150**	**270**	**-61**	**123**	**137**	**14.0**	**1.60**	**9.3**
WURC0127	225321	7051557	1499	150	270	-56	95	119	24.0	7.73	16.0
						incl.	**100**	**114**	**14.0**	**12.45**	**9.3**
							129	150	21.0	1.19	14.0
WURC0130	**225322**	**7050982**	**1497**	**165**	**271**	**-80**	**68**	**70**	**2.0**	**1.92**	**1.3**
							140	143	3.0	7.14	2.0
							147	**148**	**1.0**	**4.05**	**0.7**
WURD0019	225296	7050882	1498	160	272	-50	2	4	2.0	1.68	1.3
							11	**14**	**3.0**	**4.60**	**2.0**
						incl.	11	12	1.0	8.79	0.7
							27	**46**	**19.0**	**0.93**	**12.7**

** Grid is GDA_94 Z51S. Intercepts are calculated using a minimum assay grade of 0.6g/t, minimum 1.2 gram x metres, maximum 2m internal dilution. NSI = No significant intercept. WURC = RC holes, WURD = RC pre-collar with a diamond tail*

APPENDIX A - JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Wiluna data represents a portion of a large drilling database compiled since the 1930's by various project owners. Historically (pre-Blackham Resources), drill samples were taken at predominantly 1m intervals in RC holes, or as 2m or 4m composites in AC holes. Historical core sampling is at various intervals so it appears that sampling was based on geological observations at intervals determined by the logging geologist. Blackham Resources has used i) reverse circulation drilling to obtain 1m samples from which ~3kg samples were collected using a cone splitter connected to the rig, and ii) and NQ2 core with ½ core sampling. • Blackham's sampling procedures are in line with standard industry practice to ensure sample representivity. Core samples are routinely taken from the right-hand-side of the cut line. For Blackham's RC and AC drilling, the drill rig (and cone splitter) is always jacked up so that it is level with the earth to ensure even splitting of the sample. It is assumed that previous owners of the project had procedures in place in line with standard industry practice to ensure sample representivity. • At the laboratory, samples >3kg were 50:50 riffle split to become <3kg. The <3kg splits were crushed to <2mm in a Boyd crusher and pulverized via LM5 to 90% passing 75µm to produce a 50g charge for fire assay. Historical assays were obtained using either aqua regia digest or fire assay, with AAS readings. • Blackham Resources analysed samples using ALS laboratories in Perth. Analytical method was Fire Assay with a 50g charge and AAS finish. Historically, gold analyses were obtained using industry standard methods; split samples were pulverized in an LM5 bowl to produce a 50g charge for assay by Fire Assay or Aqua Regia with AAS finish at the Wiluna Mine site laboratory.

Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Blackham data reported herein is RC 5.5" diameter holes. Downhole surveys are taken every ~5 or 10m using a gyro tool Historical drilling data contained in this report includes RC, AC and DD core samples. RC sampling utilized face-sampling hammer of 4.5" to 5.5" diameter, RAB sampling utilized open-hole blade or hammer sampling, and DD sampling utilized NQ2 half core samples. It is unknown if core was orientated, though it is not material to this report. All Blackham RC drilling used a face-sampling bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For Blackham RC drilling, chip sample recovery is visually estimated by volume for each 1m bulk sample bag, and recorded digitally in the sample database. For DD drilling, recovery is measured by the drillers and Blackham geotechnicians and recorded into the digital database. Recoveries were typically 100% except for the non-mineralised upper 3 or 4m. For historical drilling, recovery data for drill holes contained in this report has not been located or assessed, owing to incomplete data records. Database compilation is ongoing. • RC drilling, sample recovery is maximized by pulling back the drill hammer and blowing the entire sample through the rod string at the end of each metre. Where composite samples are taken, the sample spear is inserted diagonally through the sample bag from top to bottom to ensure a full cross-section of the sample is collected. To minimize contamination and ensure an even split, the cone splitter is cleaned with compressed air at the end of each rod, and the cyclone is cleaned every 50m and at the end of hole, and more often when wet samples are encountered. Historical practices are not known, though it is assumed similar industry-standard procedures were adopted by each operator. For historical drilling with dry samples it is unknown what methods were used to ensure sample recovery, though it is assumed that industry-standard protocols were used to maximize the representative nature of the samples, including dust-suppression and rod pull-back after each drilled interval. For wet samples, it is noted these were collected in polyweave bags to allow excess water to escape; this is standard practice though can lead to biased loss of sample material into the suspended fine sample fraction. For DD drilling, sample recovery is maximised by the use of short drill runs (typically 1.5m) and triple tube splits for HQ3 drilling. • For Blackham drilling, no such relationship was evaluated as sample recoveries were generally excellent.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill samples have been logged for geology, alteration, mineralisation, weathering, and other features to a level of detail considered appropriate for geological and resource modelling. • Logging of geology and colour for example are interpretative and qualitative, whereas logging of mineral percentages is quantitative. • All holes were logged in full.

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC sampling with cone splitting, and 4m scoop composites compiled from individual 1m samples. • Sampling is RC. Mention is made in historical reports of 1m and 2m or 4m composites for Asarco drilling. For Blackham drilling, 1m RC samples were split using a cone splitter. Most samples were dry; the moisture content data was logged and digitally captured. Where it proved impossible to maintain dry samples, at most three consecutive wet samples were obtained before drilling was abandoned, as per procedure. AC samples were 4m composites; holes were abandoned when >3 consecutive wet samples were received to minimise sample contamination. • RC sampling with riffle or cone splitting and spear compositing is considered standard industry practice. • Boyd <2mm crushing and splitting is considered to be standard industry practice; each sample particle has an equal chance of entering the split chute. At the laboratory, >3kg samples are split so they can fit into a LM5 pulveriser bowl. At the laboratory, >3kg samples are split 50:50 using a riffle splitter so they can fit into a LM5 pulveriser bowl. • Field duplicates were collected approximately every 40m down hole for Blackham holes. Analysis of results indicated good correlation between primary and duplicate samples. RC duplicates are taken using the secondary sample chute on the cone splitter. AC duplicates were scooped in the field. It is not clear how the historical field duplicates were taken for RC drilling. • Sample sizes are considered appropriate for these rock types and style of mineralisation, and are in line with standard industry practice.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Fire assay is a total digestion method. The lower detection limits of 0.01ppm is considered fit for purpose. For Blackham drilling, ALS completed the analyses using industry best-practice protocols. ALS is globally-recognized and highly-regarded in the industry. Historical assaying was undertaken at Amdel, SGS, and KalAssay laboratories, and by the on-site Agincourt laboratory. The predominant assay method was by Fire Assay with AAS finish. The lower detection limit of 0.01ppm Au used is considered fit for purpose. • No geophysical tools were required as the assays directly measure gold mineralisation. For Blackham drilling, down-hole survey tools were checked for calibration at the start of the drilling program and every two weeks. • Comprehensive programs of QAQC have been adopted since the 1980's. For Blackham drilling certified reference material, blanks and duplicates were submitted at approximately 1:20. Check samples are routinely submitted to an umpire lab at 1:20 ratio. Analysis of results confirms the accuracy and precision of the assay data. It is understood that previous explorers great Central Mines, Normandy and Agincourt employed QAQC sampling, though digital capture of the data is ongoing, and historical QAQC data have not been assessed. Results show good correlation between original and repeat analyses with very few samples plotting outside acceptable ranges (+/- 20%).

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Blackham's significant intercepts have been verified by several company personnel, including the database manager and exploration manager. • Twinned holes are not reported herein, though Blackham has recently completed twin RC-DD holes and results will be analysed fully in coming resource estimation work. Drilling has been designed at different orientations, to help correctly model the mineralisation orientation. • Data is stored in Datashed SQL database. Internal Datashed validations and validations upon importing into Micromine were completed, as were checks on data location, logging and assay data completeness and down-hole survey information. QAQC and data validation protocols are contained within Blackham's manual "Blackham Exploration Manual 2016v2". Historical procedures are not documented. • Assay results were not adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Blackham's drill collars are routinely surveyed using a DGPS with centimetre accuracy, though coordinates reported herein are GPS surveyed to metre-scale accuracy. All historical drill holes at Matilda appear to have been accurately surveyed. • MGA Zone 51 South. • Height data (Australian height datum) is collected with DGPS and converted to local relative level using a factor. Prior to DGPS surveys, relative levels are estimated based on data for nearby historical holes.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Blackham's exploration holes are generally drilled 25m apart on east-west sections, on sections spaced 50m apart north-south. • Using Blackham's drilling and historical drilling, a spacing of approximately 12.5m (on section) by 20m (along strike) is considered adequate to establish grade and geological continuity. Areas of broader drill spacing have also been modelled but with lower confidence. • Samples have been composited only where mineralisation was not anticipated. Where composite samples returned significant gold values, the 1m samples were submitted for analysis and these results were prioritized over the 4m composite values.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes were generally orientated perpendicular to targets to intersect predominantly steeply-dipping north-south or northeast-southwest striking mineralisation. Thus true thickness is approximately 2/3 of drilled thickness. • Such a sampling bias is not considered to be a factor as the RC technique utilizes the entire 1m sample.
Sample security	• *The measures taken to ensure sample security.*	• Drill samples are delivered to McMahon Burnett freight yard in Wiluna by Blackham personnel, where they are stored in a gated locked yard (after hours) until transported by truck to the laboratory in Perth. In Perth the samples are likewise held in a secure compound.

Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No such audits or reviews have been undertaken as they are not considered routinely required; review will be conducted by external resource consultants when resource estimates are updated.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The drilling is located wholly within M53/6, M53/200, M53/44, M53/40, M53/30, M53/468, M53/96, M53/32, . The tenements are owned 100% by Matilda Operations Pty Ltd, a wholly owned subsidiary of Blackham Resources Ltd. • The tenements arein good standing and no impediments exist. • Franco Nevada have royalty rights over the Matilda Mine mining leases of between 3 to 5% of gold revenue payable.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Modern exploration has been conducted on the tenement intermittently since the mid-1980's by various parties as tenure changed hands many times. This work has included mapping and rock chip sampling, geophysical surveys and extensive RAB, RC and core drilling for exploration, resource definition and grade control purposes. This exploration is considered to have been successful as it led to the eventual economic exploitation of several open pits during the late 1980's / early 1990's.The deposits remain 'open' in various locations and opportunities remain to find extensions to the known potentially economic mineralisation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The gold deposits are categorized as orogenic gold deposits, with similarities to most other gold deposits in the Yilgarn region. The deposits are hosted within the Wiluna Domain of the Wiluna greenstone belt.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material*
		• See Table 1 of this report for drill hole details.

Criteria	JORC Code explanation	Commentary
	and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• In the significant intercepts Table 1, drill hole intercepts are reported as length-weighted averages, above a 1m @ 0.6g/t cut-off, or > 1.2 gram x metre cut off (to include narrow higher-grade zones) using a maximum 2m contiguous internal dilution. For the body of the report and in Figures, wider zones of internal dilution are included for clearer presentation. AC intercepts are based on 4m composites. • High-grade internal zones are reported at a 5g/t envelope, e.g. MADD0018 contains 14.45m @ 6.74g/t from 162.55m including 4.4m @ 15.6g/t from 162.55m. • No metal equivalent grades are reported because only Au is of economic interest.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Lode geometries at Wiluna are generally steeply east or steeply west dipping. Generally the lodes strike north-northeast. Historical drilling was oriented vertically or at -60° west, the latter being close to optimal for the predominant steeply-east dipping orientation. Drill holes reported herein have been drilled as closed to perpendicular to mineralisation as possible. In some cases due to the difficulty in positioning the rig close to remnant mineralisation around open pits this is not possible. See significant intercepts Table 1 for estimates of mineralisation true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See body of this report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration*	• Full reporting of the historical drill hole database of over 80,000 holes is not feasible. A full list of results from the current drilling program is included with the report.

Criteria	JORC Code explanation	Commentary
	Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration tests are not the subject of this report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow-up resource definition drilling is likely, as mineralisation is interpreted to remain open in various directions. • Diagrams are provided in the body of this report.