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8.5M Performance Rights

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Matilda feasibility confirms 2016 production

- **Definitive Feasibility Study ("DFS") demonstrates very strong economics for the Matilda Gold Project.**

DFS Highlights

• **Mining Inventory**	**8.3Mt @ 2.9g/t for 767,000oz**
• **Reserves**	**6.1Mt @ 2.5g/t for 481,000oz**
• **Initial Life of Mine**	**+7 years**
• **Average Annual Production**	**101,000ozpa** (over 1st 5 years)
• **LOM C1 Cash Costs**	**A$850/oz or US$600/oz**
• **Annual EBITDA** @ $1,600/oz	**A$58M** (Yr1) **& A$62M** (5yr Avg)
• **Pre-Production Capital Costs**	**A$32M**
• **Project Cash Flow***	**A$234M**
• **$NPV_{7\%}$ before corp & tax***	**A$170M**
• **Payback***	**12 months**
• **IRR before corp & tax***	**150%**

***All at A$1,600/oz or US$1,207/oz**

- **Rapid low capital pathway to gold producer within 6 months**
- **Ore Reserve Estimate of 481,000oz (PFS 270,000oz) demonstrates very high conversion of Mineral Inventory into Reserves**
- **DFS adds two years of mine life enabling sustainable ongoing production**
- **Project implementation underway**

Blackham Managing Director Bryan Dixon - "The Matilda Gold Project Definitive Feasibility Study has confirmed the robust near term cash flows from the Project enabling us to benefit from the current strong AUD gold price. Matilda is the most capital efficient, nearest term producer and has the shortest payback amongst its Western Australian development peers.

The drill programmes at Matilda and Golden Age are ongoing with the aim of improving the length, quality and sustainability of the mine life. It is an exciting time as Blackham implements its low risk execution plan to become Western Australia's next gold producer."

Cautionary Statement
Blackham has concluded it has reasonable basis for providing the forward looking statements included in this announcement (see Appendix 1). The detailed reasons for that conclusion are outlined throughout this announcement and Material Assumptions are disclosed in Appendix 2.

Cautionary Statement continued.
This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Definitive Feasibility Study results, Production Targets and Forecast Financial Information contained in this announcement are based on detailed technical and economic assessments but are insufficient to support the estimation of Ore Reserves over all of the Production Targets. There is a lower level of geological confidence associated with Inferred Mineral Resources used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised. Blackham over the last year has however demonstrated a high conversion of Production Targets into Reserves.

Blackham Resources Ltd ("Blackham" or "the Company") (ASX: BLK) has pleasure in announcing the completion of the Definitive Feasibility Study ("DFS") on its 100% owned Matilda Gold Project ("Project").

Summary

The Company is very pleased to have confirmed the Project's robust economics including a low capital requirement, short timeframe to production, fast payback and operating costs that are in line with its Western Australian peers. The very low capex required for the project is due to the substantial plant and infrastructure at site and the minor plant refurbishments required to re-start the project.

The table below demonstrates the projects economics at a range of gold prices. Every A$100/oz increase in the gold price adds $63 million to the cash flow of the project.

Gold Price Sensitivity	A$1,500/oz[1]	A$1,600/oz[2]	A$1,700/oz[3]
Project Cash Flow	**$171**	**$234**	**$296**
• **$NPV_{7\%}$ before corp & tax**	**$121**	**$170**	**$219**
• **Payback (months)**	**14**	**12**	**9**
• **IRR before corp & tax**	**102%**	**150%**	**211%**
• **EBITDA (1st 5years average)**	**$52M**	**$62M**	**$72M**

1. **A$1,500/oz** approximates the 5 year average gold price
2. **A$1,600/oz** approximates the average 2016 YTD gold price
3. **A$1,700/oz** approximates the average gold price of the last 10 days

During the DFS process, an additional two and half years' has been added to the mine life from the PFS which results in a significant improvement in the Project's economics. The DFS confirmed strong conversion of Inferred Resources into Indicated Resources and PFS Mineral Inventory into Reserves. Since finalising the DFS Resources, Blackham has continued drilling at Matilda, Golden Age and Bulletin with the aim of improving the quality and quantity of the reserve ounces. Further reserve re-estimates are expected prior to production.

Blackham is pleased to report the results of the DFS show improved economics to the PFS (refer ASX announcement 20 October 2015) plus the addition of a longer mine life and a superior confidence level, improving from +/- 25% to +/- 15%. The results of the DFS confirm the mining and processing parameters are not dissimilar to the results of the PFS.

Following the completion of the DFS, Blackham's Board have committed to the Matilda implementation plan and development timeline. The 4.7Moz Matilda Gold Project is targeting production by Q3 2016.

Blackham has a very experienced team in gold exploration, development and operations. The existing plant and infrastructure and the processing of soft Matilda oxides from open pits at the beginning of the mine schedule equates to a low risk start up strategy.

The Company signed a $38.5 Million Funding Facility with Orion Mine Finance on 29 May 2015 ("Orion Funding Facility") with $13 million drawn during 2015. Subject to successful review of the DFS, which is currently being fast tracked, and the granting of the remaining submitted approvals, a further $23 million will be available under the Orion Funding Facility for the development of the Matilda Gold Project.

Resources

Blackham over the last 4 years has consolidated the Wiluna Goldfield and now has a 780km^2 exploration tenement package which has historically produced over 4.3 million ounces. The Matilda Gold Project is located in Australia's largest gold belt which stretches from Norseman to Wiluna and passes through Kalgoorlie and Leinster. Blackhams 100% owned Wiluna gold plant, gas power station, camp, borefields and underground infrastructure operated up until 2013, is located in the centre of the Matilda Gold Project.

The Matilda Gold Project's **45Mt @ 3.2g/t for 4.7Moz** gold Resources are to JORC 2012 standard (see Table 1) and are all within a 20km radius of the Wiluna Gold Plant. At least **21Mt @ 3.4g/t for 2.3Moz** (49%) are in the Indicated Resource category.

Table 1: 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	7.4	1.8	426	5.3	1.7	285	12.9	1.8	**724**
Golden Age				0.4	4.5	62	0.7	3.5	88	1.1	4.4	**150**
Galaxy				0.4	3.0	38	0.4	2.2	28	0.8	2.6	**66**
Williamson Mine				3.3	1.6	170	3.8	1.6	190	7	1.6	**360**
Regent				0.7	2.7	61	3.1	2.1	210	3.9	2.2	**270**
Bulletin				0.8	3.1	80	1.6	3.5	180	2.4	3.3	**260**
East Lode				1.0	5.2	170	2.3	4.7	340	3.3	4.8	**510**
West Lode				1.4	5.5	240	2.8	5.2	460	4.2	5.3	**700**
Henry 5 - Woodley - Bulletin Deeps				2.1	5.9	400	0.8	4.6	120	2.9	5.6	**520**
Burgundy - Calais				1.3	6.0	250	0.3	5.7	60	1.6	6.0	**310**
Happy Jack - Creek Shear				1.5	5.9	290	1.3	4.8	200	2.9	5.4	**490**
Other Wiluna Deposits				0.8	4.3	106	1.5	4.0	195	2.3	4.1	**301**
Total	**0.2**	**2.1**	**13**	**21**	**3.4**	**2,293**	**24**	**3.1**	**2,356**	**45**	**3.2**	**4,661**

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.

Blackham intends to re-commission the Wiluna Gold Plant on base load free-milling ore from the Matilda Mine followed by the Williamson Mine, which is supplemented with higher grade quartz reef ores from the Golden Age underground and the Galaxy open pit.

The Resources at the Matilda Gold Project have been updated with results of drilling programmes undertaken up until December 2015. Current drilling programmes undertaken at Matilda, Galaxy, Golden Age and Bulletin this year have not been included in the DFS but will be used in a revision of the Resources and Reserves prior to the commencement of production.

Mining and Mining Inventory

Mining at the Matilda Gold Project will be undertaken by mining contractors with management and technical services undertaken by Blackham personnel. The Project will operate as a Fly In, Fly Out (FIFO) operation from Perth with local residents employed where possible. DFS mine designs were completed on the main mining centres at Matilda, Galaxy, Williamson and Wiluna.

Open pit mining is planned for Matilda, Williamson and Galaxy and will all utilise a standard truck and excavator mining technique involving conventional drill, blast, load and haul. Ore will be hauled by road train to the Company's Wiluna gold plant on existing haul roads. In addition to the mining fleet, ancillary plant consisting of tracked bulldozers, wheel loaders, graders and water carts will be required. The ancillary fleet will prepare drill and blast areas, maintain active digging areas, mine roads and waste dumps. Ore will be delivered to the Run of Mine (ROM) pad at the plant site by trucks and then fed to the treatment plant via a ROM loader.

The underground operations at Wiluna have been divided into three distinct areas. The Golden Age and Bulletin undergrounds will be accessed from the existing Bulletin Portal and current Golden Age decline. The East West Underground will also be accessed from existing underground infrastructure and portal access from East Pit. Ore from the underground mines will be predominately extracted via top-down mechanised longhole open stoping and a smaller amount of a bottom-up modified Avoca method using unconsolidated backfill. Suitable pillars are left behind to ensure ground stability during the mining. Ore is trucked to the surface and then hauled to the treatment plant. The majority of the underground ore is in the top 600m and has a relatively short haul to surface.

The DFS Mining Inventory contains 8.3Mt @ 2.9g/t for Production of 668,000oz Au recovered over 7 years and 3 months. The Mineral Inventory under the DFS has grown 203,000oz from the PFS (increase of 44%).

Table 2: Matilda PFS v DFS Mining Inventory

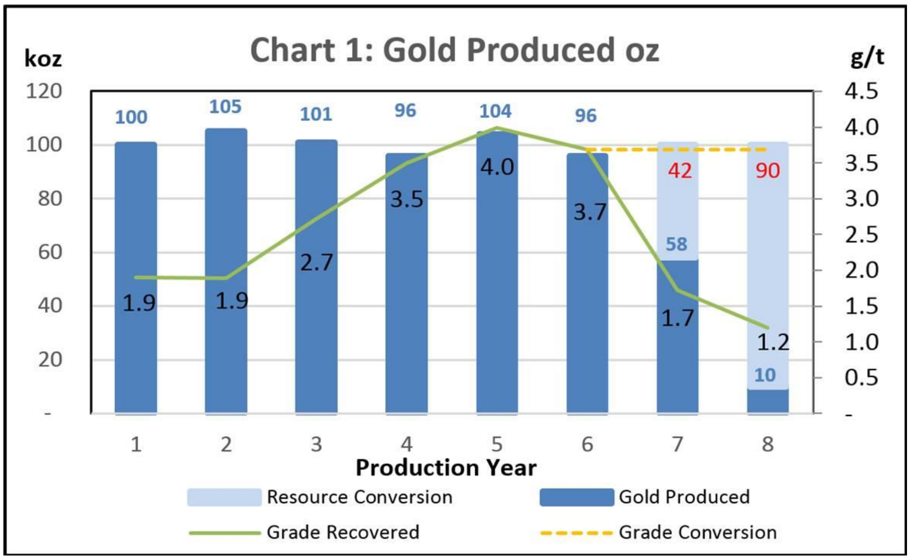
		PFS Production		DFS Production		LOM	
		Average	LOM	Average	LOM	Variance	%
Mine life	mths		**57**		88	31	54%
Mine life	yrs		**4.8**		7.3	2.6	54%
Tonnes Milled	t	1,272,000	**6,040,000**	1,235,000	8,270,000	2,230,000	37%
Processed Grade	g/t	2.8	**2.8**	2.9	2.9	0.1	4%
Recovery	%	86%	**86%**	87%	87%	1%	1%
Production Ounces	**oz**	**98,000**	**465,000**	**101,000**	**668,000**	**203,000**	**44%**

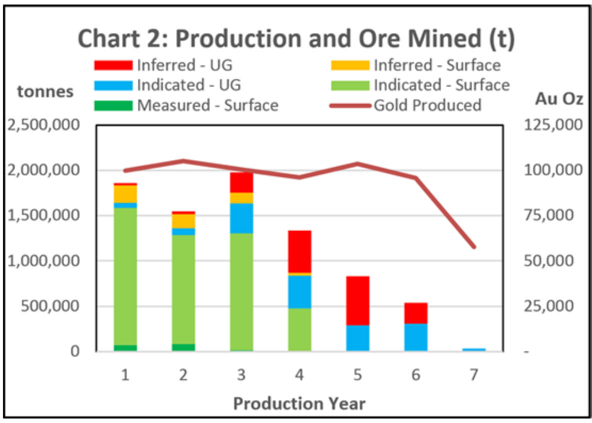
DFS production average is based upon the first 5 years of production. Blackham's aim is to grow the mine life length sufficiently to allow a sustainable ongoing operation through the replacement of production ounces from both the large 4.7Moz resource base and ongoing exploration (see Chart 1). The Matilda Gold Project has produced over 4.3Moz historically and the Wiluna Plant has operated for 28 of the last 31 years.

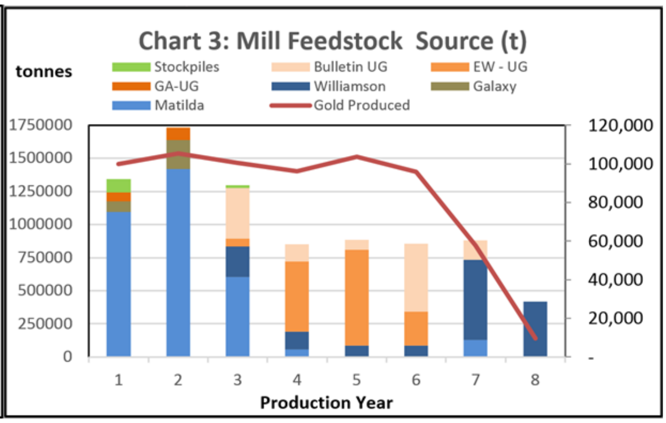
Production Schedule

The following charts show the production profile over the initial life of Mine (LOM). Chart 1 displays the production profile of the mining inventory of the operation. The open pit operations are the primary base load source of ore in the first 3 years. The key features of the production schedule are;

- LOM of 7 years 3 months for 8.3Mt @ 2.9g/t for 767,000 ounces of mine production (Chart 1 & 3)
- Estimated average annual production of 101,000ozpa and 668,000oz LOM (Chart 1)
- Base load open pit & stockpile production totals 5.3Mt @ 1.7g/t mined over 3.2 years
- Underground production total of 3.0Mt @ 4.9g/t mined over 6.5 years







Blackham intends to re-commission the Wiluna Gold Plant on free-milling ore from the Matilda and Williamson Mines which provides base load open pit ore of 5.32Mt @ 1.7g/t mined over 3.2 years. The Wiluna Gold Plant has not had a significant base load oxide and free milling open pit feed since the early 1990's. In year 2 the plant throughput peaks at 1.7Mtpa due to the soft nature of the Matilda oxide ore. The open pit stripping ratio is 10.7 to 1 LOM. The open pit mining costs are $5.60/bcm and $2.60/t of material moved.

The Golden Age underground commences prior to re-commissioning of the Wiluna Plant. Golden Age combined with the Galaxy Open pit provides a higher grade free milling quartz reef ore during the first 2 years.

The Bulletin underground commences during year 3 and the East West underground commences at the end of the same year. By the start of year 4 significant Williamson open pit stockpiles are stored to ensure the plant runs at full capacity over the remainder of the LOM.

	Tonnes	Grade	Ounces	%
Measured	175,000	1.9	11,000	1%
Indicated	6,078,000	2.5	497,000	65%
Inferred	2,019,000	4.0	259,000	34%
Total	**8,272,000**	2.9	**767,000**	

Table 3: LOM Mineral resource classification of the Matilda Gold Project Mining Inventory

Calculations have been rounded to the nearest 1,000 t or ore, 0.1g/t Au grade and 1,000 oz Au metal.

Table 3 above summarises the respective Mineral Resource Estimation classification (by ounces) that are used in the potential Matilda Gold Project mining inventory. For the 767,000 ounce LOM total, 66% is classified as Measured and Indicated Mineral Resource, and 34% as Inferred Mineral Resource. The DFS mine designs have been used to schedule a production profile for the Matilda Gold Project. The mining inventory associated with the higher confidence Measured and Indicated Mineral Resources are scheduled in the early years of the project (see Chart 2).

The Mining Inventory includes the Matilda, Galaxy, Golden Age and Williamson deposits plus the East/West Lodes. All these deposits except Galaxy have been previously processed through the Wiluna Gold Plant. The open pit resources which are mined in the first 3 years have 93% of the in pit resources now to a Measured and Indicated resource category (see Chart 2). Over the last 2 months additional infill drilling at Matilda and Galaxy is aimed at further upgrading the resource confidence in these pits.

The underground resources, which are processed toward the end of the current mine life, have 50% of all resources in the Indicated category. Additional infill drill programmes are ongoing at Golden Age and Bulletin since the underground resources were last estimated. Blackham notes that over 97% of the Inferred Resources in the Mineral Inventory are coming from deposits that have a previous mining history, giving further confidence to the grade of these Inferred Resources. The Company also notes the Wiluna goldfield has a long history of converting Inferred Mineral Resources to Indicated Mineral Resources with ongoing drilling. Over the last 14 months from scoping through PFS to DFS Blackham has seen a very high conversion of inferred resources into reserves.

The proportion of Inferred material contained within the mine plan has been reviewed by independent mining consultants Entech Pty Ltd ('Entech') and is considered to be comparable to projects at a DFS level of study. The Company believes there is a reasonable expectation that a material conversion of Inferred Mineral Resources to Indicated Mineral Resources will occur from infill drilling at the Matilda Gold Project as it progresses through to production.

Resources of a further 37Mt @ 3.3g/t for 3.9Moz (49% of which are Indicated Resources) are sitting outside the above Mineral Inventory. Blackham is continuing to review its mining and processing studies with a view to bringing further deposits and resources into the mine life prior to production.

Statement of Reserves

Entech was commissioned by Blackham to provide an independent Ore Reserve Estimate update for the Matilda Gold Project as at 23 February 2016. The Ore Reserve Estimate is based on JORC-compliant Mineral Resource Estimates as provided to Entech. The Ore Reserve has been calculated in conjunction with the DFS for the Project and is underpinned by that study.

Measured and Indicated Resources have been converted to Proven and Probable Ore Reserves subject to mine design physicals and an economic evaluation. A detailed financial model for the Project was generated by Entech as part of the study process and has been used to determine economic viability of the Ore Reserve Estimate.

Matilda Gold Project Reserves				
Mine	Category	Tonnes	Mined g/t	Reserve Oz
Matilda Mine	Proven	175,000	1.9	11,000
Matilda Mine	Probable	2,799,000	1.8	164,000
Golden Age	Probable	110,000	5.1	18,000
Galaxy	Probable	259,000	2.8	23,000
Williamson	Probable	1,433,000	1.4	65,000
Bulletin Sulphides	Probable	681,000	4.8	106,000
East-West Sulphides	Probable	516,000	5.4	87,000
Stockpiles	Probable	124,000	1.8	7,000
Total Proven Reserves		**175,000**	**1.9**	**11,000**
Total Probable Reserves		**5,921,000**	**2.5**	**470,000**
Total Reserves		**6,097,000**	**2.5**	**481,000**

Table 4: Ore Reserve Estimate (February 2016)

Calculations have been rounded to the nearest 1,000 t of ore, 0.1 g/t Au grade and 1,000 oz. Au metal.

Geotechnical Studies

Geotechnical assessments were conducted by Peter O'Bryan and Associates on the proposed open pits and underground operations. The Geotechnical worked undertaken involved diamond drilling for core samples, laboratory testing, logging and photogrammetric mapping. The geotechnical analysis is to a suitable level of detail for the DFS and forms the basis of pit wall design criteria, underground stope sizes and pillar designs, underground mining factors, underground development design and support assumptions.

Mining

The mining methods chosen are well-known and widely used in the local mining industry and production rates and costings can be predicted with a suitable degree of accuracy. Suitable access exists for all mines with allowances being made for earthworks and infrastructure requirements including haul road refurbishment and clearing for site facilities and mining areas.

The Matilda Gold Project's open pits are all within a 20 kilometre radius of the Wiluna Gold Plant with haulage distances for Galaxy, Matilda and Williamson being 15, 18 and 26 kilometres respectively. Current open pit contractor quotes were obtained for optimisation and cost estimations on each of the mining areas. Optimum pit shells were selected for detailed open pit designs. Further details of the open pit designs and fleet can be found in Appendix 2. The resultant mine designs are shown in the figures below.

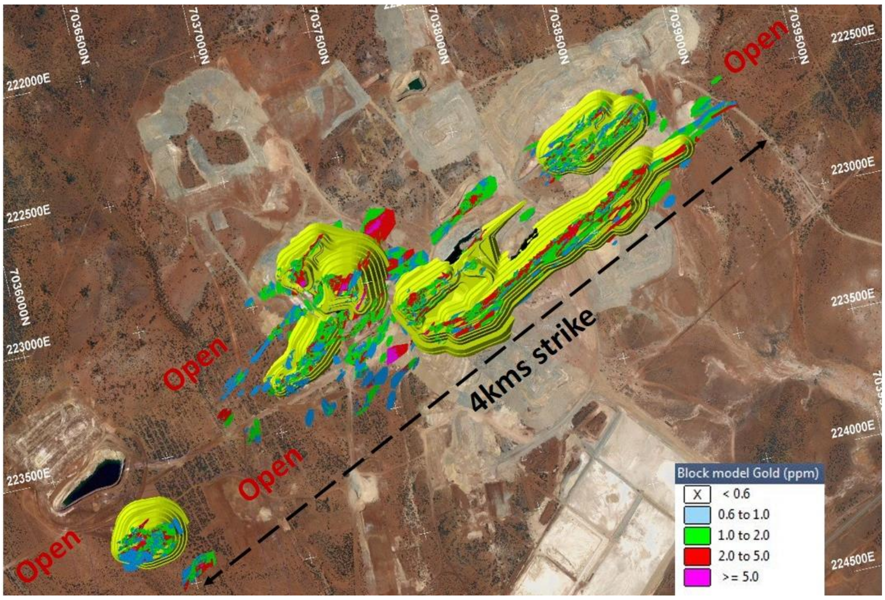


Figure 1: Matilda Open Pit designs

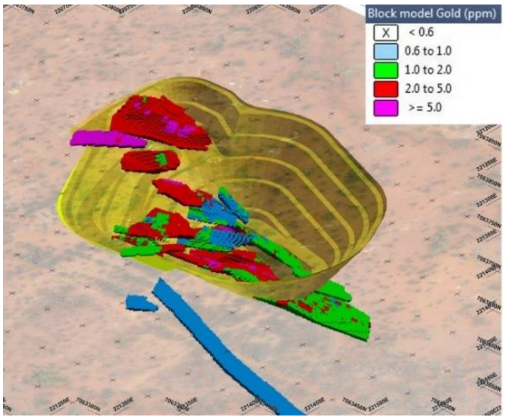


Figure 2 : Galaxy Open Pit Design

Figure 3: Williamson Open Pit Design

Underground

Underground production at East-West and Golden Age will be mined top-down via mechanised longhole open stoping with in-situ pillars retained for stability. The Bulletin upper and mid will be longhole open stoping also and the Bulletin 200 and Creekshear will utilise a bottom-up modified Avoca method using unconsolidated backfill. Diesel powered trucks and loaders will be used for materials handling. Diesel-electric jumbo drill rigs will be used for development and ground support installation. Details of the design criteria and mine design parameters are outlined in Section 4 of Appendix 2. The underground mining operating costs are $68/t of ore plus $21/t of ore for sustaining capital.

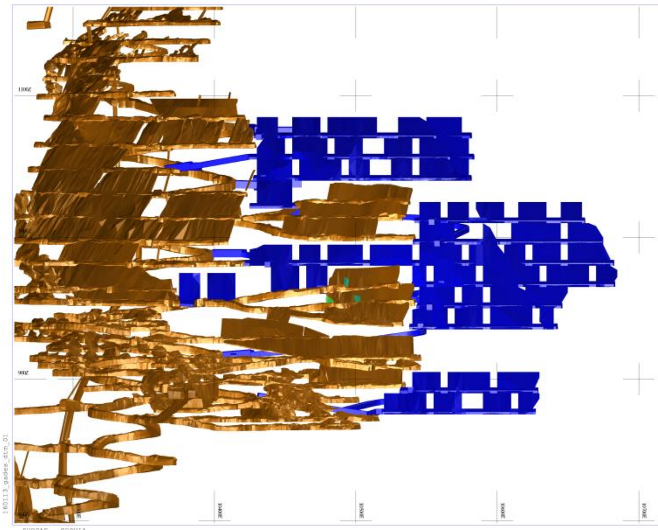


Figure 3: Golden Age underground at start of mine plan

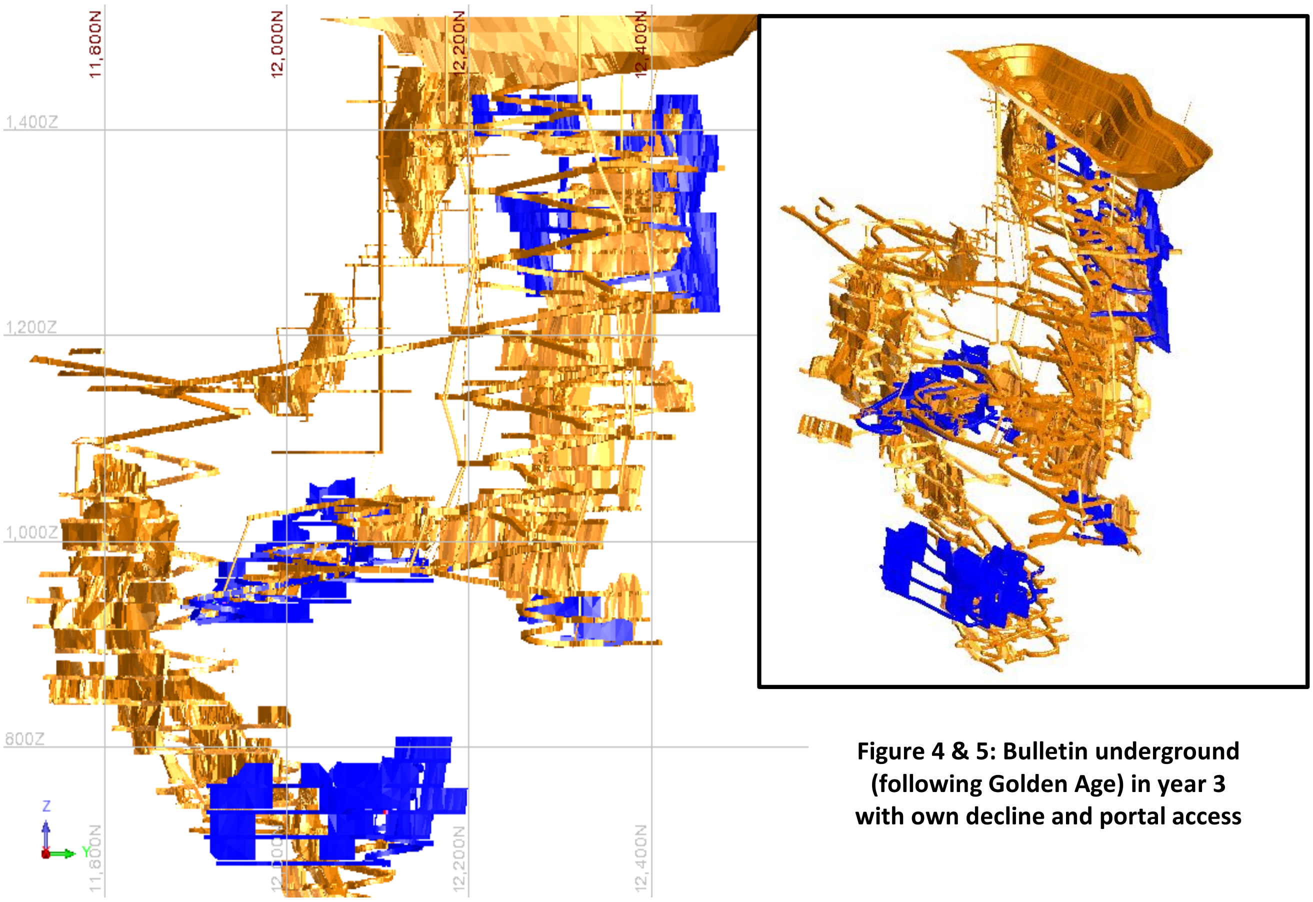


Figure 4 & 5: Bulletin underground (following Golden Age) in year 3 with own decline and portal access

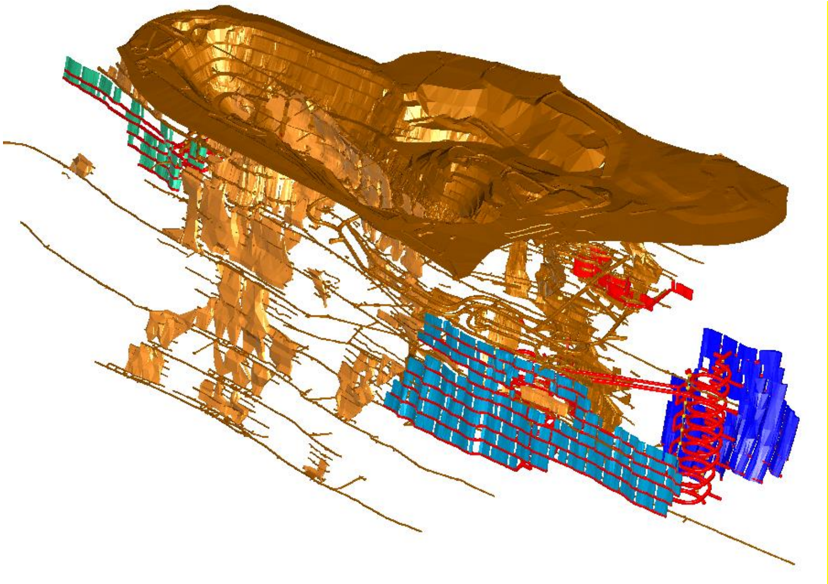


Figure 6: East West underground, end year 3 with own decline and portal access

Gold Ore Processing

The Wiluna Gold Plant has run under several incarnations in the last three decades of operation including Carbon in Pulp (CIP), Carbon in Leach (CIL) and more recently as a BIOX® CIL allowing it to process refractory, (sulphide) ore with a smaller oxide (free milling) circuit.

Blackham's plan is to optimise existing plant components and upgrade the free milling oxide CIP plant to process current resources. The DFS metallurgical testwork program was designed to optimise the existing plant and where necessary, upgrade components accordingly.

As part of the DFS, metallurgical testing of Matilda, Golden Age, Galaxy, Williamson and Wiluna ores was completed to determine the ore characteristics with respect to:

- Process applicability to the Wiluna Gold Plant
- Overall gold recovery
- Processing properties
- Ability to blend different ore sources

The testwork programs included:

- Comminution
- Gravity
- XRD Mineralogy
- Leaching and reagent consumptions
- Thickening and rheology

The testwork and optimisation results showed the overall metallurgical performance achievable from Matilda will be 93% gold recovery, Williamson 95%, Golden Age 90% and Galaxy 94% for a weighted average of 93%. The testwork also indicated overall recovery would be improved in most ores through the addition of a gravity circuit. The testwork also showed leach times may be reduced with the intensive oxygenation which will also result in a reduction of reagent costs and reduced stripping costs through higher carbon loadings.

Table 5: Free milling ore process recoveries	DFS	PFS	Variance
Matilda Mine	93%	88%	5%
Golden Age	90%	92%	-2%
Galaxy	94%	96%	-2%
Williamson	95%	87%	8%
Weighted average	**93%**	**88%**	**5%**

The Matilda ore which will provide base load open pit feed to the Wiluna Gold Plant, averages DFS metallurgical recoveries of 93% (PFS 88%) after gravity and 18 hours of leaching. This represents a 5% improvement on the PFS test work due to optimisation work resulting in higher cyanide and oxygen levels.

The average Williamson ore DFS metallurgical recoveries increased to 95% (PFS 88%) after gravity and 18 hours of leaching. DFS gravity results on the Williamson ore ranged from 8% to 66% gravity recovery. This represents an 8% improvement on the PFS assumptions mainly due to the inclusion of the gravity circuit and additional oxygen levels.

Metallurgical testwork was also performed on Wiluna sulphide ores including comminution and flotation testing. The ore samples were recovered from a stockpile created during the last phase of operations and the testing used previously optimised flotation reagent schedules. In addition to metallurgical testwork, historic Wiluna Gold Plant production throughputs and respective costs were revisited. Wiluna sulphide gold ore was processed through the Wiluna Gold Plant's BIOX® Circuit for some 20 years between 1993 and 2013 and extensive data is available for analysis including operating log sheets, plant assays, recoveries, reconciled head grades and operating costs.

Process Modelling and Optimisation

Modelling of testwork results and plant equipment was performed on the following:

- Crushing circuit throughput
- Milling circuit throughput
- Leach and elution circuit parameters
- Tails thickening

The crushing circuit was modelled by Orway Mineral Consultants (OMC) based on a 600t parcel of Williamson low grade stockpile ore sampled to enable modelling. Subject to some slight modifications, the crusher throughput was determined to be capable of 300tph which enabled industry standard utilisation rates to be used. This was an improvement on the PFS numbers in both utilisation and throughput.

The milling circuit was modelled by OMC based on testwork performed by IMO. Mill throughputs on some ores were significantly higher than the capability of the leach circuit and modelling shows that for the free milling ores the mills will have minor spare capacity throughout the mine life. All ores were optimised to 106 micron grinds except for the Matilda and Williamson fresh ores, which optimised to 75 microns. This enables the first two years of milling to be blended as per the mine plan. Blending will optimise for gold throughput and average hardness to not waste the spare milling capacity.

The leach circuit was modelled by Curtin University, Gold Technology Group to identify the constraints on the leach circuit and carbon handling. The leach kinetics were modelled and used to determine the carbon loadings and ultimate recovery. Parameters included the leach rate, maximum carbon loading, carbon inventory and spread, elution rate, barren carbon grade, solution grade and carbon regeneration efficiency. The results showed standard leach circuit parameters could be maintained, the elution rate was within the capability of the plant and the leach tailings solution grades could be maintained at acceptable levels. This work also highlighted the need for the addition of a new leach tank which has been included in the capital estimate.

Tails thickening testwork was performed by Outotec and highlighted the existing thickener has almost 50% spare capacity over the 120% design point. Water recovery was modelled and tailings density was determined to be 57%.

The free milling process flow diagrams were developed as well as FEED engineering resources such as crushing and milling mass balances, whole of plant process design criteria and water balances. The process flowsheet is shown below.

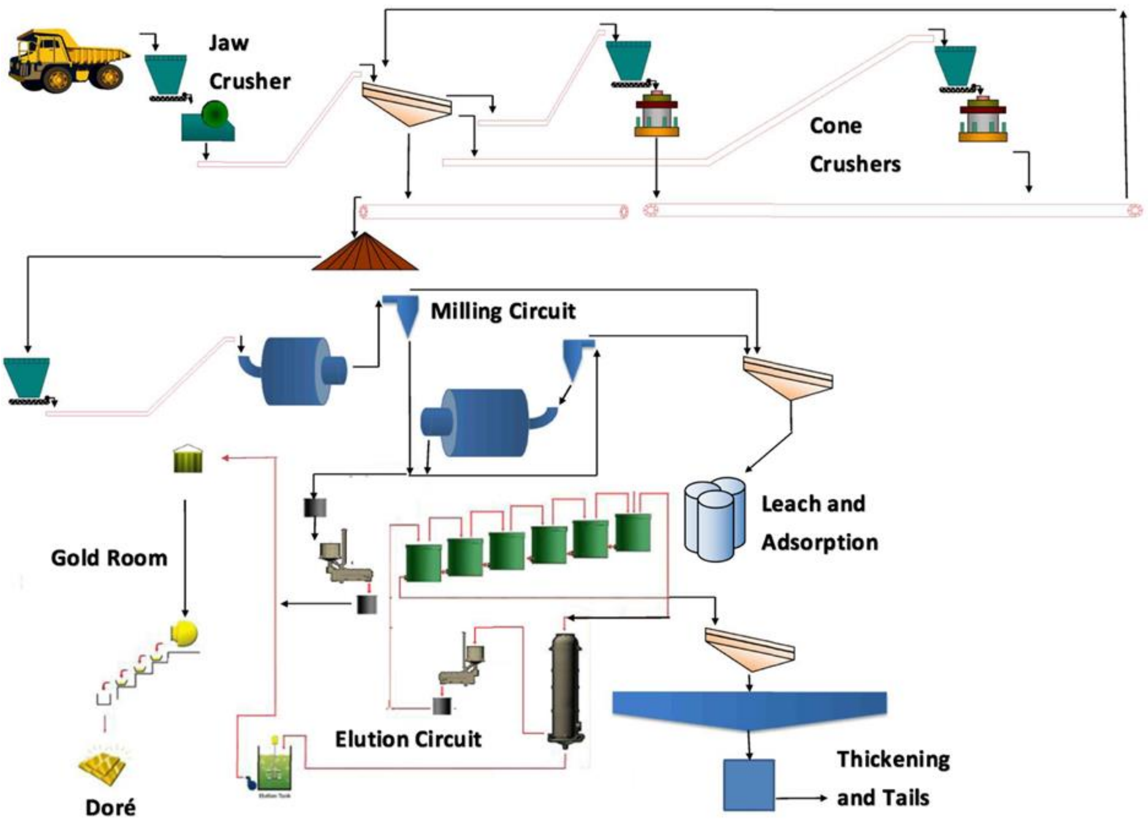


Figure 7: Wiluna Free Milling Plant Flowsheet

Wiluna sulphide mineralisation has previously been treated commercially through the Wiluna process plant for 15 years from 1993 to 2007 and for 5 years from 2008 to 2013. Historical reports show Wiluna ores (excluding Quartz reef ores) are refractory, with most gold occurring in either solid solution or as sub-microscopic particles within fine-grained sulphides. For the 8 year period from July 1999 to July 2007 for which data is readily available the Wiluna plant averaged 82.7% gold recovery from a feed grade of 5.5g/t. Over the next 2 to 3 years Blackham will focus on improving the Bulletin and East West floatation recoveries with a view to improving the total sulphide process recovery.

Wiluna Plant Refurbishment

The Wiluna Gold Plant and infrastructure operated up until June 2013 and has been in care and maintenance since then. The following infrastructure is also available:

- gas power station with lateral pipeline and diesel genset backup
- permitted borefields and infrastructure
- 350 person village
- Sealed airstrip and roads
- UG infrastructure already in place

The existing plant and infrastructure minimises capex and development and commissioning risks. The initial start-up capital to re-commission the Matilda Gold Project is estimated at $32.3 million. These funds are planned to be spent in the six months following development decision. The Project becomes cash flow positive within six months of development decision. The initial capital of $32.3M represents the maximum cash deficiency prior to the project being cash flow positive.

Photo 1: Wiluna Gold Plant

The initial capital includes $22.9 million to refurbish the Wiluna Gold Plant and construct tailings dam extensions as estimated by independent consultants and contractors. The refurbishment of the plant assumes an engineering contractor being appointed to manage this process under Blackham's close supervision. The Company has also received tenders from power contractors interested in running the power station under a BOOT contract and selling the project power over the fence. Pre-production mining and working capital of $9.4 million is also needed to commence operations.

As part of the DFS, independent engineers conducted several site inspections to determine the Scope of Work (SOW) and Cost Estimate for the Process Plant Refurbishment. The proposed SOW includes: repair to the ROM Wall, servicing of the crushing circuit including replacement of the torrent screen, installation of a new Mill 1 feed system, comprehensive servicing of the grinding circuit, including the installation of a new girth gear on Mill 2 and installation of a gravity circuit, upgrade to the leach circuit, repairs to the high voltage distribution system and sundry repairs to concrete plinths and bunds. The respective Capital Cost estimate is inclusive of long-lead items, Engineering, Procurement and Construction Management (EPCM) fees and contingency.

It is envisaged that the plant refurbishment works would take approximately 5 months to complete from award of contract. Blackham has committed to all long lead items required for the refurbishment works.

Tailings Dam

Blackham engaged Knight Piésold to undertake a DFS design of the Wiluna tailings disposal system, pit dewatering and water management strategy. The projected tonnage for this first phase is 6.0Mt with a further 2.5Mt possible through further lifts that align it with currently permitted landforms. Based on the options analysis it was decided to proceed with a tailings disposal system consisting of utilisation of Dam J – this is a planned TSF which integrates a number of existing TSF dams into a single facility.

Operating Costs and EBITDA

The Matilda Gold Project C1 cash costs and cash operating costs (AISC- all in sustaining) are forecast to be A$850/oz[1] and A$1,160/oz[2], respectively at a gold price of A$1,600.

EBITDA in year 1 and over the first 5 years averages $58 million and $62 million, respectively.

1) C1 Cash Costs include all mining, processing and general & administration costs
2) AISC includes C1 Cash Costs plus royalties, refining costs, sustaining capital and closure costs.

Table 6: Summary of DFS		
Mining Inventory		8.27Mt @2.9g/t for 767,000Au oz
LOM Open pit strip Ratio		10.7
Throughput (range 0.8 to 1.7Mtpa)	Mtpa	1,141,000 average
Life of Mine	years	7.25
Processing Recovery	%	87%
Recovered Ounces	oz	668,000
Average Annual Production (1st 5 years)	oz	101,000
Initial Capex/maximum cash deficiency (1)	$M	32.3
Sustaining Capital Costs - Mining	$M	74.1
Sustaining Capital Costs - Plant/TSF	$M	15.7
BIOX® Plant and Flotation Refurbishment	$M	15.0

3) Includes costs of plant refurbishment, mining and administration costs
4) Government royalty fixed at 2.5% plus non-state royalties of 3.2%

Approvals

The Department of Environment and Regulation (DER) has transferred the Environmental Protection Act 1986 licence to Matilda Operations Pty Ltd, a 100% owned subsidiary of Blackham. The licence primarily allows for the processing of ore, mine dewatering extraction and discharge plus other activities required for the operation of the site. Blackham has requested the DER license be amended for Dam J which integrates a number of existing TSF dams and to increase the plant throughput to 1.7Mtpa.

The Department of Water (DoW) has transferred all the licences required for extraction of water for use in processing of ore and dewatering for mining purposes at Wiluna to Matilda Operations Pty Ltd.

With most of the approvals for the operation of the Wiluna plant now in place, current notices of intent to mine over Matilda and Williamson are the main approvals required to commence operations. Blackham has received Vegetation Clearing Permits over Matilda and Williamson. The Mining Proposals and Mine Closure Plans for Matilda, Wiluna and Williamson have been lodged. In addition, Environmental Geochemistry International Pty Ltd (EGi) is progressing geochemical characterisation of the mine waste material as an additional contribution to the Mining Proposals and Mine Closure Plans.

Financing and Project Implementation

Blackham continues to progress its 4.7Moz Matilda Gold Project towards production by Q3 2016.

The Company signed a $38.5 Million Funding Facility with Orion Mine Finance on 29 May 2015 ("Orion Funding Facility") with $13 million drawn during 2015. Subject to meeting the outstanding financing conditions and the granting of the remaining submitted approvals a further $23 million will be available under the Orion Funding Facility for the development of the Matilda Gold Project.

Blackham is committed to its Project Implementation Plans to allow for first gold pour by Q3, 2016.

For further information on Blackham please contact:

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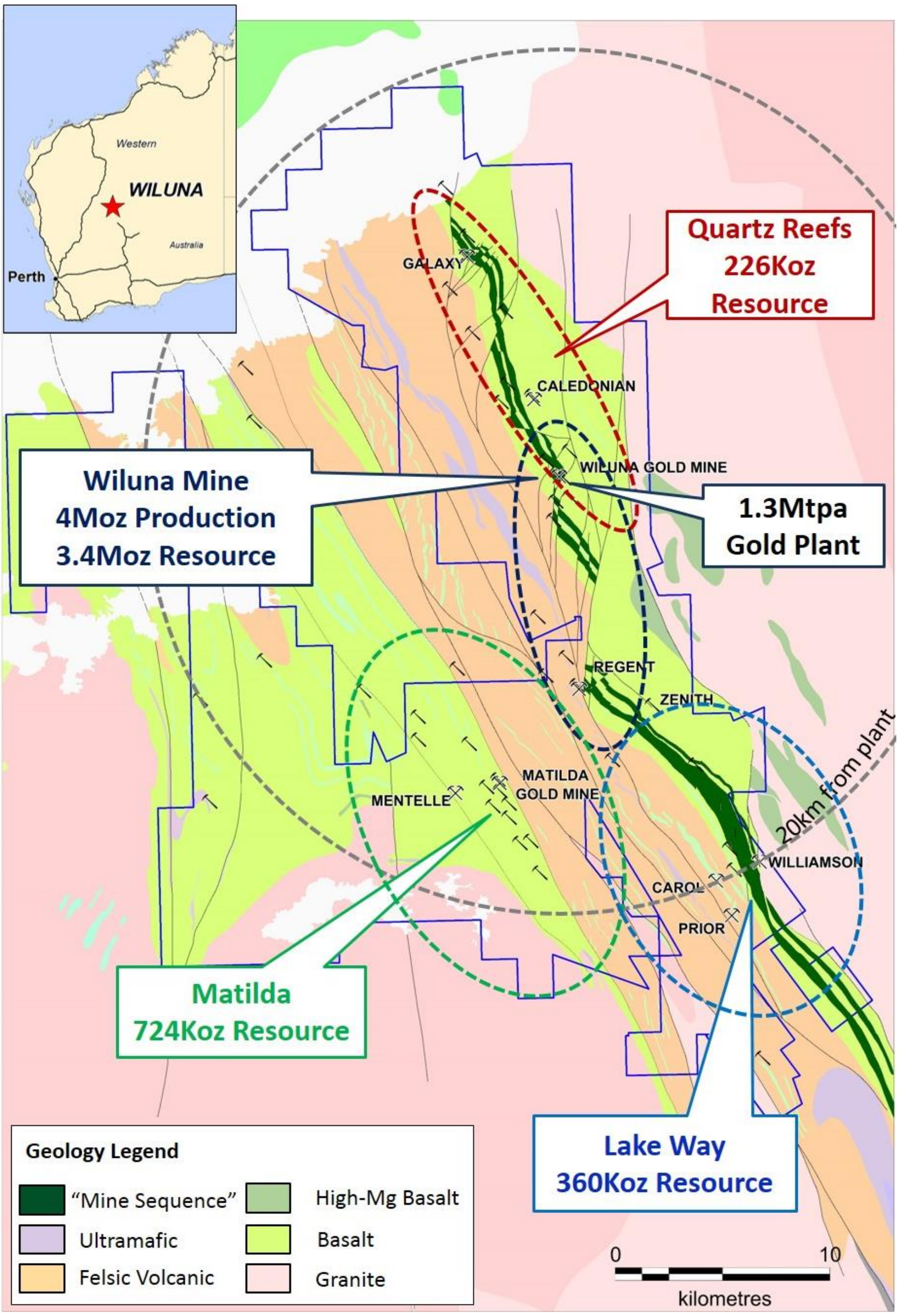

Competent Persons Statement

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 Cain Fogarty, who is a full-time employee of the Company. Mr Fogarty 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 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 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 30 January 2016 continue to apply and have not materially changed.

The information contained in the report that relates to ore reserves at the Matilda Gold Project is based on information compiled or reviewed by Matthew Keenan. Matthew 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 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. He is a Member of The Australasian Institute of Mining and Metallurgy, has reviewed the Report to which this consent statement applies and is an 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 23 February 2016 .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. He 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.

APPENDIX 1 – FORWARD LOOKING AND CAUTIONARY 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.

This announcement has been prepared in compliance with the current JORC Code 2012 Edition and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement, and are also outlined in Appendix 2.

Based on advice from relevant Competent Persons, the Company is confident that as per the definitions in the JORC Code 2012 it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The lithological and structural controls on the mineralisation are well understood across the Mineral Inventory at Matilda, Galaxy, Golden Age, Williamson and East/West Lode. Logging of historical and recent Blackham drilling is available in conjunction with detailed mapping and extensive historical mining documentation to provide Blackham with a high degree of confidence in the geological characteristics of the potential mines that comprise the Matilda Gold Project.

Blackham has a proven track record of successfully converting existing Inferred Resources in the Mineral Inventory to Indicated Resources for the early years of the mine life. Blackham has completed a significant portion of drilling aimed at converting the Inferred Resource in the Mineral Inventory to Indicated Resources for the early years of the mine life.

The Company also notes it has a total resource of 45Mt @ 3.2g/t for 4.7Moz of which only 16% has been included in the DFS Mining Inventory. The measured and indicative resource totals 21Mt @ 3.4g/t for 2.3Moz of which only 22% is included in the DFS Reserves.

The Company believes it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to any Production Targets and economic evaluation based on information contained in this announcement and in particular:

- In relation to Mineral Resources, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed.
- Blackham has a highly experienced management team with significant experience in developing and operating Western Australian gold mines.
- 99% of the Matilda Gold Project Mining Inventory is located on granted Mining Leases.
- Mr Mathew Keenan is an independent mining engineering consultant and a full time employee of Entech Pty Ltd, and has sufficient relevant experience to advise Blackham on matters relating to mine design, mine scheduling, mining methodology and mining costs for the Matilda Gold Project. Mr Keenan is satisfied that the information provided in this ASX

announcement has been determined to a DFS level of accuracy and based on the data provided by Blackham, considers that progression to development decision can be justified for the Project.

- Blackham owns the Wiluna Gold Plant which ran up until June 2013 and has been in care and maintenance since.
- Mr Craig Bartle (Senior Metallurgy Manager) has 6 year’s operating experience at the Wiluna Gold Plant.
- Messrs Steve McGhee and Dave Symons, both employees of Independent Metallurgical Operations Pty Ltd, and both with significant experience as Process Engineers, have sufficient experience to advise Blackham on matters relating to metallurgical testwork program and flow sheet design, operating and capital cost estimates for the Matilda Gold Project.
- Messrs Martin Smith and Grant Blakeman, both employees of Como Engineers Pty Ltd, both with years of experience as Process Engineers, have sufficient experience to advise Blackham on matters relating to capital cost estimates for refurbishing the Wiluna Gold Plant.
- Messrs Peter O'Bryan, Scott Campbell and John Keogh, all employees of Peter O'Bryan & Associates Pty Ltd, and with 30 years of experience as Geotechnical Engineers have sufficient experience to advise Blackham on matters relating to geotechnical matters relating to potential underground and open pit mines for the Matilda Gold Project.
- The Company signed $38.5 Million Funding Facility with Orion Mine Finance on 29 May 2015. The first $13 million under this facility was received in 2015. Subject to successful review of a definitive feasibility study and granting of the remaining approvals, a further $23 million is to be drawn down to pay for the development costs.

APPENDIX 2

JORC Code, 2012 Edition – Table 1 (Matilda)

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.*	• Historically (pre-Blackham Resources), RC drill samples were taken at predominantly 1m intervals, or as 2m or 4m composites. 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 reverse circulation drilling to obtain 1m samples from which ~3kg samples were collected using a cone splitter connected to the rig. In places 4m composites were obtained using spear sampling, with mineralised samples to be subsequently re-assayed using the original 1m splits. • For Blackham's (BLK) RC 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. • BLK Diamond drilling was completed to industry standard using varying sample lengths (0.3m to 1.2m) based on geology intervals. • BLK'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 bottom-of hole cut line. Drill core is measured by tape and compared to downhole core blocks consistent with industry standards. • At the laboratory, samples >3kg were 50:50 riffle split to become <3kg. The <3kg splits were pulverized 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 Quantum Analytical Services (QAS), ALS laboratories or SGS Laboratories in Perth. Analytical method was Fire Assay with a 50g charge and AAS finish.
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).*	• BLK DD data reported herein is HQ3 and PQ diameter, and orientated where possible using a Reflex ACT III tool. Downhole surveys are taken every 30m using a Reflex EZ-TRAC tool. Historical drilling data contained in this report includes RC, RAB 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 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.*	• For Blackham DD drilling, drill core recovery is measured by drillers and BLK staff, logged per drill run and stored in a digital database. For BLK RC drilling, chip sample recovery is visually estimated by volume for each 1m bulk sample bag, and recorded digitally in the

	• *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.*	sample database. 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. • For Blackham DD drilling, sample recovery is maximised by using best-practice drilling techniques, such as short drill runs, and split tubes. For depth mark-up and sampling the core is reconstructed in an orientation angle bar to ensure accuracy. Representivity of samples is maximised by routinely sampling half core on the right-hand side of the orientation line, and is checked through analysis of duplicate sampling results. 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 Blackham drilling, no such relationship was evaluated as sample recoveries were generally very good. For historical drilling no relationship was investigated as recovery data is not available.
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.*	• Samples have been routinely logged for geology, including lithology, colour, oxidation, veining and mineralisation content. This level of detail is considered appropriate for Mineral Resource estimation. • Logging of geology and colour for example are interpretative and qualitative, whereas logging of mineral percentages is quantitative. • Holes were logged entirely. • Core photography was taken for BLK diamond drilling.
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.*	• Sampling techniques and preparation are not known for all the historical drilling. Historical core in storage is generally half core, with some quarter core remaining; it is assumed that half core was routinely analysed, with quarter core perhaps having been used for check assays or other studies. Sawn half core HQ3 or quarter core PQ is routinely analysed by BLK. • Mention is made in historical reports of 1m riffle split samples for Chevron RC drilling, and of 1m and 2m or 4m composites for Agincourt drilling. For Blackham drilling, 1m samples were split using a cone splitter. 4m composite samples were collected with a spear tube where mineralisation was not anticipated. 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

	• *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.*	abandoned, as per procedure. • RC sampling with riffle or cone splitting and spear compositing is considered standard industry practice. • Half-core HQ3 sampling and quarter core PQ are considered standard industry practice for this style of mineralisation. Quarter coring of PQ was selected due to the larger sample volume relative to HQ3, and the desire to retain maximum sample volume for other metallurgical tests. • Boyd crushing to -2mm for samples >3kg is completed owing to the coarse nature of gold nuggets, prior to obtaining a <3kg sub-split for pulverisation. For RC sampling, riffle splitting and half-core splitting are industry-standard techniques and considered to be appropriate. • Field duplicates were collected every 40m down hole for BLK holes by taking a 50:50 split from the Boyd crusher / splitter. Analysis of results indicated good correlation between primary and duplicate samples. Chevron collected field duplicates at 1:20 ratio for the majority of historical RC drilling; samples showed good repeatability above 5g/t, though sample pairs show notable scatter at lower grades owing to the nugget effect. 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, whereas Aqua Regia is a partial digestion method. The lower detection limits of 0.01ppm or 0.02ppm Au used at various times are considered fit for purpose. For Blackham drilling, Bureau Veritas, Genalysis, ALS, SGS and QAS completed the analyses using industry best-practice protocols. These are globally-recognized and highly-regarded companies in the industry. • 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. • BLK drilling: certified reference material and blanks were submitted at a 1:40 ratio. A lab barren quartz flush is requested following predicted high grade (e.g. visible gold). Check samples are routinely submitted to an umpire lab at 1:40 ratio. Analysis of results confirms the accuracy and precision of the assay data. • Chevron inserted standards, blanks and field duplicates at 1:20 ratios; the Chevron data relates to the majority of in-pit drilling at Matilda. • Results show good correlation between original and repeat analyses with very few samples plotting outside acceptable ranges (+/- 20%). A recognised laboratory has been used for historical analyses (Classic Labs, Analabs, ARM).
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.*	• BLK's significant intersections are verified by alternative company personnel. For historical results, significant intersections can't be independently verified. However, database validation has been done to ensure the latest assay set appears i.e. where intervals have been sub-split the newest assays are given priority. • Some holes in the DD program have been designed to twin historical RC and BLK RC drilling; results broadly match the DD results. • 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 2015".

		• Conversion of lab non-numeric code to numeric for estimation.
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. 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. • A topographical survey has been flown with 30cm vertical accuracy, which has been used to determine historical pre-Blackham collar RL's.
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. • The mineralisation lodes show sufficient continuity of both geology and grade between holes to support the definition of 2012 JORC compliant resources. • 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. • RC Samples have been collected on 1m lengths. All assay intervals are in multiples of 1m so there are no residual excluded intervals. Diamond Drill core is logged and divided into sample intervals that have a minimum sample length of 0.3m and a maximum sample length of 1.2m. Geological boundaries are typically used to determine intervals. Most sample lengths are at 1m intervals and statistical compositing is not applied until the estimation stage.
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 towards the west to intersect predominantly steeply east-dipping mineralisation. However, around the historical pits optimal drill sites were not always available, so alternative orientations were used. Thus drill intercepts are not true thicknesses. • Such a sampling bias is not considered to be a factor as the RC technique utilizes the entire 1m sample. • For Blackham DD sampling, a cut line is routinely drawn at an angle 10 degrees to the right of the orientation line. Where no orientation line can be drawn, where possible samples are cut down the axis of planar features such as veins, such that the two halves of core are mirror images.
Sample security	• *The measures taken to ensure sample security.*	• Drill samples are delivered to Toll Ipec 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.*	• For Blackham drilling, data has been validated in Datashed and upon import into Micromine. QAQC data has been evaluated and found to be satisfactory. Historical assay techniques and data have not been reviewed in detail owing to the preliminary stage of exploration work. • Blackham Resources staff have visited the ALS lab and confirmed that the sample handling systems and techniques meet the industry standard.

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 M53/34. The tenement is owned 100% by Kimba Resources Ltd, a wholly owned subsidiary of Blackham Resources Ltd. The tenement sits within the Wiluna Native Title area, and an exploration heritage agreement is in place with the Native Title holders. • The tenement is in good standing and no impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical artisanal mining was conducted on the M53/34 tenement and most historical workings have now been incorporated into the modern open pits. 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 Matilda Domain of the Wiluna greenstone belt. Rocks in the Matilda Domain have experienced Amphibolite-grade regional metamorphism. At the location of this drilling, the Matilda Domain is comprised of a fairly monotonous sequence of highly sheared basalts. Gold mineralisation is related to early deformation events, and it appears the lodes have also been disrupted by later shearing / faulting on the nearby Erawalla Fault, as well as later cross-faults.
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*	• All Drill hole information is contained within the Access database used to define the resource.

	information is not Material 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.*	• Drill hole intercepts are reported as length-weighted averages, above a 0.6g/t cut-off, using a maximum 2m contiguous internal dilution. • High-grade internal zones are reported at a 5g/t envelope, e.g. MARC0183 contains 8m @ 5.84g/t from 46m including 1m @ 18.36g/t. • 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').*	• Various lode geometries are observed at Matilda, including east-dipping, west-dipping and flat-lying geometries. 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. Blackham's drill holes are not always drilled at optimal drill angles, i.e. perpendicular to mineralisation, owing to these various geometries, limitations of the rig to drilling <50° angled holes, and difficulty in positioning the rig close to remnant mineralisation around open pits.
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 Results.*	• Full reporting of the historical drill hole database of over 40,000 holes is not feasible. A full list of results from the current drilling program is included with the report. • Drill hole collars and starting azimuths have been accurately recorded using a handheld GPS and sighting compass. Down hole dip values and azimuths are recorded using a calibrated down-hole camera. Results are accurate to 0.1°.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey*	• Other exploration tests are not the subject of this report.

	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.	
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.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data is validated upon upload into the Datashed database such that only codes within the various code libraries are accepted. Assay data is loaded from digital files. • Data is subsequently validated using Datashed validation macros, and then in Micromine and Surpac using validation macros. Data is checked for holes that are missing data, intervals that are missing data, missing intervals, overlapping intervals, data beyond end-of-hole, holes missing collar co-ordinates, and holes with duplicate collar co-ordinates.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The site has been visited by the Competent Person, and no problems were identified.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The deposit has previously been mined, which has confirmed the geological interpretation. • Geological data used includes lithology, mineral percentages (such as quartz veining and sulphides) to identify lode positions, and weathering codes and rock colour to model the weathering domains. Gold mineralisation is known to relate to quartz and sulphide content. Weathering codes are assumed to have been logged consistently by various geologists, though it is likely that some of the variations between drill holes are due to different logging styles or interpretations. • A high degree of confidence is placed on the geological model, owing to the tight drill spacing. Any alternative model interpretations are unlikely to have a significant impact on the resource classification. • At Matilda, the host rocks are a fairly monotonous sequence of basalts, thus geology is not the primary control on the

		location of mineralisation. Mineral percentages (such as quartz veining and sulphides) are used as a proxy for interpreting lode positions, as are weathering codes to model the weathering domains. • Significant mineralisation is hosted within moderately north-plunging shoots, which may represent boudinaged older tabular lodes. Thus lodes are continuous down-plunge, with lesser up-dip continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Matilda deposit is comprised of a number of domains; M1, M2, M3, M4, M5, M8, M10 and Coles Find. These combined zones extend almost 5km along a strike of 330° and cover a width of approximately 1km. The deepest vertical interval is 395m at the M1 prospect.
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modeling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The sample domains were flagged into an Access database from a validated wireframe. • Only Reverse Circulation (RC) and Diamond Drilling were used in the estimate. • A composites string-file was then created in Surpac with a 1.0 m composite length and a minimum percentage of sample to include at 30%. • Gold grades were estimated into the model by ordinary kriging using the block model field coding to constrain the estimate. • Soft boundaries was utilised between the oxidation surfaces. The majority of the deposit is currently situated within oxide. • Only samples contained within each individual ore wireframe were used for the estimate of that lode. • Incomplete historical production figures are available at a couple of the Matilda prospects. Blackham did not reconcile the current in-pit resource to the historical figures as not all grade control data was available, and the current interpretations may not match the mined lodes. • The production figures at the time mining operations were halted are not known. This estimation is comparable to that completed by Runge in 2013/14 and any significant differences have been accounted for through depletions, change in interpretation and additional drilling information. • Blackham has not made assumptions regarding recovery of by-products from the mining and processing of the Matilda Au resource. • No estimation of deleterious elements was carried out. Only Au was interpolated into the block model. • The parent block dimensions used were 10m NS by 2.5m EW by 5m vertical with sub-cells of 2.5m by 0.625m by 1.25m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing immediately below the existing pits. • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not carried out. • The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. A minimum intercept of 2m was required with a maximum of 2m of internal dilution. The wireframes were applied as hard boundaries in the estimate. • The search ellipse was based on the ranges of continuity observed in the variograms along with considerations of the

		drillhole spacing and lode geometry. The search ellipse was rotated to best reflect the lode geometry and the geology as seen in the drilling and as described in the logging. This geometry was also supported by the variogram analysis.
		• Search passes were utilised to populate blocks using search ellipse ranges from 30 m to 60 m. Each pass incorporated a different set of sample selection criteria to ensure blocks were filled with an appropriate level of statistical confidence. A final pass of 120m was used to fill remaining blocks.
		• The relatively short search ranges for the first pass were applied in an attempt to limit grade smoothing within the very close (less than 20m) spaced drill holes.
		• Topcuts were determined from the aforementioned statistical analysis. A number of factors were taken into consideration when determining the top-cuts including:
		  ○ The disintegration point of the data on the probability plots;
		  ○ Having a coefficient of variance (CV) under 2.0; and
		  ○ Reviewing the model (block) grades against the composites.
		• The estimate was validated using a number of techniques including but not limited to:
		  ○ A visual comparison of block grade estimates and the drill hole data;
		  ○ A comparison of the composite and estimated block grades;
		  ○ Use of SWATH plots.
		• A comparison of the estimated block grades for ordinary kriged models using different cut-off grades for the composites.

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The nominal cut-off grade of 0.5g/t appears to be a natural cut-off between mineralised veins and host rock as determined from analysis of log probability plots of all samples at each prospect. This cut-off was used to define the mineralised wireframes. The Mineral Resource has been reported at a 0.6g/t Au cut-off above the 900mRL (which occurs on average at a depth of 200m below the topographic surface) and at a 2g/t cut-off below the 900mRL for M1, M2, M3, M4, M5 and M10. M6, M8 and Coles Find were reported at a 0.75g/t cut-off above the 900mRL as the estimation for these areas have remained unchanged. These values are based on BLK assumptions about economic cut-off grades for open pit and underground mining. BLK has access to previous mining reports from across all prospects at the Matilda deposit.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions*	• Blackham believes that a significant portion of the Matilda Deposit defined Mineral Resource has reasonable prospects for eventual economic extraction by medium to large-scale open pit mining methods, taking into account current mining costs and metal prices and allowing for potential economic variations. Historical economic mining of similar deposits has occurred in the area.

	made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• The deposit has previously been mined and successfully processed for gold extraction. Blackham's DFS metallurgical testwork has shown the resource could be economically treated using standard gravity concentration / carbon-in-leach cyanidation technology. An average recovery of 93% is expected across the oxide+transitional+fresh material.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Blackham Resources has submitted a detailed Mine Closure Plan to the Department of Mines and Petroleum. This document will be finalized during the project feasibility stage. • No environmental, permitting, legal, taxation, socio-economic, marketing or other relevant issues are known, that may affect the estimate.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• BLK has now collected 564 samples for bulk density test work. The results generally match the historic values and the values used in previous resource estimates including the work completed by RPM. • Values of 2.1 t/m3 for oxide, 2.4t/m3 for transitional and 2.8t/m3 for fresh material were used.
Classification	• *The basis for the classification of the Mineral Resources into varying*	• A range of criteria were considered when addressing the suitability of the classification boundaries to the resource

	confidence categories. • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	estimate. ○ Geological continuity and volume models; ○ Drill spacing and available mining information; ○ Modelling technique ○ Estimation properties including search strategy, number of informing composites, average distance of composites from blocks, number of drillholes used and kriging quality parameters • Typically the Measured portion of the resource was defined where the drill spacing was predominantly at 10m by 10m immediately below the existing pits, and continuity of mineralisation was robust. The Indicated portion of the resource was defined where the drill spacing was predominantly at 25m by 25m and in some areas up to 40m by 40m, and continuity of mineralisation was strong. The Inferred Resource included the down depth lode extensions or minor lodes defined by sparse drilling. • Historical documents (including annual reports) provide detailed information on drilling and mining at the various prospects. A large proportion of the digital input data has been transcribed from historical written logs and validation checks have confirmed the accuracy of this transcription. The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The continuity of geology is well understood as existing pits and historical mining reports provide substantial information on mineralisation controls and lode geometry. Recent BLK infill drilling has supported the interpretations. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• External audits have been completed and a comparison has been made with the previous resource estimate completed by RPM.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy*	• This resource estimate is considered appropriate for a definitive study into the mining of the Matilda deposit and reports global estimates. • The lode geometry has been verified through direct observation of existing open pit walls and from historical mining reports. Current targeted drilling has confirmed the down dip extensions of the main lodes across the deposit. BLK has a good understanding of the geology and mineralisation controls gained through study of all historical mining data. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The deposit is not currently being mined. Historical production figures supplied to Blackham relate to individual prospects at various stages of the mine life and no final production figures were available. Reconciliation of the current Mineral resource with historical production is not possible.

	and confidence of the estimate should be compared with production data, where available.	

JORC Code, 2012 Edition – Table 1 (Wiluna)

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.*	• This is a portion of a large drilling database compiled since the 1930's by various project owners. Only the drilling results contained in this document are considered in this table, as it is impractical to comment on the entire database. Golden Age has been mainly core drilled from underground, though some surface RAB and RC drilling has tested the shallow portions of the deposit. Drilling data contained in this report includes RC and diamond core data. Drilling data is more complete for holes drilled since the early 2000's. Sundry data on sampling quality is not available and not evaluated in earlier drilling. Blackham Resources has used reverse circulation drilling to obtain 1m samples from which ~3kg samples were collected using a cone splitter connected to the rig. • For Blackham's RC 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. NQ2 diamond holes were completed by BLK in Golden Age and half core sampled. The drilling was completed to industry standard using varying sample lengths (0.3m to 1.2m) based on geology intervals • Historically, RC samples were composited in the field on 2m or 6m composites, with high-grade samples subsequently re-sampled on 1m intervals. Composited samples were spear-split, and / or reduced in size in the field using a riffle splitter to ensure sample representivity. For Blackham drilling, 4m composites were collected in the field, with 1m splits to be assayed where mineralisation is encountered. At the laboratory, samples >3kg were 50:50 riffle split to become <3kg. The <3kg splits were pulverized to produce a 50g charge for fire assay. • 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. Blackham Resources analysed samples using laboratories in Perth. Analytical method was Fire Assay with a 50g charge and AAS finish (P-FA6).

Criteria	JORC Code explanation	Commentary
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).*	• Historical drilling data contained in this report includes RC and DD core samples. RC sampling utilized a face-sampling hammer of 4.5" or 5.5" diameter, 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 drilling is RC with a face-sampling bit or NQ2 diamond.
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 drilling, chip sample recovery is visually estimated by volume for each 1m bulk sample bag, and recorded digitally in the sample database. 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. • For Blackham 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. • Diamond Drill core is logged and divided into sample intervals that have a minimum sample length of 0.3m and a maximum sample length of 1.2m. Geological boundaries are typically used to determine intervals. Some intervals logged as 'stope' were assayed, presumably this is back-fill material and would be excluded from detailed investigation of these prospects. The presence of these intervals does not materially affect assessment of the prospects at this stage. • For Blackham drilling, no such relationship was evaluated as sample recoveries were generally very good. For historical drilling no relationship was investigated as recovery data is not available.
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*	• Samples have been routinely logged for geology, including lithology, colour, oxidation, veining and mineralisation content. This level of detail is considered appropriate for exploration drilling.

Criteria	JORC Code explanation	Commentary
	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.*	• Logging of geology and colour for example are interpretative and qualitative, whereas logging of mineral percentages is quantitative. • Holes were logged entirely. Geology data has not yet been located for some holes, database compilation is on-going. • Core photography was taken for BLK diamond drilling.
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.*	• For core samples, it is assumed that sawn half-core was routinely sampled. Holes have been selectively sampled (visibly barren zones not sampled, though some quartz vein intervals have been left un-sampled), with a minimum sample width of 0.3m and maximum of 1.2m, though typically 1m intervals were selected. • Historically, RC and RAB samples were riffle split for dry samples; wet samples were collected in polyweave bags and speared. RC and RAB samples were initially composited on 2m, 4m or 6m intervals. Composites grading >0.1g/t were subsequently assayed on 1m intervals. For Blackham drilling, 1m samples were split using a cone splitter. 4m composite samples were collected with a spear tube where mineralisation was not anticipated. 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. • Riffle splitting and half-core splitting are industry-standard techniques and considered to be appropriate. Note comments above about samples through 'stope' intervals; these samples don't represent the pre-mined grade in localized areas. • For historical drilling, field duplicates, blank samples and certified reference standards were collected and inserted from at least the early 2000's. Investigation revealed sufficient quality control performance. No field duplicate data has been located or evaluated in earlier drilling. Field duplicates were collected every 20m down hole for Blackham holes. Analysis of results indicated good correlation between primary and duplicate samples. • 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*	• Fire assay is considered a total digestion technique, whereas aqua regia is a partial digestion. Both techniques are considered appropriate for analysis of exploration samples. • No geophysical tools were used to obtain analyses. • Field duplicates, blank samples and certified reference standards were collected and inserted from at least the early 2000's. Results generally fall within acceptable levels. However, for holes drilled prior to this no QAQC data has been located or evaluated. Some intervals logged as 'stope' were also assayed,

Criteria	JORC Code explanation	Commentary
	(eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	presumably this is back-fill material and would be excluded from detailed investigation of these prospects. The presence of these intervals does not materially affect assessment of the prospects at this stage, although if anything prospectivity is enhanced as pre-mining metal tenor was greater than the drilling results indicate in stoped areas. For Blackham drilling certified reference material and blanks were submitted at 1:40 and 1:40 ratios for various campaigns and duplicate splits were submitted at 1:40 ratio with each batch of samples. Check samples are routinely submitted to an umpire lab at 1:40 ratio. Analysis of results confirms the accuracy and precision of the assay data.
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 intersections have been verified by several company personnel. For historical results, significant intersections can't be independently verified. However, database validation and cleaning has been done to ensure the latest assay set appears i.e. where intervals have been sub-split the newest assays are given priority. • The use of twin holes is not noted, as this is not routinely required. However, drilling at various orientations at a single prospect is common, and this helps to 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 Geological Manual 2015". Historical procedures have not been sighted. • Conversion of lab non-numeric code to numeric for estimation.
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.*	• All historical holes appear to have been accurately surveyed to centimeter accuracy. Blackham holes reported herein have not yet been DGPS surveyed, though collar positions have been GPS located to within several metres accuracy. • Grid systems used in this report are Wil10 local mine grid and GDA 94 Zone 51 S. Drilling collars were originally surveyed in either Mine Grid Wiluna 10 or AMG, and converted in Datashed to MGA grid. • An accurate topographical model covering the mine site has been obtained, drill collar surveys are closely aligned with this. Away from the mine infrastructure, drill hole collar surveys provide adequate topographical control.
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*	• Each of the prospects mentioned in this report has received sufficient historical drilling to allow structural orientation and lode thicknesses to be confidently interpreted. Drill spacing is general 50m x 25m or better, with holes oriented perpendicular to the strike of quartz reefs. Mineral resources and reserves are

Criteria	JORC Code explanation	Commentary
	estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	not the subject of this report. • For core samples, typically 1m intervals were sampled though 3m composites are noted in some barren zones. Historical RC and RAB samples were initially composited on 2m, 4m or 6m intervals. Composites grading >0.1g/t were subsequently assayed on 1m intervals. For Blackham drilling, samples have been composited, the 1m samples will be 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.*	• In the historical data, no such bias is noted or believed to be a material factor. Potentially diamond half-core samples may show such bias to a minor degree; holes are orientated perpendicular to strike to mitigate any such bias. For Blackham drilling, the RC technique utilizes the entire 1m sample so significant bias is unlikely.
Sample security	• *The measures taken to ensure sample security.*	• It is not known what measures were taken historically. For Blackham drilling, samples are delivered to Toll Ipec 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.*	• For Blackham drilling, data has been validated in Datashed and upon import into Micromine. QAQC data has been evaluated and found to be satisfactory. Historical assay techniques and data have not been reviewed in detail owing to the preliminary stage of exploration work.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections.)

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 licence to operate in the area.*	• All drill holes mentioned in this report are situated on granted mining licenses held 100% by Matilda Operations Pty Ltd, a fully-owned of Blackham Resources Ltd. • Tenements are in good standing and no impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical artisanal mining was conducted on the tenements. Modern exploration and mining has been conducted on the Brothers, Golden Age and Republic reefs since the early-1990's. This exploration is considered to have been successful as it led to the definition of JORC-

Criteria	JORC Code explanation	Commentary
		compliant mineral resources and profitable open pit and underground mines. The deposits remain 'open' in various locations and opportunities remain to find extensions to the known potentially economic mineralisation. Deeper portions of Republic and Brothers reefs more than 70m below surface have been poorly tested, with the intercepts reported herein coming in some cases from holes designed to target other resource areas.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The gold deposits are categorized as orogenic gold deposits, with similarities to many other gold deposits in the Yilgarn region. The deposits are hosted within the Wiluna Domain of the Wiluna Greenstone Belt. Rocks in the Wiluna Domain have experienced greenschist-facies regional metamorphism and brittle deformation. The Wiluna Domain is comprised of a fairly monotonous sequence of foliated basalts and high-magnesian basalts, with intercalated felsic intrusions, lamprophyre dykes, metasediments, and dolerites. Gold mineralisation is related to quartz vein emplacement, typically along stratigraphic boundaries, and the lodes have also been disrupted by later cross-faults.
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 and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All Drill hole information is contained within the Access database used to define the resource.
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*	• Assay intervals reported are length-weighted averages. Intervals are reported using a 1g/t lower cut-off and maximum 2m internal contiguous dilution. • No metal equivalent grades are reported as Au is the only metal of economic interest.

Criteria	JORC Code explanation	Commentary
	such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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').*	• Holes were often drilled obliquely to mineralisation owing to the difficulty in finding optimum drilling locations around the mine infrastructure, particularly at Golden Age, or in other cases the reefs were not the intended target such that drilling angles were not optimal.
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.*	• Please see body of this report for diagrams and tables.
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 Results.*	• Selected intervals have been reported owing to impracticality of reporting the large drilling database.
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.*	• Not material to 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.*	• Step-out drilling is planned to locate high-grade extensions to shoots at depth and along strike of historical drilling intercepts. Please see body of the report for locations of the targets identified for high-priority drilling.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• All data has been uploaded using Datashed which incorporates a series of internal checks.
		• The Wiluna dataset has been validated in Datashed and Surpac using internal validation macros and checks. Holes have been checked and corrected where necessary for:
		  • Intervals beyond EOH depth
		  • Overlapping intervals
		  • Missing intervals
		  • Holes with duplicate collar co-ordinates (i.e. same hole with different names)
		  • Missing dip / azimuth
		  • Holes missing assays
		  • Holes missing geology

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit has been undertaken and no concerns or issues were discovered.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The interpretation of the mineralisation was carried out using a methodical approach to ensure continuity of the geology and estimated mineral resource using Surpac software. The confidence in the geology and the associated mineralisation is high. • All available geological data was used in the interpretation including mapping, drilling, oxidation surfaces and interpretations of high grade ore shoots. Only diamond and reverse circulation drilling samples were used in the final estimate however all available grade control data was used in the geological assessment. • No alternate interpretations have been completed. The current interpretation follows similar methodology to that used historically. • Drill logging has been used to constrain the 3D wireframes. • Gold mineralisation is predominantly associated with second to third order north and northeast trending brittle to brittle-ductile dextral strike-slip faults, localised at dilational bends or jogs along faults, at fault intersections, horsetail splays and in subsidiary overstepping faults.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Strike length = ~ 3700 m • Width (total of combined parallel lodes) = ~ 800 m • Depth (from surface) = ~ 0 to 1000 m
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance*	• The sample domains were flagged into an Access database from a validated wireframe. • A composites string-file was then created in Surpac with a 1.0 m composite length and a minimum percentage of sample to include at 30%. • Only Reverse Circulation (RC) and Diamond Drilling were used

Criteria	JORC Code explanation	Commentary

	of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*
	• *The assumptions made regarding recovery of by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*
	• *Any assumptions behind modelling of selective mining units.*
	• *Any assumptions about correlation between variables.*
	• *Description of how the geological interpretation was used to control the resource estimates.*
	• *Discussion of basis for using or not using grade cutting or capping.*
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*
		in the estimate.
		• Resource estimation for the Wiluna mineralisation was completed using Ordinary Kriging for Gold (Au) and Inverse Distance Squared for Sulphur (S). Blockmodel field coding was used to constrain the estimate.
		• Soft boundaries were utilised between the oxidation surfaces. Mineralisation is predominantly in fresh.
		• Only samples contained within each individual ore wireframe were used for the estimate of that lode.
		• A number of previous resource estimates and studies have been undertaken and were reviewed to assist in the development of this resource estimate.
		• The modelled wireframes were used to create a blockmodel with a user block size of 2mE by 10mN by 10mRL. The model used variable sub-blocking to 0.5mE by 2.5mN by 2.5mRL. The Block size corresponds to around half of the nominal drillhole spacing for all the main lodes.
		• Specifically for the Golden Age narrow vein a user block size of 2mE by 2mN by 2mRL. The model used variable sub-blocking to 0.5mE by 0.5mN by 0.5mRL. The smaller block sizes are based on the narrow nature of the Golden Age ore body and the corresponding data density.
		• The search ellipses used were based on the ranges of continuity observed in the variograms along with considerations of the drillhole spacing and lode geometry. The search ellipse was rotated to best reflect the lode geometry and the geology as seen in the drilling and as described in the logging. This geometry was checked to ensure that it was also supported by the variogram analysis.
		• Ordinary kriging parameters were also checked against those used in previous resource estimates and variography studies. No significant differences were discovered.
		• Three search passes were used to populate blocks using search ellipse distances based on ranges observed in the variograms. Typically the first pass was no more than 30 m and a second pass no more than 60 m. Each pass incorporated a different set of sample selection criteria to ensure blocks were filled with an appropriate level of statistical confidence.
		• For the first two passes at least 3 individual drillholes were required to complete the estimate.
		• Topcuts were determined from statistical analysis. A number of factors were taken into consideration when determining the top-cuts including:
		    ○ The disintegration point of the data on the probability plots;
		    ○ Having a coefficient of variance (CV) under 2.0; and
		    ○ Reviewing the model (block) grades against the composites.
		• The estimate was validated using a number of techniques including but not limited to:
		    ○ A visual comparison of block grade estimates and the drill hole data;
		    ○ A comparison of the composite and estimated block grades;
		    ○ A comparison of the estimated block grades for the ordinary kriged model against an inverse distance model.

Criteria	JORC Code explanation	Commentary
		○ A comparison of the estimated block grades for ordinary kriged models using different cut-off grades for the composites. ○ A comparison of the estimated block grades against the composite grades along northings.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The nominal cut-off grade of applied for the individual resource areas appears to be a natural cut-off between mineralised veins and host rock as determined from analysis of log probability plots of all samples at each prospect. Mineralisation boundaries are typically sharp in that there is generally a significant order of magnitude (2 to 4 fold) increase in gold values between ore and waste zones. • A global reporting cut-off grade of 3.00g/t was applied to the Golden Age resource. This is based on the understanding that a variety of underground mining techniques (including but not exclusive to) air-legging may be used.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• No mining factors or assumptions have been applied although it is envisaged that the resource has been created on the basis of an underground mining method.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Wiluna ores are typically extremely refractory, with most gold occurring in either solid solution or as submicroscopic particles within fine-grained sulphides. • Golden Age mineralisation is free milling/oxide gold; this is located throughout the quartz but appears more concentrated where there are stylolites. There is commonly a strong base metals signature with galena, chalcopyrite, sphalerite and pyrite being common. These areas also include higher grades but the gold is not associated with the sulphides as with the refractory ore. The mineralization is mainly in the quartz reef but there are some splays of quartz, especially to the footwall which can contain gold.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always*	• No environmental, permitting, legal, taxation, socio-economic, marketing or other relevant issues are known, that may affect the estimate.

Criteria	JORC Code explanation	Commentary
	necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk densities were assigned as 1.80 t/m^3 for oxide, 2.40 t/m^3 for transitional and 2.80 t/m^3 • A total of 16,206 bulk density determinations have been collected by extensive sampling of diamond drill core in Calais – Henry 5, East Lode North and Calvert areas throughout the orebody and in wallrock adjacent to the mineralisation. All sections of the underground resource are in primary rock, and Bulk Density values are relatively uniform throughout. • Bulk Density determinations were completed by Apex staff for every assayed interval since the commencement of Apex's involvement with the project to the end of 2008. In addition, in areas where Apex bulk density determinations are considered too sparse, pre-Apex diamond core has been used for determinations.

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*
		• A range of criteria were considered when addressing the suitability of the classification boundaries to the resource estimate.
		    ○ Geological continuity and volume models;
		    ○ Drill spacing and available mining information;
		    ○ Modelling technique
		    ○ Estimation properties including search strategy, number of informing composites, average distance of composites from blocks, number of drillholes used and kriging quality parameters.
		• The classification for this model was predominantly based on the estimation pass. With the first pass relating to an indicated resource and the second pass being inferred.
		• The classification of the blocks was also visually checked and adjusted to remove any "spotted dog" effects. No measured resources were calculated.

Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Audits have been undertaken on the resource estimates completed by Apex Minerals in 2012. No major issues were discovered and recommendations made from those audits have been assessed and included where required in subsequent estimates. • No specific review or audit has been under on the updated

Criteria	JORC Code explanation	Commentary
		Golden Age Resource estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• This resource estimate is intended an underground mining assessment and reports global estimates.

Section 4 Estimation and Reporting of Ore Reserves (Matilda and Wiluna)

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource used as the basis of this Ore Reserve was released to market; • Galaxy and Golden Age both announced on the 25th January 2016 • Wiluna East/West Lode 14th December 2014 • Matilda 29th January 2016 • Williamson 11th February 2016 • Bulletin Upper 9th February 2015 • Mineral Resources have not been reported additional to the Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person previously worked at the Wiluna Gold mine and is familiar with the underground operations, the surrounding area and access routes and the Wiluna site infrastructure including the processing plant. • The Competent Person has not visited the Matilda, Williamson or Galaxy area, however the Competent

Criteria	JORC Code explanation	Commentary
		Person is comfortable relying on reports from other independent consultants and detailed site surveys in determining the viability of the Ore Reserve.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• A Definitive Feasibility Study has been completed for all material being converted from Mineral Resource to Ore Reserve. • Modifying factors accurate to the study level have been applied based on detailed selective mining unit (SMU) and stope design analysis. Modelling indicates that the resulting mine plan is technically achievable and economically viable.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Cut-off grade parameters were determined based on previous pre-feasibility study work and historical costs from the Wiluna mine. Cut-off grade sensitivity analysis has been carried out using the detailed financial model to check assumptions.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths*	• Detailed mine designs were carried out on all ore sources and used as the basis for the Ore Reserve estimate. • Conventional mining methods were chosen. Open cut operations are planned around using 250 t-class excavators and 140 t dump trucks for waste excavation where working area sizes allowed, and 120 t-class excavators with 90 t dump trucks for ore excavation and in cutback benches or deeper parts of the pits where working room is restricted. Fleet equipment types assumed have been confirmed in a detailed contract tendering process based on the Reserve pit designs. All material excluding existing in-pit backfill or historical waste dumps was assumed to require drilling and blasting using emulsion-type explosives for costing and scheduling purposes. • Underground production at the East-West, Golden Age and Bulletin Sulphide underground mines will be predominantly from top-down mechanised longhole open stoping with in-situ pillars retained for stability. Deeper areas of the Bulletin Sulphide have been assumed to be mined using a bottom-up modified Avoca method with unconsolidated backfill based on geotechnical advice. Diesel powered trucks and loaders will be used for materials handling. Diesel-electric jumbo drill rigs will be used for development and ground support installation, and diesel-electric longhole rigs used for production drilling • The mining methods chosen are well-known and widely used in the local mining industry and production rates and costing can be predicted with a suitable degree of accuracy. Suitable access exists for all mines. Dewatering, re-entry and refurbishment of flooded workings was costed and allowed for in the schedule.

Criteria	JORC Code explanation	Commentary
	used. • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	Allowance was made for earthworks and infrastructure requirements including haul road construction and clearing for site facilities and mining areas. • Independent consultants prepared a geotechnical analysis to a suitable level of detail. This forms the basis of pit wall design criteria, underground stope sizes and pillar designs, underground mining factors and underground development design and support assumptions. • Cost allowances were made for grade control activities in both underground and open pit mines. • Only the Indicated portion of the Mineral Resource was used to estimate the Ore Reserve. All Inferred material has had grade set to waste. The Ore Reserve is technically and economically viable without the inclusion of Inferred Mineral Resource material. • Underground stopes were designed inclusive of minimum mining width plus dilution 'skins'. Dilution width estimates were provided by independent geotechnical consultants based on historical experience, production data and surveyed voids, and geotechnical analysis. Dilution was assumed to carry no grade. • For East-West this comprised a minimum planned width of 2 m plus 0.2 m dilution skin on both the hangingwall and footwall, for a total minimum stope void width of 2.4 m at 20-25 m sub-level intervals. • For Golden Age, this comprised a minimum planned width of 1 m plus 0.2 m dilution skin on both the hangingwall and footwall, for a total minimum stope void width of 1.4 m at 15 m sub-level intervals. • For Bulletin Sulphide this comprised a minimum planned width of 2 m plus 0.2 m dilution skin on both the hangingwall and footwall, for a total minimum stope void width of 2.4 m at 20-25 m sub-level intervals. • Open pit mining blocks were diluted by 10% based on detailed SMU analysis. • Mining recovery of 95% was assumed for the stopes at all the underground operations. Ore development had an assumed 100% mining recovery, based on historical experience and industry standards. Golden Age ore development tonnes and grades have been modelled assuming a resue split firing development method. • Open pit mining recovery was assumed at 95% based on detailed SMU analysis and industry standards. • Most of the infrastructure required for the operations is already in place at the Wiluna operation, including a processing plant and associated infrastructure, camp, airstrip, offices, power station and power reticulation, borefields and coreyards. Allowance has been made for refurbishment of this infrastructure where required based on quotes provided by reputable independent vendors to an appropriate standard of detail. Allowance has been made for earthworks including road refurbishment and construction, and clearing for mining contractor facilities required at Matilda.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.*	• The proposed process for most of the material is Crush-Grind-Gravity-Leach-CIL, a standard gold processing flowsheet used throughout the industry for this style of mineralisation.

Criteria	JORC Code explanation	Commentary
	• *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The East-West and Bulletin Sulphide underground ore material is expected to be processed using the existing installed BIOX circuit. This circuit was operated successfully on this type of material for over 20 years during previous operations. • Enough recent processing plant production data exists to estimate metallurgical recoveries and throughput rates to a suitable degree of accuracy. Recoveries have been applied to individual mines by weathered material type. • Metallurgical testing has been performed on diamond drill holes in well-known and recognised laboratories to standard test practices on a sufficient number of samples to be representative of the different domains. • No deleterious elements were detected however some of the ore sources may require alternative unit processes.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• Environmental impacts and hazards are being considered as part of the DMP application process. • Historical data indicates that the rock mass is non-acid forming. • Tailings from ore processing will be stored within the existing Tailings Storage Facility (TSF). Allowance has been made for expansions to this facility as required by the mine plan. • At this point in time the Competent Person sees no reason why permitting will not be granted within a reasonable time frame.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Substantial infrastructure exists on-site at the Wiluna mine from previous operations (which ceased in 2013 and have been on care and maintenance since that time), and refurbishment of this infrastructure has been allowed for in the detailed cost model. The site is located proximal to the township of Wiluna and the all-weather Goldfields Highway. The Wiluna airport services both the mine and the town.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.*	• Existing infrastructure refurbishment capital estimates are based on quotes from vendors following inspections. • Surface mining capital costs including contractor mobilisation and set-up and site preparation have been estimated based on the results of a detailed contract tender. Pit dewatering costs have been estimated based on analysis by an independent hydrological consultant and quotes from suppliers. • Underground mining capital costs have been estimated

Criteria	JORC Code explanation	Commentary
	• *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	based on a detailed contract tender process, recent vendor quotes or estimates for refurbishment of capital infrastructure following inspection by independent experts. • Mining operating costs have been estimated based on a detailed contract tender. Power, diesel and accommodation costs have been determined based on vendor quotes. Staff costs have been assumed based on current market salary levels. • Processing operating costs were determined based on metallurgical testing of PQ diamond core, modelling, and supplier quotes for input costs. • No deleterious elements are expected to report through the process into the saleable product. • All costs have been estimated in Australian dollars. • All costs had transportation charges built into the final figure. No transportation charges were assumed for the product as it will be transported from site on scheduled flights. • A 2.5% WA state government royalty has been allowed over all the mines. An additional 5% non-government royalty has been applied over the Matilda and Williamson pits based on an existing agreement. This 5% royalty was also applied over the Wiluna material after 200 koz has been produced from these tenements. The 5% royalty was applied to the portion of the Galaxy pit which falls within the tenement over which the royalty holds (approximately 66% of metal produced from the Galaxy pit).
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Production for revenue calculations was based on detailed mine plans and mining factors. • The assumed metal price used for revenue calculation was A$1,500/oz, being the average price over the past 3-5 years.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.*	• Gold doré from the mine is assumed to be sold at the Perth mint as soon as it is produced.

Criteria	JORC Code explanation	Commentary
	• *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The Ore Reserve estimate is based on a financial model that has been prepared at a Definitive Feasibility study level of accuracy. All inputs from open pit and underground operations, processing, transportation and sustaining capital as well as contingencies have been scheduled and evaluated to generate a full life of mine cost model. • Economic inputs have been sourced from suppliers or contractors. • A discount rate of 7% has been applied. • The NPV of the project is positive at the assumed commodity price. The Competent Person is satisfied that the project economics based on mining the Ore Reserve retains a suitable margin of profitability against reasonably foreseeable commodity price movements.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• To the best of the Competent Persons knowledge all agreements are in place and current with all key stakeholders including traditional owner claimants and residents of Wiluna.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• A formal process to assess and mitigate naturally occurring risks will be undertaken prior to execution. Currently, all naturally occurring risks are assumed to have adequate prospects for control and mitigation. • The approvals process for commencement of operations is underway. Based on the information provided, the Competent Person sees no reason why all required approvals will not be successfully granted within the anticipated timeframe.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the*	• The Probable Ore Reserve is based on that portion of the Indicated Mineral Resource within the mine designs that may be economically extracted and includes an allowance for dilution and ore loss. • The Proved Ore Reserve is based on that portion of the Measured Mineral Resource within the mine designs that

Criteria	JORC Code explanation	Commentary
	Competent Person's view of the deposit. • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	may be economically extracted and includes an allowance for dilution and ore loss. • None of the Probable Ore Reserves have been derived from Measured Mineral Resource. • The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserve estimate, along with the mine design and life of mine plan, has been peer-reviewed by Entech internally.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The design, schedule and financial model on which the Ore Reserve is based has been completed to a Definitive Feasibility study standard, with a corresponding level of confidence. • The Ore Reserve is based on a global estimate. • There is a degree of uncertainty associated with geological estimates. The Reserve classifications reflect the levels of geological confidence in the estimates. • There is a degree of uncertainty regarding estimates of impacts of natural phenomena including geotechnical assumptions, hydrological assumptions and the modifying mining factors, commensurate with the level of study. The Competent Person is satisfied that the analysis used to generate the modifying factors is appropriate, and that a suitable margin exists to allow for the Reserve estimate to remain economically viable despite reasonably foreseeable negative modifying factor results. • There is a degree of uncertainty regarding estimates of commodity prices and exchange rates, however the Competent Person is satisfied that the assumptions used to determine the economic viability of the Ore Reserves are reasonable based on current and historical data. • Further, i.e. quantitative, analysis of risk is not warranted or appropriate at the current level of technical and financial study.