



# BLACKHAM RESOURCES

## RE-STARTING WILUNA GOLD OPERATIONS

Blackham positions itself as a near term gold producer, operating several advanced exploration projects in the historic gold producing area around Wiluna, in the northern Yilgarn Craton. In March 2014, BLK acquired the Wiluna gold mine, which includes the processing plant and all associated infrastructure. The mine is located in the Matilda project tenure, where the company is currently working to prove 500,000oz Au at another prospect. Utilising the Wiluna plant, BLK is hoping to produce 100,000ozpa Au over five years. Production is set to commence in late 2015. There has been extensive exploration drilling in and around the Matilda mine project, which has considerably upgraded the prospective area and future size of the Matilda mine. Thirteen kilometres north-northwest of Wiluna is the Galaxy deposit, where results from a recent drilling campaign included intersections of 9m at 13.5gpt Au containing 4m at 27.9gpt and 6m at 8.8gpt Au. The deposit will likely be mined as an open pit and ore fed through the plant at Wiluna. Together, these projects give Matilda a 4.3Moz Au resource at 3.3gpt.

### KEY STRENGTHS

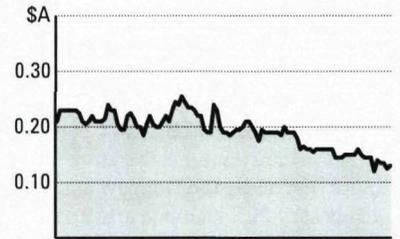
- Access to Wiluna plant and mine infrastructure
- Ore from regional deposits can be processed at Wiluna
- Large and prospective exploration package
- Historic gold producing area

### KEY RISKS

- Wiluna gold mine has closed several times in the past
- No current operational cash flow
- Wiluna region increasingly mature for exploration
- Gold price currently dropping

Key Investments	Com	Location	Status	% Own	Description
Wiluna Mining Centre	Au	WA	Development	100%	Gold exploration, near term production at and around Wiluna gold mine.
Zanthus	Coal	WA	Development	100%	Development of 1.4Bt coal resource near Esperance, WA.
Scaddan	Coal	WA	Development	70%	Development of 1.4Bt coal resource near Esperance, WA.

## ASX: BLK



6 months ending October 15, 2014

### HEAD OFFICE

Level 2, 38 Richardson Street  
West Perth WA 6005 Australia  
www.blackhamresources.com.au

### DIRECTORS

Bryan Dixon (MD),  
Paul Murphy (Chair), Alan Thom,  
Greg Miles, Mike Robbins

Share price (\$A)	\$0.09
12-month high	\$0.285
12-month low	\$0.08
Market capitalisation	\$12.8m
Key countries	Australia
Commodities	Au, Coal



## RESOURCESTOCKS TOP 100

# ANNUAL SHOWCASE CELEBRATES DIVERSITY

The *RESOURCESTOCKS* Top 100 is a showcase of mining and petroleum stocks listed on the ASX, but taking in a wide range of geographies, commodities and strategies covered by these companies.

**T**HE LIST OF STOCKS TO watch, grouped by commodity in no hierarchical order, was this year again compiled by mining economist John Sykes and mining and business professor Alan Trench.

"Rather than a blanket buy signal, readers are invited to survey and further investigate the companies covered here, after considering these strengths and risks," Sykes said.

"As such, the focus of this year's edition, as ever, is diversity. There is however economic logic to this, with portfolio theory suggesting that an investment portfolio should include a broad range of companies to create balanced risk and value opportunities."

Finding true diversity within a company is however quite difficult, partly because brokers, and perhaps investors, prefer a clear commodity and geography story, and partly because maintaining a diverse portfolio without cashflow is expensive.

Similarly, bringing just one mine to production (or even acquiring one) is a challenge for a small company, doing so repeatedly across different commodities is even rarer.

"That been said, diverse, mid-size companies with multiple mining assets across several commodities, such as Independence Group and Metals X, have been amongst the most solid performers in recent years," Sykes said.

"Similarly, a number of broadly focused exploration companies, which held nickel opportunities among a wider variety of exploration options – despite several years of depressed nickel prices – have benefited this year with renewed excitement in the nickel industry. Enterprise Metals and Pioneer Resources would all be included in this category.

"While commodity prices are important, companies such as Australian Bauxite, Orocobre (lithium) and Sheffield Resources

(mineral sands) remind us that success comes from all parts of the periodic table and not necessarily in fashionable commodities."

High quality projects and significant advances in those projects are always attractive, whatever the prevailing market conditions.

For that reason, despite falling gold and petroleum prices, the Top 100 still has a core of both these commodities, which together make up the bulk of resources stocks on the ASX, and perhaps still provide the most opportunities.

"With falling commodity prices, three main corporate strategies come to the fore – low cost production, opportunistic acquisition and greenfields exploration – so examples of companies following these strategies abound among the gold and petroleum companies of the 2014 Top 100," Sykes said.

"Northern Star Resources is one of the few gold companies able to produce at low cost among the Australian gold sector, so unsurprisingly they have also been prominent among those making opportunistic acquisitions as well.

"Depressed prices and failing companies shedding assets presents buying opportunities not available during the peaks of the cycle. Gold companies such as Anova Metals, Blackham Resources, Dacian Gold, Kin Mining and Saracen Mineral Holdings are all examples of gold companies making opportunistic acquisitions in recent years."

A note of caution: often these assets have failed in the past, so it is incumbent on the new owners to bring something new to the project and not repeat the failures of the past.

On the exploration front, there are still many gold hunters as the prevailing price matters less than exploration risk.

Sandfire Resources' discovery of DeGrussa and Sirius Resources' Nova-Bollinger are testament to how a good discovery beats a bad market.



"In the gold industry, Gold Road Resources has recently made an exciting discovery out in the Yamarna terrain, whereas in the oil industry Carnarvon Petroleum and FAR Limited have both recently made discoveries at home and abroad respectively."

Commodity prices do have some affect though. Falling metal prices have reduced the number of iron ore opportunities available as it is a very tough industry to enter when markets aren't buoyant.

Nickel companies have edged out iron ore hopefuls in this year's Top 100.

"Beyond the nickel market, into the more esoteric parts of the mining industry, which truly do provide diversification, graphite is currently the hot commodity, with Syrah Resources now joined by a few other graphite selections in that speciality category."

Booms in unusual markets attract many new companies, most of which fall by the wayside. However, a few of the better companies survive and do develop projects, as such the Top 100 includes of survivors from previous esoteric metals booms including tungsten, lithium and rare earths. **RS**

Drilling at Northern Star Resources' Paulsens gold mine in Western Australia.

Editor's note:  
Share price and market capitalisation data was recorded on November 10, 2014.