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ASX CODE

BLK

**CORPORATE
INFORMATION**

202M Ordinary Shares

35.8M Unlisted Options

8M Performance Rights

ABN: 18 119 887 606

**PRINCIPAL AND
REGISTERED OFFICE**

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QUARTERLY REPORT
December 2015

The Board of Blackham Resources Limited ('Blackham' or 'the Company') is pleased to present the December 2015 quarterly activities report.

HIGHLIGHTS INCLUDE:

- **PFS confirmed Matilda Gold Project's Robust Economics**
- **Mineral Inventory 6.0Mt @ 2.8g/t for 540,000oz**
 - strong conversion to Reserves
 - mine life growing
- **Large gold resource 45Mt @ 3.3g/t for 4.7Moz (49% indicated)**
 - Quartz reef total resources increased to 1.85Mt @ 3.6g/t for 216,000oz (41% indicated).
 - Matilda Mine Resources increases to 12.9Mt @ 1.8g/t for 724,000oz at Matilda Mine (61% measured and indicated).
 - All resources within a 20km radius of Wiluna gold plant
- **Exploration success includes:**

Galaxy – high grade drilling results

- 2.5m @ 12.84g/t & 7.5m @ 3.58g/t (GLDD0003)
- 12m @ 4.57g/t (GARC0065)
- 10m @ 4.52g/t including 3m @ 10.0g/t (GLDD0005)
- 2m @ 7.99g/t & 5m @ 6.33 g/t (GLDD0006)

Matilda

- 6.8m @ 12.6 g/t from 73m (MADD0027)
- 1.6m @ 11.4g/t from 86m (MADD0036)
- 35.8m @ 1.85g/t from 130m (MADD0032)
- 14m @ 3.26g/t from 87m (MADD0024)
- 24m @ 1.78g/t from 83m (MARC0309)
- 12.6m @ 2.96g/t from 68m (MADD0029)

Williamson

- 2m @ 95.14g/t Au from 33m (WMRC0012)
- 29m @ 1.81 g/t Au & 6m @ 1.93 g/t Au (WMRC0041)
- 16m @ 1.4 g/t Au (WMRC0039)
- 14m @ 1.16 g/t Au & 13m @ 1.11 g/t Au (WMRC0038)

- **Definitive Feasibility Study to be completed in Feb 2016**
- **Targeting gold production mid-year**

Corporate

- **\$9.1 million in cash and investments – December 2015**
- **\$23 million undrawn project facility**
- **Further experience added to the Board and management team**

Matilda Gold Project, Western Australia

Blackham Resources Ltd (Blackham) is a near term gold producer with 4.7 million ounces of gold resource combined with a 780km² 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 – Kalgoorlie – Leinster to Wiluna. Its 100% owned Wiluna gold plant, which operated up until 2013, is located in the centre of the Matilda Gold Project and can process 1.3Mtpa or ~100,000ozpa as confirmed by the recently published PFS. The expanded Matilda Gold Project now includes combined resources of **45Mt @ 3.3g/t for 4.7Moz Au** (Table 4).

Blackham is focused on the free-milling resources which it intends to process through the established low risk circuit of crushing, grinding, gravity and carbon in leach. The free-milling open pit Matilda deposits are planned to provide a base load feed stock for the Wiluna gold plant which will be supplemented with the high grade quartz reef deposits and shallow underground deposits. The recently published PFS has confirmed the robust economics of the project and that a critical mass of mineral inventory is available to re-start the Wiluna gold plant.

Table 1: Preliminary Feasibility Study

PFS Highlights	
• Mining Inventory	6.0Mt @ 2.8g/t for 540,000oz
• Initial Life of Mine	4 years & 9 months
• Average Annual Production*	102,000oz
• LOM Cash Costs	C1 A\$920/oz and AISC A\$1,150/oz
• Operating Cash Flow	A\$185M @ A\$1,550/oz
• Capital Costs	A\$28.0M – maximum cash deficiency
• NPV_{5%} before corp & tax	A\$124M or A\$0.62/share
• IRR_{before corp & tax}	105%

* average production over first 4 years.

Preliminary Feasibility Study (“PFS”) demonstrates very strong economics for the Matilda Gold Project, and the initial Ore Reserve Estimate of 270,000oz demonstrates high conversion of Scoping Mineral Inventory into Reserves. Over the last 5 months Blackham has continued an aggressive drilling programmes which have highlighted the mine life growth potential beyond the now out dated PFS mine life. The Definitive Feasibility Study is now well advanced and is due for release in February 2016.

Cautionary Statement

Blackham has concluded it has reasonable basis for providing the forward looking statements included in this announcement (see ASX Announcement 21 Oct 2015 - Appendix 1). The detailed reasons for that conclusion are outlined throughout this announcement and Material Assumptions are disclosed in ASX Announcement 21 Oct 2015 - Appendix 2. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules. The Company advises that the Pre-Feasibility Study results, Production Targets and Forecast Financial Information contained in this announcement are preliminary in nature as the conclusions are based on medium-level technical and economic assessments, and 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. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. The Definitive

Feasibility Study due for completion in February 2016 is required to establish further confidence that these production targets will be met to a higher degree of confidence.

The Company is very pleased to have confirmation of the Project's robust economics including a low capital requirement, short timeframe to production, fast payback and operating costs in line with its Western Australian peers. The very low capital 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 PFS confirmed strong conversion of Inferred Resources into Indicated Resources and Scoping Mineral Inventory into Reserves. Since finalising the PFS Resources Blackham has enjoyed significant exploration success at Golden Age, Galaxy, Matilda, and Williamson drilling programmes as detailed later in this report.

Blackham is well advanced on the Definitive Feasibility Study (DFS) with drilling programmes and resource, metallurgical, environmental and engineering studies either complete or nearing completion. This work is expected to enable Blackham to complete the DFS in a significantly condensed timeframe and will further de-risk the Project by increasing the confidence levels to +/- 10 to 15% range. For more information on the PFS please refer to ASX Announcement 21 October 2015.

Mining and Mining Inventory

Open pit mining is planned for the free milling Matilda, Williamson and Galaxy ores and will all utilise a standard contractor truck and excavator mining technique involving conventional drill, blast, load and haul. Ore will be hauled by road train to the Company's gold processing plant located at Wiluna Gold Plant. Two underground mines have been designed at Wiluna, the first being the Golden Age underground, which is accessed from the existing Bulletin Portal and current Golden Age decline. The East-West Underground is the second underground mine that is also accessed from existing underground infrastructure and portal access from East Pit. A DFS underground mining study on the Bulletin deposit is also nearing completion. The underground mines will utilize contract miners. Ore from the underground mines will be extracted using the long hole open stoping technique in a top down sequence. 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.

Of the open pit and underground mining studies completed to date the **PFS Mining Inventory contains 6.0Mt and 465,000oz Au** recovered over 4 years and 9 months.

Table 2: Matilda PFS v Scoping Mining Inventory

		PFS Production		Scoping Production			
		Average Annual	LOM	Average Annual	LOM	Variance	%
Mine life	mths	57		46		11	24%
Tonnes Milled	t	1,272,000	6,040,000	1,301,000	4,987,000	1,053,000	21%
Processed Grade	g/t	2.8	2.8	2.8	2.8	0	0%
Recovery	%	86%	86%	90%	90%	-4%	-4%
Recovered Ounces	oz	98,000	465,000	105,000	407,000	58,000	14%

The DFS mine designs which are nearing completion, 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. The following charts show the production profile over the initial PFS Life of Mine

(LOM). Chart 1 displays the production profile of the mining inventory of the operation. The open pit operations are the primary source of ore in the first 12 months with the underground operation commencing in the second year. The key features of the production schedule include:

- LOM of 4 years 9 months delivering 540,000 ounce mine production (Chart 2)
- Estimated average annual production of 102,000ozpa (over the first 4 years)
- Production peak of 128,000oz (Chart 2)
- Total Mine production estimated at 6.0Mt @ 2.8g/t for 540,000 ounces (Charts 1 and 2)
- Open pit production total of 4.2Mt @ 1.75g/t
- Underground production total of 1.8Mt @ 5.3g/t

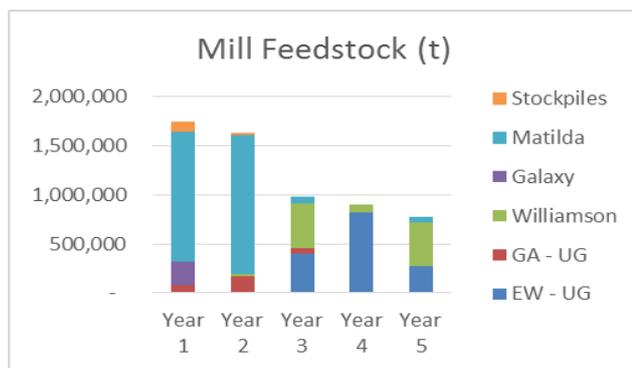


Chart 1: LOM Mill Feedstock

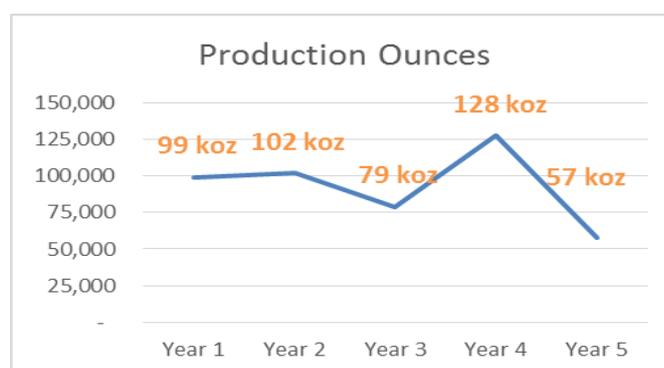


Chart 2: LOM Annual Gold Production

Drilling over the last 5 months has focused on bring further free milling soft oxide Matilda ore and higher grade quartz reef ore to increase annual production, smooth the production profile and add to the mine life.

Open pit and underground mining tenders have been received and are being assessed in light of the new mining optimisations and designs. Final geotechnical reports have been received. DFS mine designs are well advanced. The mining approvals and water disposal licenses for the Matilda Mine have been lodged.

Statement of Initial Reserves

Entech Mining was commissioned by Blackham to provide an independent PFS Ore Reserve Estimate update for the Matilda Gold Project as at 19 October 2015. The Ore Reserve Estimate is based on JORC-compliant Mineral Resource Estimates as provided to Entech.

Table 3: PFS Ore Reserves Estimate (October 2015) for the Matilda Gold Project.

Mine	Classification	Tonnes (t)	Grade (g/t)	Metal (oz. Au)
OPEN PIT				
Matilda Pits	Proved	175,000	1.9	10,900
Matilda Pits	Probable	2,296,000	1.8	131,700
Total Matilda Pits	Total	2,471,000	1.8	142,600
Galaxy	Probable	184,000	3.0	18,100
Total Open Pits	Total	2,655,000	1.9	160,700
UNDERGROUND				
East West	Probable	504,000	5.5	88,900
Golden Age	Probable	81,000	5.4	14,000
Total UG	Probable	585,000	5.5	102,900
STOCKPILES				
Total Stockpiles	Probable	124,000	1.7	6,900
OPERATION TOTALS				
Operation Total	Proved	175,000	1.9	10,900
Operation Total	Probable	3,189,000	2.5	259,400
Operation Total	Total	3,364,000	2.5	270,300

Calculations have been rounded to the nearest 1,000 t of ore, 0.1 g/t Au grade and 100 oz. Au metal.

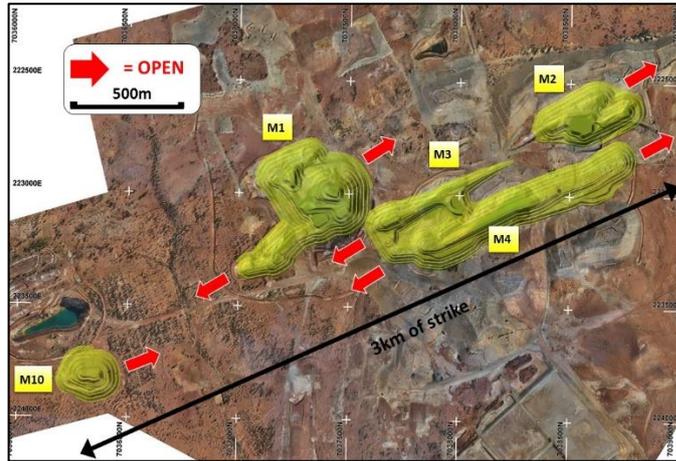


Fig 1: Matilda Open Pit designs

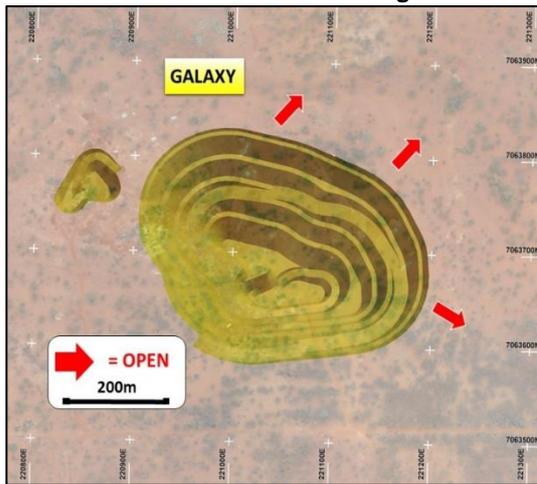


Fig 2: Galaxy Pit Designs



Fig 3: Williamson Pit Designs

Golden Age & East West Underground

Underground production at East-West and Golden Age will be predominantly top-down mining via mechanised longhole open stoping with in-situ pillars retained for stability. 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. Importantly UG production is focused within 500m of surface with a short trucking distances out of the 2 separate portals. The Bulletin UG mining study plans for mining to commence there once the Golden Ag reef has been fully depleted as they use the same Bulletin portal.

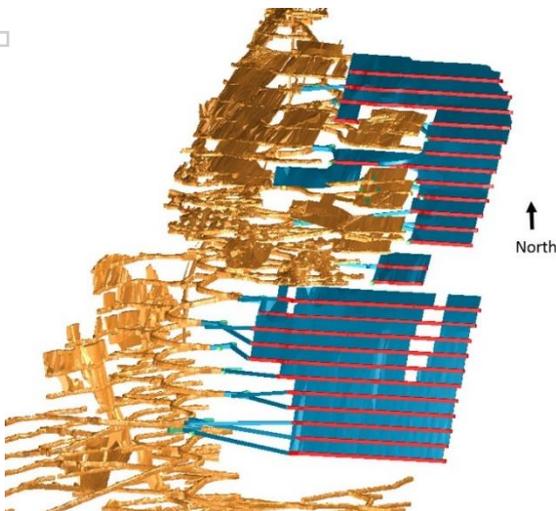


Fig 4: Golden Age Underground

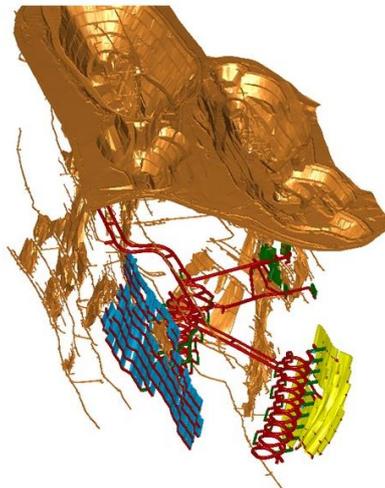


Fig 5: East West Underground

Processing

The Matilda Mine DFS metallurgical test work has been applied to optimising the milling capability of the Matilda Gold Project ores through the 100% owned Wiluna gold plant. The initial processing route will be crush, grind, gravity, CIL, elution into the gold room. The free milling ore is to be initially processed through both Mill 1 and Mill 2 for an average current LOM throughput of 1.7Mtpa. The DFS testwork and process optimisation for Matilda and Williamson ore suggests significant improvement on the PFS metallurgical recoveries.

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 Matilda oxide ore has demonstrated DFS metallurgical recoveries of 91 to 99% after gravity and 18 hours of leaching. DFS gravity results on the Matilda oxide ore averaged 24% gravity recoveries. The Matilda transitional ore has demonstrated DFS metallurgical recoveries of 86 to 98% after gravity and 18 hours of leaching.

The Golden Age free milling high grade ore has demonstrated DFS metallurgical recoveries of 93% after gravity and 12 hours of leaching. DFS gravity results in the Golden Age ore have shown 17% gravity recoveries.

The free milling Galaxy ore has demonstrated DFS metallurgical recoveries of 92-96% after gravity and 18 hours of leaching, DFS gravity results on the Galaxy ore shown 4% to 21% gravity recoveries. Galaxy PFS gravity recoveries were as high as 82% demonstrating the nuggetty nature of the orebody.

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

Gravity recovery will be incorporated within the milling circuit as most ores benefitted from gravity recovery through reduced leach times. The gravity recovery is important for the reduction of reagent costs, higher recovery and increase in leach kinetics which becomes important with higher throughput.

DFS modelling will be enabled by more certainty of the mine plan to optimise the throughput. Different configurations have been modelled to optimise the circuit given the expected feed, the desire to minimise start-up capital and provide flexibility for a wide variety of feed types.

Wiluna Plant Refurbishment

Plant clean up team has finished its preliminary work. Blackham has received the draft engineering report on the Wiluna gold plant refurbishment and is currently reviewing it. Blackham has commit to the long lead items required for the refurbishment works.

Wiluna tailings dam design report has been received. Power provider and camp manager tenders have been received and are being assessed.



Photo 1: Wiluna Gold Plant

Geology

The Matilda Gold Project's **45Mt @ 3.3g/t for 4.7Moz** gold Resources are to JORC 2012 standard (see Table 1 and ASX announcement dated 29 January 2016) and are all within a 20km radius of the Wiluna Gold Plant. At least **20Mt @ 3.5g/t for 2.3Moz** (49%) are in the Indicated Resource category.

Mining Centre	Matilda Gold Project Resource Summary											
	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
Williamson Mine				2.7	1.7	150	3.6	1.7	200	6.3	1.7	350
Regent				0.7	2.7	61	3.1	2.1	210	3.9	2.2	270
Galaxy				0.4	3.0	38	0.4	2.2	28	0.8	2.6	66
Golden Age				0.4	4.5	62	0.7	3.5	88	1.1	4.4	150
Bullefin South OP				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 - Bullefin Deepes				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	20	3.5	2,273	24	3.1	2,366	45	3.3	4,651

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.

The Matilda Mine, Galaxy and Golden Age Resource Estimates has been updated with results of drilling programmes undertaken since August 2015. The Williamson Resource re-estimate is well advanced.

Since 1 Oct 2015, Blackham has completed 10,380m of RC and 6,974m of diamond drilling at the Project.

Table 5: Summary of December'15 Quarterly Drilling

	Aircore		RC		DD		Total	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Matilda	70	4,393	20	2,014	18	2,106	108	8,513
Williamson			30	3,247	2	271	32	3,518
Galaxy			16	1,486	2	232	18	1,718
Caledonian Reef			9	754			9	754
Lake Way Reef			6	522			6	522
Bullefin					5	450	5	450
Total Drilling	70	4,393	81	8,023	27	3,059	178	15,475

Blackham currently has 1 RC and 1 underground drill rig at the Matilda Gold Project with a view to further extending the mine life prior to production commencing.

Golden Age to provide high grade underground ore

Blackham was pleased to report its updated JORC-compliant resource estimate over the Golden Age deposit of **1.06Mt @ 4.4g/t for 150,000oz Au**. Golden Age mineralisation is free milling ore with gold mineralisation located throughout the quartz but appears more concentrated where there are stylolites. Golden Age extends from surface to a depth of 850m.

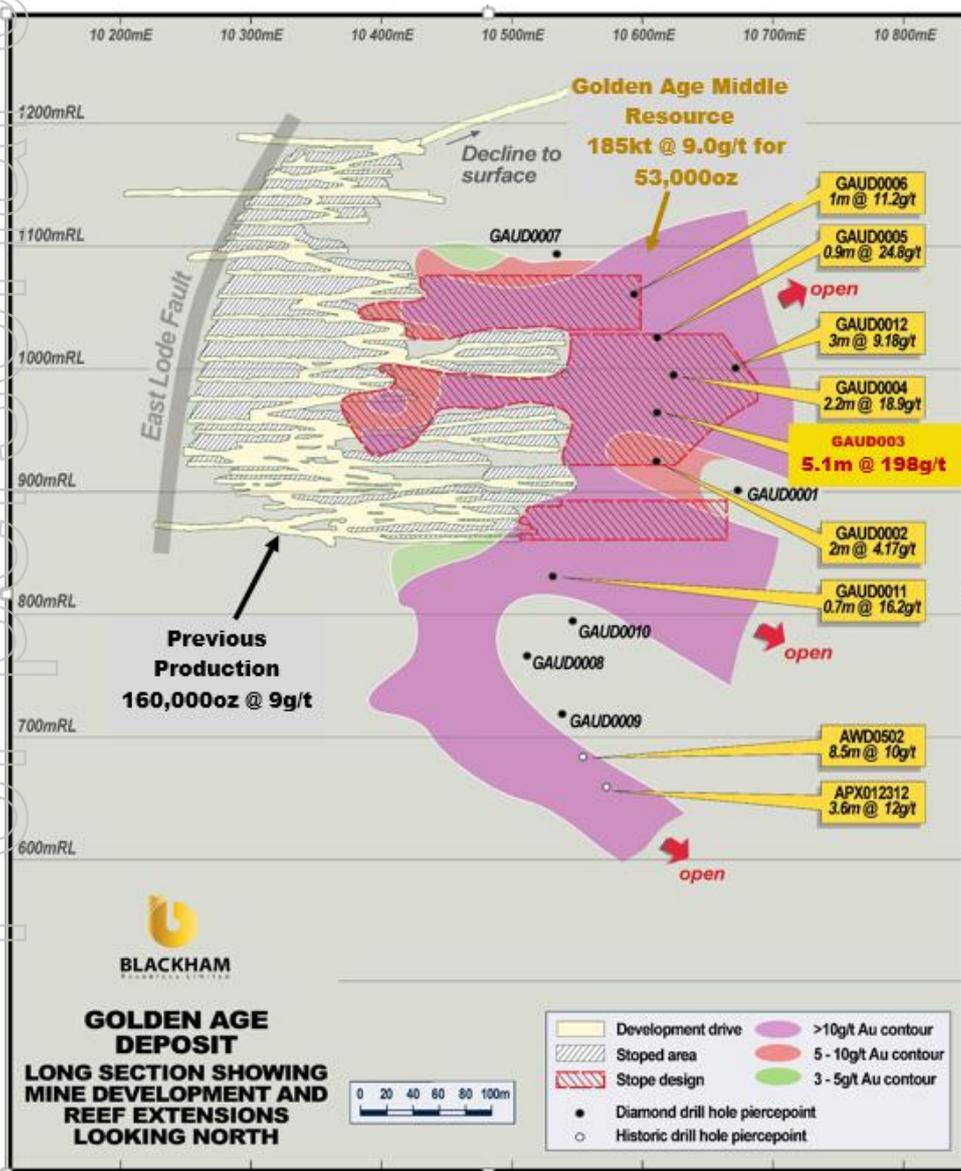
Table 6. Golden Age Resources reported at a 3.0g/t bottom and 100g/t top cut-offs.

Indicated			Inferred			Total		
Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz
361,000	5.32	62,000	703,000	3.90	88,000	1,064,000	4.38	150,000

The Golden Age middle zone where Blackham has focused its mining studies contains a high grade resource of **185kt @ 9.0g/t for 53,000oz Au** (within the Table 6 resource) sitting just off the existing mine development. When the top cut is removed the average resource grade increases to **15.3g/t for 90,900oz** of uncut resource (see Table 7). When the 100g/t top cut is applied 38,200oz or 42% of the uncut resource is removed which demonstrates the nuggetty nature of the orebody. Some of the Golden Age drilling has shown visible gold. The 15.3g/t uncut grade compares to the average resource composite grade of 14.2g/t from 467 composites in this domain. The average diluted grade of previous production from Golden Age averages 9.0g/t.

Table 7. Golden Age Middle Resource showing cut and uncut resource estimates

Res Cat	Bottom Cut g/t Au	Tonnes	g/t	Ounces Cut	g/t		Ounces Uncut	Variance	% Cut
					Uncut	Ounces			
Ind	3	124,000	8.91	34,800	11.3	44,900	10,100	22%	
Inf	3	61,000	9.11	17,900	23.3	46,000	28,100	61%	
Total	3	185,000	8.98	52,700	15.3	90,900	38,200	42%	



The Golden Age reef has existing access via the Bulletin decline and has mining infrastructure in place and DFS geotechnical reports have confirmed good ground conditions to allow easy re-entry to this area of the mine. The Golden Age orebody will be an important free milling source of ore in the first 2 to 3 years of the Matilda mine plan (see Fig 1).

Fig 6: Long Section of the Golden Age deposit, showing latest diamond drilling intercepts, resource and DFS mining stopes.

Blackham has commenced a further 2,700m underground drill programme into the Golden Age middle orebody with the aim of extending the resource further east along strike to add further high grade ore into the mine plan prior to production.

Mining studies have focused on the underground high grade middle area. The Golden Age deposit extends to surface and management will now also begin assessing the potential for open pit mining.

Galaxy provides good open pit grade from surface

During January, Blackham increased the Galaxy resource to **787,000t @ 2.6g/t for 66,000oz Au**. The Galaxy quartz reef is initially planned to be mined by open pit methods. The Galaxy deposit is located 13km NNW of the Wiluna Plant. Mining studies to date suggest the high grade ore from surface is an attractive feed for the Wiluna Plant.

DFS drilling activities at Galaxy identified further high grade extensions to Galaxy mineralisation which was not included in the PFS resources. High-grade free milling intercepts include:

- 2.5m @ 12.84 g/t from 80m & 7.5m @ 3.58g/t from 113m (GLDD0003)
- 12m @ 4.57 g/t from 83m (GARC0065)
- 10m @ 4.52 g/t from 82m including 3m 10.0 g/t from 88m (GLDD0005)
- 2m @ 7.99 g/t from 10m & 5m @ 6.33 g/t from 18m (GLDD0006)
- 3.6m @ 6.39 g/t from 35.1m (GLDD0001)
- 7.5m @ 3.14 g/t from 7.8m (GLDD0002)
- 3m @ 3.97g/t from 86m (GLDD0004)
- 3m @ 4.29 g/t from 63m & 10m @ 2.54 g/t from 82m (GARC0067)
- 4m @ 7.93 g/t from 88m (GARC0066)
- 3.1m @ 9.60 g/t Au from 106m (GLDD0008)

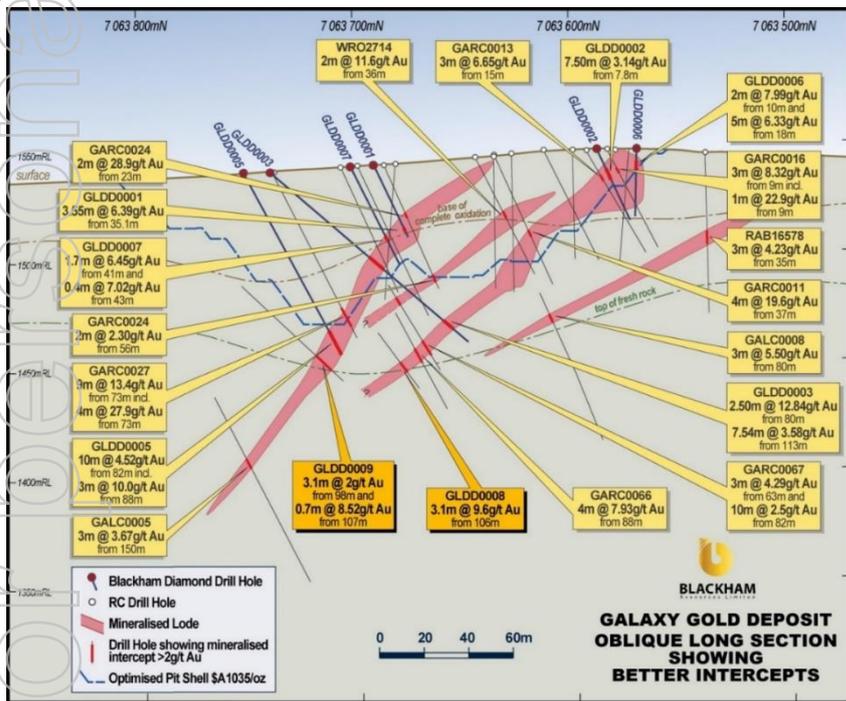


Fig 7. Oblique long section view of Galaxy resource, ore and stacked loads through the PFS pit.

Recent drilling has been successful in growing the Galaxy resource estimate by 28% to 66,000oz. (see Table 8)

Table 8. Galaxy Resources reported at a 0.6g/t cut-off

Indicated			Inferred			Total		
Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz
390,000	3.00	38,000	397,000	2.20	28,000	787,000	2.60	66,000

Geological and estimation information can be found in ASX Announcement dated 25 January 2016.

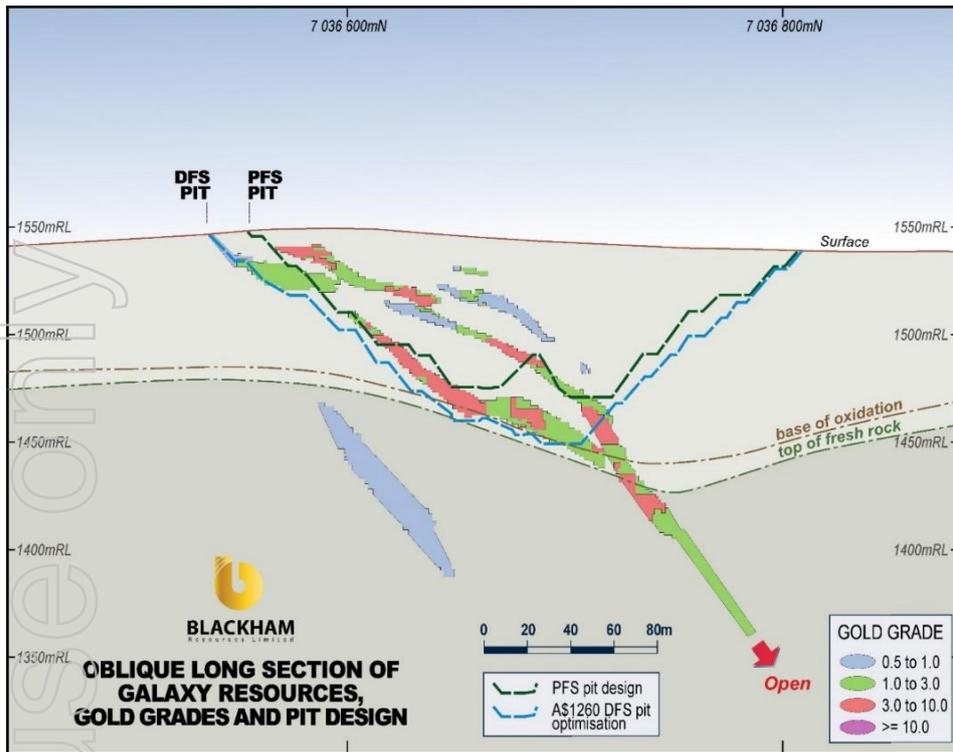


Fig 8. Schematic oblique long section view of Galaxy resource, ore and pits showing the likely increase in pit sizes from PFS to DFS.

The Galaxy quartz reef is initially planned to be mined by open pit. Below the base of the Galaxy pit requires further infill and extensional drilling to test the underground potential. Blackham's mining studies to date suggest Galaxy's moderate to high grade ore from surface is an attractive feed for the Wiluna Gold Plant.

Fig 8. Compares the PFS pit design to the DFS pit optimisation that is being used to design the DFS pit. The increased pit size is due to the higher grade ore that has been confirmed at the base of the Galaxy pit.

Limited drilling exists below the pit and a further 800m RC programme has been drilled with results pending to begin testing Galaxy's potential as an underground mining target.

Galaxy and Golden Age are part of a system of high-grade quartz reef Au with deposits and old workings extending 15kms northwest from the Wiluna mining centre, Several high-priority prospects require further drill testing including Caledonian, Lake Way reef, Brother, Republic and Monarch.

Matilda base load ore continue to grow in size

The successful drilling of Matilda Mine has grown the resource to **12.9Mt @ 1.8 g/t for 724,000oz Au** with 61% now in the Measured and Indicated resource category (**7.6Mt @ 1.8g/t for 439,000oz Au**). The Matilda Mine is 19km by existing haul road from the Wiluna Gold Plant and will provide the base load open pit feed the plant has not had since the early 1990's. The Matilda mineralisation is soft, deeply weathered oxide with a number of stacked loads that often repeat along strike and down plunge.

During the quarter, Blackham reported the following successful drilling intercepts from the Matilda Mine:

Matilda Mine has broad moderate grade ore zones with higher grade zones within:

- 35.8m @ 1.85g/t Au from 130m (M4 MADD0032)
 - including 6.6m @ 3.99g/t & 5.2m @ 1.83g/t & 3.5m @ 4.00g/t
- 14m @ 3.26g/t Au from 87m (M4 MADD0024)
 - including 1m @ 3.53g/t & 4m @ 3.52g/t & 6m @ 4.72g/t
- 24m @ 1.78g/t Au from 83m (M4 MARC0309)
- 1.7m @ 11.6g/t from 35m (M4 MADD0028)
- 2.8m @ 6.06g/t from 123m (M4 MADD0030)
- 2.5m @ 5.15g/t from 105m (M4 MADD0037)
- 12.6m @ 2.96g/t from 68m (M2 MADD0029)
 - including 3.85m @ 2.81g/t & 5.8m @ 4.47g/t
- 19.2m @ 1.66g/t from 115m (M1 MADD0031)
- 5m @ 2.92g/t from 3m (M3 MARC0296)

- 13m @ 1.96g/t from 91m (M3 MARC0297)
- 3.6m @ 4.71 g/t from 24m & 10m @ 3.29 g/t from 107m (M3 MADD0013)

Drill hole MARC0264 intercepted **7m @ 6.02g/t Au from 45m** vertical depth, identifying a second shallow mineralised shoot 100m south of the 'Scorchers Zone' on the same trend. This drill hole was following-up a gold anomaly in historical RAB drilling and remains completely open up and down plunge. Further drilling is required in this area to determine whether the M4 Pit will extend even further south.

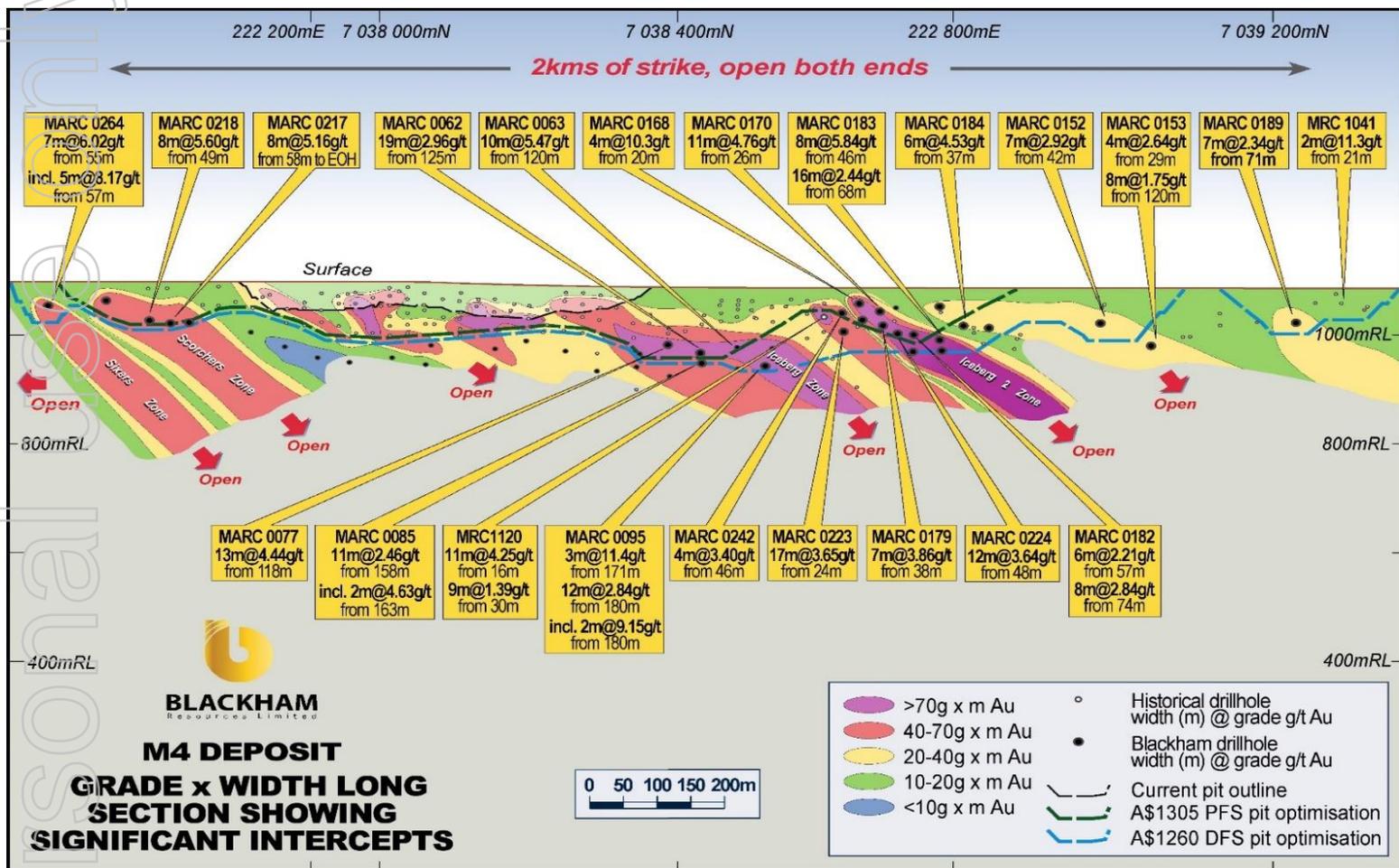


Fig 9. M4 long section showing the pit optimisations and the northern and southern extensions to the DFS pit optimisation

Mining studies are ongoing on the updated resource at the Matilda Mine. Initial assessments on the current resource indicate the shallow mineralisation at Iceberg 2 and Scorchers/Sixers immediately to the north and south of the M4 Pit influence the optimisations to extend in each direction (see Figure 9). The repeating higher grade lodes plunging at 30 degrees to the north have been successful in extending the DFS mining optimisation shell over 2kms in length. The new lodes were found by drilling under historical set depth RAB anomalies which failed to penetrate the known depletion zone at surface. The Blackham exploration team are now following up on further RAB anomalies in the vicinity of the planned pits.

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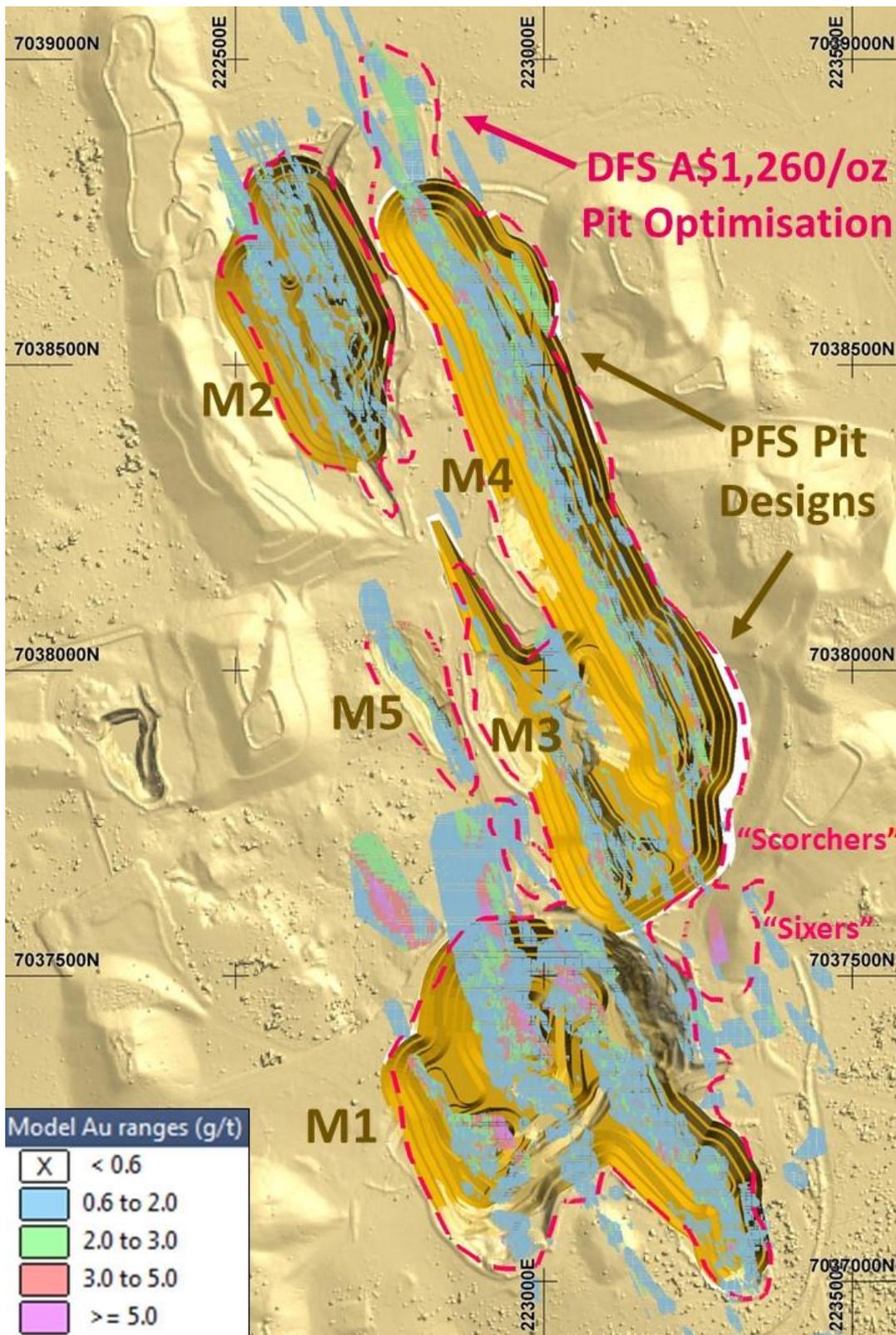


Fig 10. Plan view of Matilda M1 to M5 DFS pit optimisations and the northern and southern extensions in comparison to the PFS pit designs.

Recent drilling at M3 and M1 South has pushed these sub pits wider and deeper. Currently 90% of the in-pit resource is in the Measured and Indicated categories giving solid confidence in the Resources. After the DFS is complete an assessment will begin on the UG potential at the Matilda Mine.

M10 pit - New pit with shallow elevated grade ore from surface:

A new resource has also been completed on the M10 deposit which now has a total resource of **739,000t @ 1.9g/t for 45,000oz Au**. M10 is a new pit located approximately 1.5km south of M4 pit. Blackham proposes to commence its open pit mining at M10 as it provides shallow, deeply weathered, soft ore with up to 99% metallurgical recoveries.

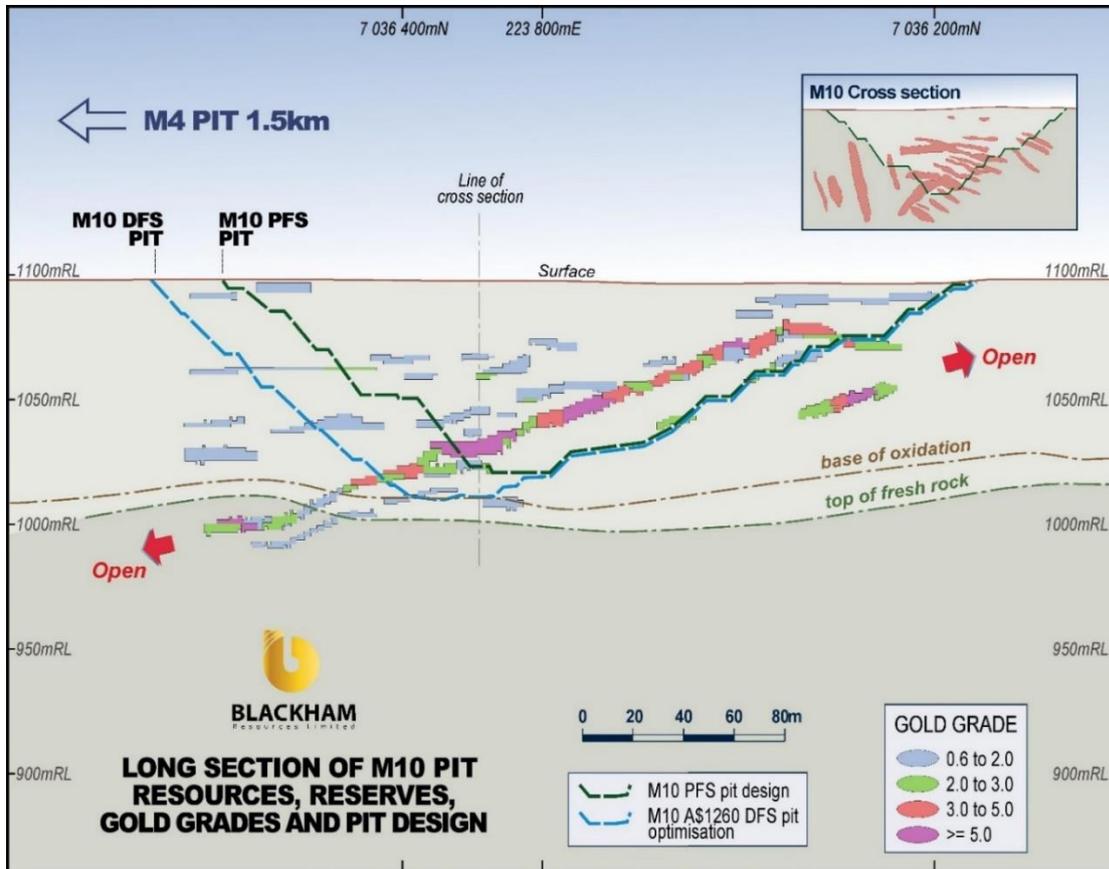


Fig 11: Matilda M10 Resources and DFS Optimised Pit showing the likely increase in pit size on the PFS pit.

Recent drilling has demonstrated high grade ore confirmed in the base of the M10 pit

- o **6.8m @ 12.6g/t** from 73m (MADD0027)
- o **1.6m @ 11.4g/t** from 86m (MADD0036)

It appears that the anticline continues to plunge into the fresh rock to the north with this area being a future drilling target.

Williamson delivers both high grade and broad mineralised zones

The Williamson resource sits at **6.3Mt @ 1.7g/t for 350,000oz Au** with 43% now in the Indicated resource category. The Williamson Mine is 26km by existing haul road from the Wiluna Gold Plant. Williamson is a bulk-tonnage free milling gold deposit with **DFS process recovery of 95%**. High-grade pods are noted along the monzogranite contacts, and visible gold has been seen in historical drill core. Whilst the overall grade of the Williamson resource is modest, the relative large tonnage typical of this style of mineralisation is an attractive exploration and development target for ensuring a sustainable base load mine plan for the Wiluna Gold Plant.

During the Quarter, Blackham began its maiden drill programmes at Williamson and discovered a new high grade oxide lode that extends into the south west portion of the Williamson PFS pit design (see Fig 12).

These results included:

- **2m @ 95.14g/t Au from 33m**
- 1m @ 30.9g/t Au from 49m & 3m @ 6.65 from 58m

WMRC0012
WMRC0022

Broad gold mineralisation extends Williamson main lode:

- 29m @ 1.81 g/t Au & 6m @ 1.93 g/t Au
- 16m @ 1.4 g/t Au
- 14m @ 1.16 g/t Au & 13m @ 1.11 g/t Au
- 13m @ 0.87 g/t Au & 8m @ 0.97 g/t Au

WMRC0041
WMRC0039
WMRC0038
WMRC0040

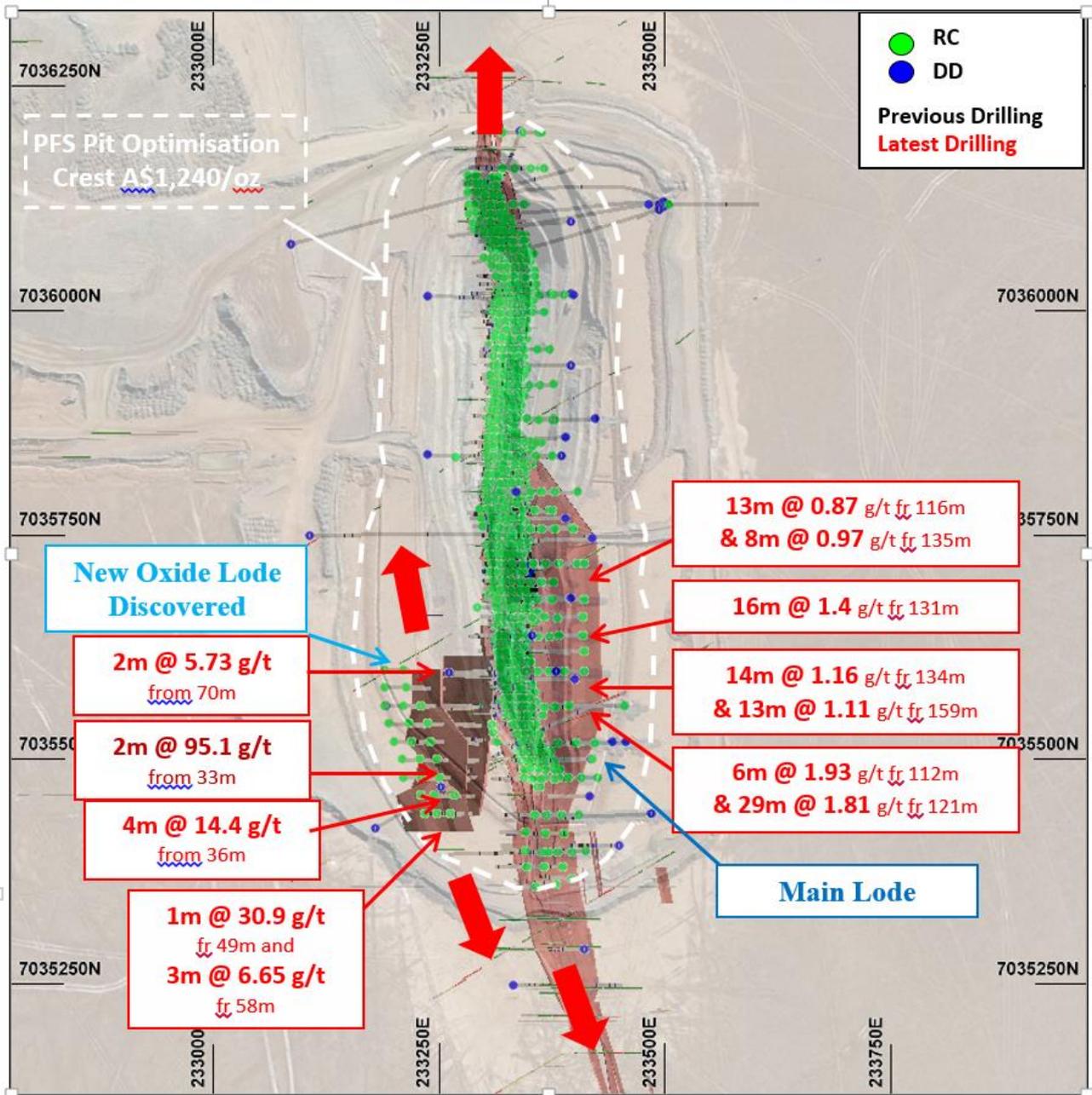


Fig 12. Plan View of latest RC drilling at Williamson

The Williamson resource estimated is currently being finalised and the DFS mining study is underway. The improved DFS process recoveries (95%) combined with the newly oxide lode are expected to significantly improve the DFS Williamson pit economics making it an important source of free milling, open pit base load feedstock for the Wiluna Gold Plant.

Williamson represents what Blackham believes is the first pit in a potential mining centre at Lake Way. The Williamson structure has 2.2 kilometres of known mineralisation. Williamson mineralisation extends in excess of 1.5km further south from the historical pit, with high-grade historical air core intercepts including 4m @ 12.2g/t from 56m, 19m @ 14.2g/t from 60m, 20m @ 3.2g/t from 16m, 18m @ 2.9g/t from 35m, and 4m @ 7.2g/t from 16m.

The Carroll Prior structure has 3km's of known mineralisation defined with air core drilling. The existing drill data outside the Williamson deposit, whilst valuable is broad spaced and shallow. Further drilling is planned in Q1, 2016 at Williamson South and Carroll Prior.

A gravity geophysical survey is currently underway over the Lake Way area which is expected to be completed in a few days. Previous operators (Normandy, Newmont, Agincourt) have used Sub Audio Magnetics (SAM's) to define shear structures, auger drilling to penetrate Lake Sediments and produce geochem anomalies. The Williamson and Carrol Prior structures have been followed up with air core drilling to define the bedrock mineralisation. Once the gravity data is available it will be analysed in conjunction with the existing SAM's, geochem and air core drilling data to refine Blackham's next exploration targets at Lake Way.

Caledonian Quartz Reef Prospect

The Caledonia prospect is a high grade reef located on a mining lease 5km north of the Wiluna Gold Plant by existing haul roads. Caledonian is part of a system of high-grade quartz reef gold deposits extending northwest from the Golden Age at the Wiluna mining centre to Galaxy in the north

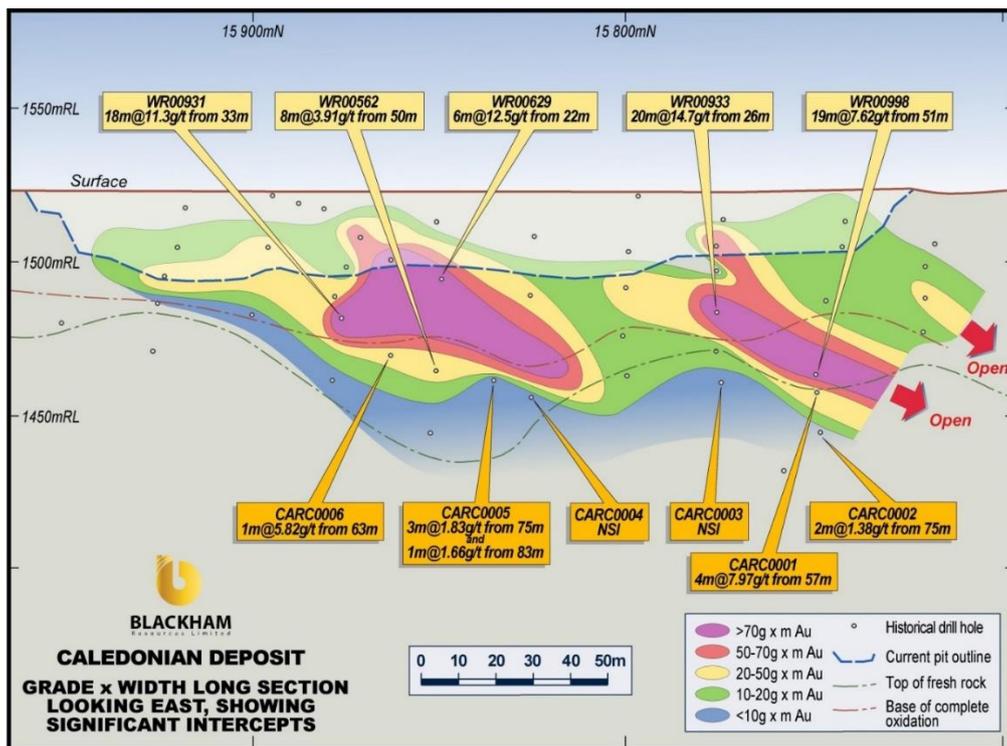


Fig 13. Caledonia long section plan with the high grade quartz shoots plunging to the south.

A small maiden RC program of 9 holes for 754m was also completed to provide geological confidence at Caledonian. Mineralisation of notable width and grade was achieved in the first drill hole CARC0001 (4m @ 7.97g/t). Significant Caledonia drill results included:

- 4m @ 7.97 g/t from 57m (CARC0001)
- 1m @ 5.82 g/t from 63m (CARC0006)
- 1m @ 5.32 g/t from 77m (CARC0009)

Corporate

As Matilda nears production, Blackham continues to strengthen its operations and management team. During the quarter Blackham appointed

- Mr Milan Jerkovic Non-Executive Chairman;
- Mr Richard Boffey Matilda General Manager; and
- Mr Jeff Dawkins Chief Financial Officer

Mr Milan Jerkovic, Non-Executive Chairman

Mr Jerkovic has over 30 years of experience in the mining industry with frontline experience building, running, financing and managing mining assets through the commodity cycle. His skill set will contribute geological appraisal, mine development and financial markets experience. He is a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australasian Institute of Company Directors. Mr Jerkovic was Chief Executive Officer of Straits Resources Limited and has held positions with WMC, BHP, Nord Pacific, Hargraves and Tritton. Mr Jerkovic was the founding Chairman of Straits Asia Resources and was responsible for listing that company on the Singapore Exchange in 2006 and managing the company through its substantial growth phase until its successful takeover in 2011. Milan's gold operations experience includes Kurrara Gold Mines, Hillgrove Gold, Browns Creek and Mt Muro.

Mr Richard Boffey, Matilda General Manager

Mr Boffey is an internationally experienced mining executive with over 26 years' experience specialising in mining project start-ups, mine management, feasibilities and continuous improvement. He has a successful track record of leading and delivering mining projects through the various phases of planning, permitting, construction and full operations safely, on schedule and on budget. Richard led the development of the Efemcukuru Gold Mine in Turkey for Eldorado Gold Corporation and the Wallaby underground project for Granny Smith Mines. He was previously held the role of Regional Manager, Mining for Barrick. Richard has a First Class Mine Manager's Certificate and a Bachelor of Mining Engineering (Hons).

Mr Jeff Dawkins, CFO

Mr Dawkins is an Australian Chartered Accountant with some 25 years' experience in professional and corporate roles predominantly in the mining sector and focussing on capital management, financial modelling, debt financing, financial reporting and corporate governance. Prior to joining Blackham, Jeff was CFO of Hanking Gold Mining, during which time, Hanking took the Marvel Loch Gold Project in Western Australia from care and maintenance into production. He was also CFO of Archipelago Resources from November 2006 until February 2012 in which time Archipelago successfully developed and put into production the 150koz per annum Toka Tindung Gold Project in Indonesia.

Blackham has a very solid team in place with sound gold exploration, development and operational experience. 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.

At the end of December 2015, the Company had \$9.1 million in cash and investments.

During December, Blackham completed an additional drawn down of \$7 million on its \$36 million debt facility with Orion Mine Finance ("Orion") to fast track the Matilda Gold Project towards production. As at 31 December 2015, there was \$13.3M outstanding under the facility and \$23M undrawn.

During the Quarter, Blackham directors and management exercised 1,696,948 options into ordinary shares contributing \$278,000 in funds to the Company.

The Company produced 83.6oz and had gold sales of \$123,000 during the quarter from gold recovered during the clean-up of the plant. Further gold sales are expected to be this quarter from loaded carbon recovered from gold in circuit.

Blackham currently has a A\$60 million market cap and an enterprise value of A\$14/resource ounce Management are well advanced with its project plans with a view to the first gold pour mid 2016 subject to approvals being available in time

During the quarter BW Equities and the Sophisticated Investor produced analyst reports on Blackham which can be found at <http://blackhamresources.com.au/>.

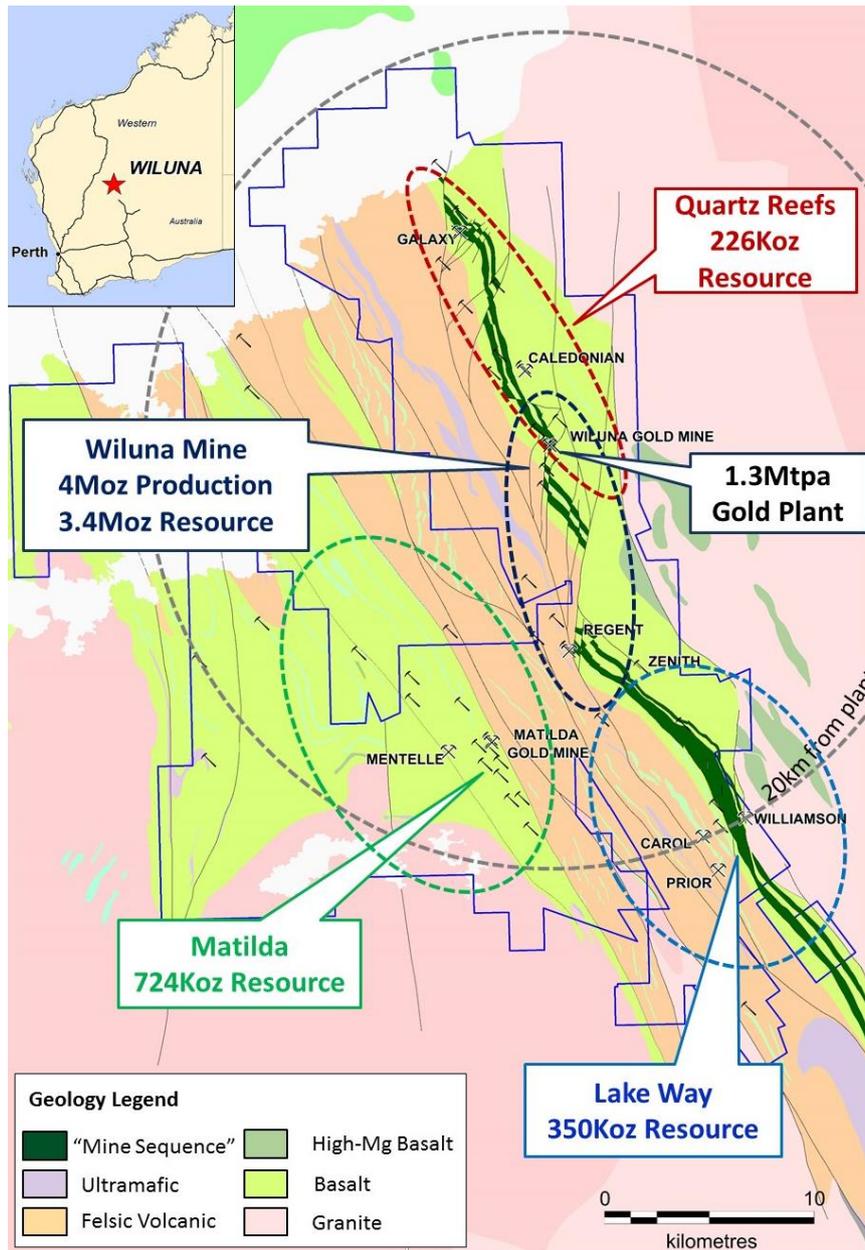
Blackham is presenting at the Sydney Mining Club on the 4th February and will be on a roadshow through Melbourne and Sydney the first week of February.

For further information on Blackham please contact:

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Professional Public Relations
Office: +618 9388 0944

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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 19 October 2015. 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.

Forward Looking Statements

This announcement includes certain statements that may be deemed 'forward-looking statements'. All statements that refer to any future production, resources or reserves, exploration results and events or production that Blackham Resources Ltd 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.

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Schedule of Mineral Tenements and Rights at 31 December 2015

Project	Tenement	Interest held by Blackham
Scaddan	M63/0192 to M63/194	70%
Scaddan	E63/521	70%
Scaddan	E63/1145 to E63/1146	70%
Scaddan	E63/1202 to E63/1203	70%
Scaddan	E63/1734	100%
Scaddan	E74/0561	100%
Zanthus	E69/2506	20% of basement rights. 100% above basement.
Matilda	E53/1290	100%
Matilda	E53/1297	100%
Matilda	E53/1806	100%
Matilda	L53/0030	100%
Matilda	L53/0051	100%
Matilda	L53/0053	100%
Matilda	L53/0140	100%
Matilda	L53/0202	100%
Matilda	M53/0024 to M53/0025	100%
Matilda	M53/0034	100%
Matilda	M53/0041	100%
Matilda	M53/0052 to M53/0054	100%
Matilda	M53/0092	100%
Matilda	M53/0129	100%
Matilda	M53/0130 to M53/0131	100%
Matilda	M53/0139	100%
Matilda	M53/0188	100%
Matilda	M53/0415	100%
Matilda	M53/0797 to M53/0798	100%
Matilda	M53/0955	100%
Matilda	R53/0001	100%
Matilda	E53/1644	100%
Matilda	P53/1559 to P53/1560	100%
Matilda	P53/1562	100%
Wiluna	L53/0020 to L53/0024	100%
Wiluna	L53/0032 to L53/0045	100%
Wiluna	L53/0048	100%
Wiluna	L53/0050	100%
Wiluna	L53/0062	100%
Wiluna	L53/0077	100%
Wiluna	L53/0094	100%
Wiluna	L53/0097 to L53/0098	100%
Wiluna	L53/0103	100%
Wiluna	L53/0144	100%
Wiluna	M53/0006	100%
Wiluna	M53/0026 to M53/0027	100%
Wiluna	M53/0030	97.9%
Wiluna	M53/0032	100%
Wiluna	M53/0040	100%
Wiluna	M53/0043 to M53/0044	100%
Wiluna	M53/0050	100%
Wiluna	M53/0064	100%
Wiluna	M53/0069	100%
Wiluna	M53/0071	100%
Wiluna	M53/0095 to M53/0096	100%
Wiluna	M53/0173	100%
Wiluna	M53/0200	100%
Wiluna	M53/0205	100%
Wiluna	M53/0468	100%
Wiluna	E53/1645	100%
Matilda	E53/1287 to E53/1288	100% gold and base metals
Matilda	E53/1296	100% gold and base metals
Matilda	M53/0045	100% gold and base metals
Matilda	M53/0049	100% gold and base metals
Matilda	M53/0113	100% gold and base metals
Matilda	M53/0121 to M53/0123	100% gold and base metals
Matilda	M53/0147	100% gold and base metals

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Matilda	M53/0224	100% gold and base metals
Matilda	M53/0253	100% gold and base metals
Matilda	M53/0796	100% gold and base metals
Matilda	M53/0910	100% gold and base metals
Matilda	P53/1350 to P53/1352	100% gold and base metals
Matilda	P53/1359 to P53/1360	100% gold and base metals
Matilda	P53/1369 to P53/1374	100% gold and base metals
Matilda	P53/1396 to P53/1397	100% gold and base metals

P - Prospecting Licence, R – Retention Licence, L – Miscellaneous, E - Exploration Licence & M - Mining Licence

All tenements are located in Western Australia

Any changes in mining tenement interests during the quarter are covered in Section 6 of the December'15 Appendix 5B.

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JORC Code, 2012 Edition – “Table 1”

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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. Wiluna Mining Centre deposits have been mainly core drilled from underground, though some surface RAB and RC drilling has tested the shallow portions of the deposits. 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. • 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 Quantum Analytical Services (QAS), ALS, Bureau Veritas and Genalysis laboratories in Perth. Analytical method was Fire Assay

Criteria	JORC Code explanation	Commentary
		with a 50g charge and AAS finish.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • 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 mostly 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.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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. 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.

Criteria	JORC Code explanation	Commentary
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • 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. • 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.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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 0.4m and maximum of 1.4m, 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.
<i>Quality of</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered</i> 	<ul style="list-style-type: none"> • Fire assay is considered a total digestion technique, whereas aqua regia is a partial digestion. Both techniques are considered

Criteria	JORC Code explanation	Commentary
<i>assay data and laboratory tests</i>	<p><i>partial or total.</i></p> <ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>appropriate for analysis of exploration samples.</p> <ul style="list-style-type: none"> • 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, 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 1:20 and 1:40 ratios for various campaigns and duplicate splits were submitted at 1:20 ratio with each batch of samples. Check samples are routinely submitted to an umpire lab at 1:20 ratio. Analysis of results confirms the accuracy and precision of the assay data.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Blackham's significant intercepts have been verified by several company personnel. For historical results, significant intercepts 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 "BLK Assay QAQC Protocol 2013.doc". Historical procedures have not been sighted. • Assay data has not been adjusted.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> 	<ul style="list-style-type: none"> • 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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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 listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • All drill holes mentioned in this report are situated on granted mining licenses held 100% by either Matilda Operations Pty Ltd or Kimba Resources Pty Ltd, which are fully-owned of Blackham Resources Ltd. • Tenements are in good standing and no impediments exist.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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-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.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • 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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	<ul style="list-style-type: none"> • Please see tables in the body of this report.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> o dip and azimuth of the hole o down hole length and interception depth o hole length. <ul style="list-style-type: none"> • 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. 	
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Assay intervals reported are length-weighted averages. Intervals are reported using a 0.6g/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 currently.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • 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'). 	<ul style="list-style-type: none"> • Please see assay tables in the body of this report. • 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. Holes targeting the reefs were generally drilled perpendicular to strike and dip. Accordingly, true widths are approximately 80% of down-hole widths.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Please see body of this report for diagrams and tables.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Selected intervals have been reported owing to impracticality of reporting the large drilling database.
Other substantive exploration data	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Not material to this report.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BLACKHAM RESOURCES LIMITED

ABN

18 119 887 606

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	123	123
1.2	Payments for		
	(a) exploration and evaluation	(4,367)	(7,419)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(410)	(979)
1.3	Dividends received	-	
1.4	Interest and other items of a similar nature received	23	71
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
	Net Operating Cash Flows	(4,631)	(8,204)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) tenements	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(49)	(77)
1.9	Proceeds from sale of:		
	(a) tenements	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – borrowings	-	-
	Net investing cash flows	(49)	(77)
1.13	Total operating and investing cash flows (carried forward)	(4,680)	(8,281)

1.13	Total operating and investing cash flows (brought forward)	(4,680)	(8,281)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,100	1,505
1.15	Proceeds from borrowings	7,061	7,061
1.16	Proceeds from convertible notes		
1.17	Cost of borrowings	(241)	(241)
1.18	Dividends paid		
1.19	Other – costs of share issues	(41)	(44)
	Net financing cash flows	7,879	8,281
	Net increase (decrease) in cash held	3,198	(1)
1.20	Cash at beginning of quarter/year to date	5,114	8,313
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,312	8,312

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	397
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 includes director's fees and salaries for executive and non-executive directors and payments to related parties.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	36,000	13,000
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	5,250
4.2	Development	450
4.3	Production	-
4.4	Administration	750
Total		6,450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	562	614
5.2	Deposits at call	7,750	4,500
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		8,312	5,114

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	L53/0202	Granted Application	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	201,780,805	201,780,805		Fully paid
7.4 Changes during quarter (a) Increases through issues	1,500,000	1,500,000	Conversion of performance rights	Fully paid
	665,370	665,370	\$0.153 (deemed)	Fully paid
	1,031,578	1,031,578	Option conversion (\$0.228)	Fully paid
	200,000	200,000	Option conversion (\$0.122)	Fully paid
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options and Performance Rights (description and conversion factor)	<u>Options</u>		<u>Exercise price</u>	<u>Expiry date</u>
	4,500,000	-	\$0.213	5 June 2016
	750,000	-	\$0.270	1 June 2016
	150,000	-	\$0.214	31 July 2016
	2,500,000	-	\$0.298	29 May 2017
	600,000	-	\$0.298	1 June 2017
	295,000	-	\$0.250	24 June 2017
	100,000	-	\$0.300	24 June 2017
	1,000,000	-	\$0.230	1 September 2016
	1,000,000	-	\$0.300	1 September 2017
	600,000	-	\$0.122	9 November 2016
	2,000,000	-	\$0.500	14 December 2017
	1,000,000	-	\$0.200	3 February 2017
	1,000,000	-	\$0.300	3 February 2018
	16,666,667	-	\$0.180	31 December 2017
	1,770,000	-	\$0.256	13 October 2017
	500,000	-	\$0.200	13 October 2017
	700,000	-	\$0.256	31 December 2017
	500,000	-	\$0.256	6 December 2017
	<u>Performance Rights</u>			
	7,500,000	-		31 December 2017
	500,000	-		31 December 2017

7.8 Issued during quarter	<u>Options</u>			
	1,770,000	-	\$0.256	13 October 2017
	500,000	-	\$0.200	13 October 2017
	700,000	-	\$0.256	31 December 2017
	500,000	-	\$0.256	6 December 2017
	<u>Performance Rights</u>			
	500,000	-	NA	31 December 2017
7.9 Exercised/converted during quarter	<u>Options</u>			
	200,000	-	\$0.122	9 November 2016
	1,031,578	-	\$0.228	29 November 2015
		<u>Performance Rights</u>		
	1,500,000	-	NA	31 December 2017
7.10 Expired during quarter	<u>Options</u>			
	568,422	-	\$0.228	29 November 2015
	750,000	-	\$0.350	1 October 2015
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Mike Robbins Date: 30 January 2016
(Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.