

ASX Release

Friday 21 December 2018

ASX:ACB

Revised Announcement and Retraction

A-Cap Energy Limited ("ACB") advises that the announcement released to the ASX on Thursday 20 December 2018 titled **A-Cap Energy enters into Joint Venture Agreement with Blackham Resources to develop the Wilconi Cobalt Project** contained references to the following forecast information on page 4 of the announcement:

- *A-Cap's focus will be to define a mineable resource at Wilconi having the following Exploration Target to support a +2.5Mtpa operation:*
 - *Minimum: +65 million tonnes*
 - *Minimum Cobalt Grade: 0.08% Co*
 - *Minimum Nickel Grade: 0.75*

The above forecast information (production target) is retracted and is contrary to the ASX Listing Rules and should be disregarded. The production target should not be used as a basis for an investment decision in ACB.

Please refer to the following amended announcement regarding the Joint Venture Agreement with Blackham Resources Limited.

For and on behalf of the Board
A-Cap Energy Limited



Nicholas Yeak
Company Secretary

ASX Release

21 December 2018

ASX:ACB

A-Cap Energy enters into Joint Venture Agreement with Blackham Resources to develop the Wilconi Cobalt Project

A definitive Farm-in and Joint Venture Agreement (JVA) has been entered into between A-Cap Energy Limited (ASX:ACB) (A-Cap, the Company) and Blackham Resources Limited (ASX:BLK, Blackham) which provides A-Cap to acquire a 75 percent Farm-in Interest in the cobalt, nickel and associated reserved minerals of the Wiluna Cobalt Project (Wilconi Project), Western Australia. The JVA was signed on 20 December 2018 and marks a significant milestone for the Company in implementing its diversified minerals strategy. The Wilconi Project will focus on cobalt and nickel materials supply to the global electric vehicle (EV) market through the establishment of key strategic and partner relationships. A-Cap's existing Botswana, Letlhakane Uranium U₃O₈ Project will continue to be advanced as a base load power generation energy related resource.

Chairman Mr Angang Sheng commented, "The Wilconi Project and its development represents a key opportunity to become a supplier to the global electric-vehicle (EV) industry revolution and its demand for battery materials, best reflected in a dramatic increase in price for two key battery commodities, lithium and cobalt over the past two years as recognised by McKinsey, Lithium and Cobalt : A Tale of Two Commodities Report, June 2018."

Wilconi Project Highlights

- ▲ *The Wilconi project has significant past drilling to enable A-Cap to value its potential*
- ▲ *The deposit lies in largely granted mining tenements*
- ▲ *Infrastructure associated with Blackham's gold mining is in place*
- ▲ *Environmentally safe with a long history of mining in the area*
- ▲ *Past work was focussed solely on nickel with a cobalt by-product*
- ▲ *A-Cap have remodelled the resource as a **cobalt target** with nickel as a by-product*
- ▲ *New and innovative geophysics and metallurgical technology will be utilised during the feasibility work*
- ▲ *The final Wilconi Project tenements list comprises twelve granted mining leases, eight granted exploration licences, one prospecting licence and one retention licence. The Project covers a total area of 800 square kilometres.*
- ▲ *A-Cap plans to begin an aggressive drilling campaign early 2019 at Wilconi to bring existing inferred resources in line with the JORC 2012 standard, as well as step-out drilling to follow anomalous cobalt away from the currently defined zones.*

Background

In late 2017, A-Cap began a programme of property assessments for cobalt, focussing on lateritic style mineralisation. Australia is well endowed with nickel laterite regions that earlier explorers and developers had mostly defined nickel resources and reserves with cobalt being the by-product of this resource definition. Recent advances in laterite metallurgy combined with a surging cobalt price driven by the electric vehicle market, make previously defined resources more attractive for the principal commodity being cobalt rather than nickel in the laterite profiles. Nickel will be the by-product.

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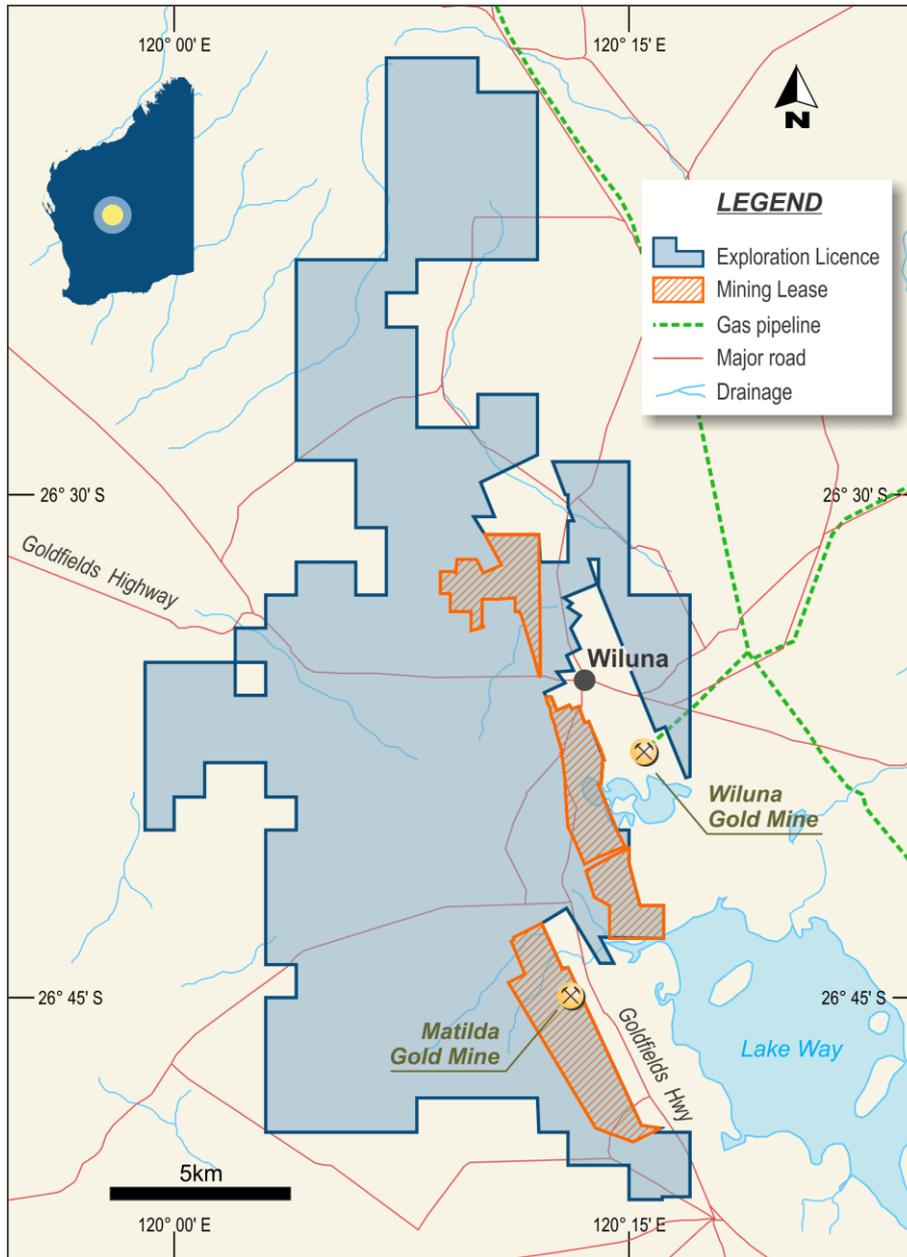


Figure 1 Locality diagram of the Wilconi Project area

Historical Exploration Work

The Wiluna region was first explored in the late 1960's for nickel sulphides (Mt. Keith style). In the early 1970's the Wilconi area was drilled for nickel laterite mineralisation and subsequent explorers focussed again on the nickel sulphide potential until 2005, when the then operator Agincourt Resources Ltd (Agincourt) drilled the deposit for nickel laterite. Agincourt commissioned Snowden Mining Industry Consultants (Snowden) to conduct a mineral resource study. This study, completed in 2005, returned a JORC (2004) inferred resource of 80.5 Mt grading 0.77% Ni and 0.058% Co using a 0.5% Ni cut-off grade. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Category	Ni Cut-off	Tonnes (Mt)	Ni %	Co %	MgO %
Inferred	0.8	32.5	0.85	0.064	8.65
Inferred	0.5	80.5	0.77	0.058	8.84

Table 1: JORC (2004) resources for Wilconi Project based on nickel cut-offs

Wilconi Project Geology

The project is the northern part of the Agnew-Wiluna greenstone belt, more specifically the Perseverance ultramafic sequence, which forms the protore for the Co-Ni laterite through the tenements. This sequence hosts several high-grade nickel sulphide prospects, including Honeymoon Well. The easterly dipping ultramafic sequence strikes NNW-SSE and is 200-300metres wide in the project area. A blanket of laterite has formed on the ultramafics, concentrating cobalt and nickel during the laterisation process. There is over thirty kilometres of the ultramafic sequence running through the Wilconi Project tenements, with a thick (+10m) layer of laterite developed on top of the ultramafics. Previous drilling has shown that the laterite can be up to 90 metres in depth.

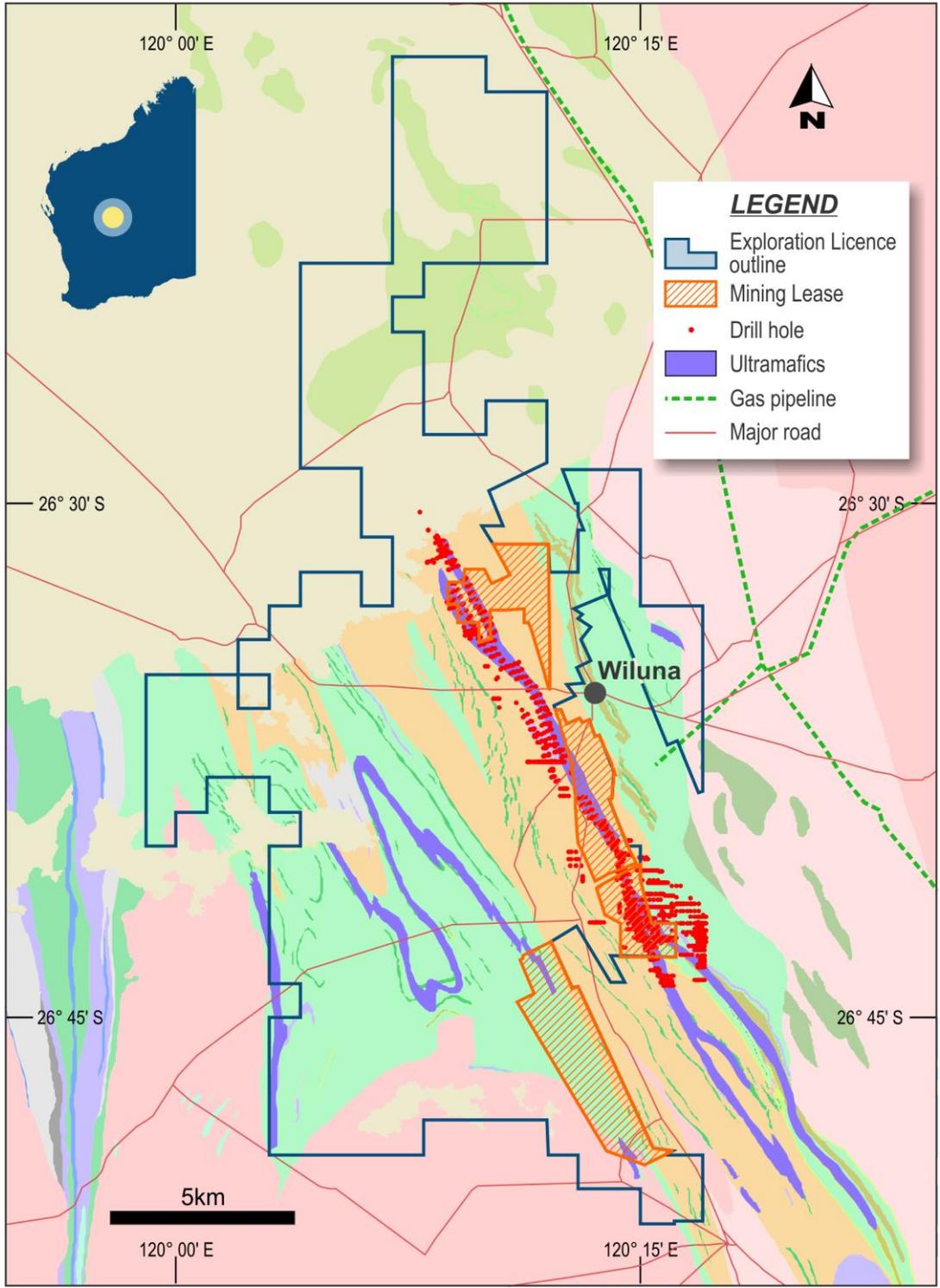


Figure 2 Geology of the Wiluna region showing the ultramafic rocks in purple and highlighting previous drilling for nickel laterite mineralisation that had intercepted anomalous cobalt.

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Previous drilling totalling 1594 drillholes has defined a 20-kilometre strike length of cobalt-nickel mineralisation in the laterite. Work done by Snowden in 2005 partially defined geological continuity of the deposit but showed that the drilling done was widely spaced.

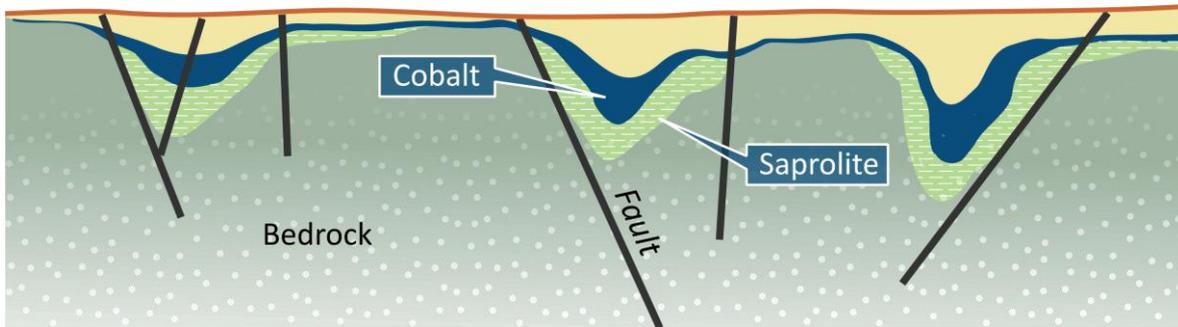


Figure 3: Diagrammatic cross section showing nature of cobalt mineralisation in the laterite profile at the Wilconi Project.

Wilconi Due Diligence

A-Cap has undertaken due diligence studies on the Wilconi Project, with initial block modelling demonstrating that an Exploration Target, calculated using cobalt equivalent wireframes, is approaching our target of approximately 60 to 70 million tonnes @ 0.08 - 0.1% cobalt. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource. This Exploration Target is based on extensive historical drilling and includes >45,000 assay results from >15,000 drill holes. The holes were drilled at 50 – 100m intervals along lines spaced 400m apart. The lines of holes, typically 1km and 2km long, were drilled across the mineralised trend which has a strike length of over 20km. To quantify the exploration target, historical drill hole geochemistry and lithology data was modelled using Micromine 3D mining software. The zone of cobalt mineralisation was modelled and grade – tonnage tables prepared from this data. A list of significant drill hole intercepts is listed in Annexure A.

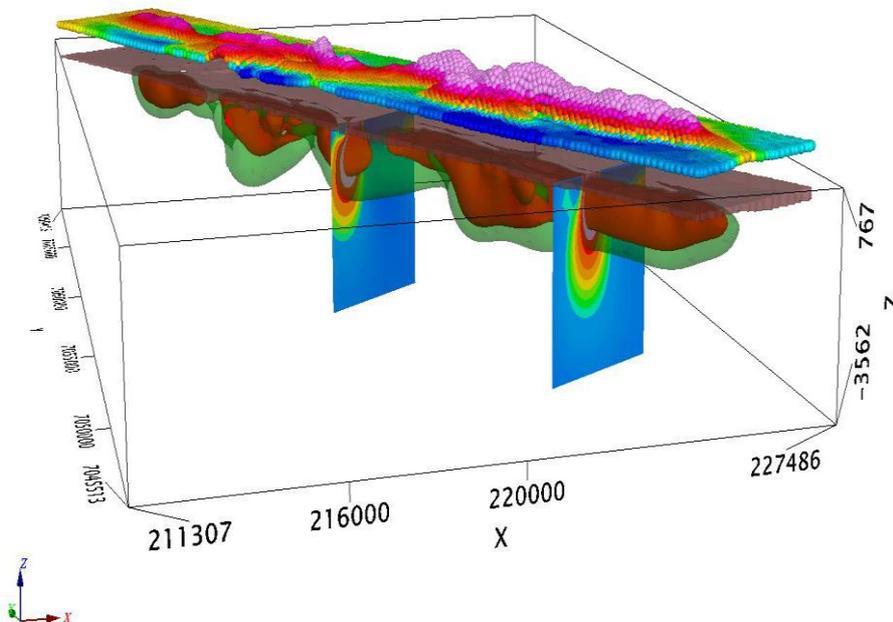


Figure 4: 3D image of the northwest striking magnetic signature from the cobalt and nickel bearing ultramafic rocks at Wilconi. View looking NE.

- Project upside is substantial, with additional tonnes to be drilled into:
 - Strike extensions of known Cobalt zones
 - Deeply oxidised “keels” demonstrated by earlier historical drill intercepts (below)
 - PDW 238A 30m @ 0.13% cobalt from 64m
 - PDW 031 47.2m @ 0.09% Co from 61m
 - PDW 072 9.5m @ 0.11% Co from 75m

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Proposed Exploration

A-Cap propose to infill the previous drill pattern to define JORC 2012 resources and reserves. A-Cap will also focus on the higher cobalt grades within the resource, where many cobalt rich zones were spread across the nickel intercepts. Drilling will be reverse circulation and planned to systematically step out from historical cobalt zones within the previously defined nickel laterite zone.

In addition, the Company will concentrate on metallurgical studies from an early stage to determine the most efficient metallurgical techniques for the deposit. Work done over the years on A-Cap's Letlhakane uranium deposit in Botswana has enabled the company to build a strong background with atmospheric acid leach studies. A-Cap will adopt the most efficient processing route to deliver a battery grade product to the end users, with a final product being a sulphate or hydroxide compound.

Key Terms – Farm-In and Joint Venture Agreement

The key terms of the Farm-In and Joint Venture Agreement provide:

- a) The Project JV earn-in terms agreed between Blackham and A-Cap shall comprise:
 - i. the JV comprise nickel, cobalt and associated metals.
 - ii. Tenements in the JV comprises twelve granted mining leases, eight granted exploration licences, one prospecting licence and one retention licence included in Figure 1.
 - iii. A-Cap will acquire an initial 20% interest in the Reserved Minerals located on the Wilconi Project Tenements by paying A\$2,800,000 to Blackham, within two business days of the date on which the last of the Conditions Precedents are satisfied;
 - iv. On making the initial interest payment A-Cap will also acquire the third-party exploration data on the project by making a cash payment of A\$100,000;
 - v. A-Cap may acquire an additional 35% JV Interest (such that A-Cap's total JV Interest will be 55%) (Second Earn-in Interest) by:
 - A. making a cash payment to Blackham of A\$500,000 within a period of 24 months; and
 - B. incurring minimum expenditure on exploration works programme activities and investing activities expenditure in respect of the Reserved Minerals on the Tenements (completing the definitive feasibility study (Project DFS); within a period of 36 months of A\$5,000,000;
 - vi. A-Cap may acquire an additional 20% JV Interest (such that A-Cap's total JV Interest will be 75%) (Third Earn-in Interest) by:
 - A. completing the Project DFS within 36 months;
 - B. making a further cash payment to Blackham of A\$1,000,000; and
 - C. Issuing to Blackham on completion of the Project DFS that number of shares which, when multiplied by A-Cap's 30-day volume-weighted average price calculated as at the date of issue of the shares, is equal to \$1,500,000;
 - vii. A-Cap must undertake the works programme activities during the Earn-in Period with the intention of advancing the Project to a completion of the Project DFS;
- b) The JVA remains conditional upon finalisation of third party agreements with three stakeholders which are all well advanced.
- c) A-Cap will be responsible for the costs of Blackham ownership of the reserved minerals during the Earn-in Period. During the Earn-in Period, A-Cap will be the manager of the Project JV. Blackham will be free carried during the Earn-in Period. At the end of the Earn-in Period, Blackham may elect to fund its share of project development costs or otherwise elect to dilute its JV Interest in accordance with the usual dilution process.

Strategic Relationships

The Chairman of A-Cap, Mr Shen Angang, stated:

"A-Cap's strategic relationships will be pivotal to the company's implementation of its diversified minerals strategy. A-Cap is in a fortunate position to have two substantial Chinese shareholders, Ansheng Investment Co Ltd and Jiangsu Shengan Resources Group Co Ltd who are working together diligently with the support of the A-Cap board to identify Chinese and global key strategic and partner relationships to establish longer-term market for its EV battery materials supply. Moreover, the A-Cap board continues to engage with potential strategic investors resident in China who are

working with A-Cap to support its capital management plan for new cobalt projects acquisition and initial resource exploration work.”

The Chairman of Blackham, Mr Milan Jerkovic stated:

“Blackham is delighted to have partnered with A-Cap Energy to add value to the sizeable Wiluna Cobalt Nickel Project. This transaction is consistent with Blackham’s previous stated strategy of divesting non-core assets allowing it to focus on its Matilda-Wiluna Gold Operation. We look forward to working with our new partners to fast track the exploration of a project within Western Australia’s premier nickel/cobalt province that has had little attention over the last 12 years.”

For and on behalf of the Board
A-Cap Energy Limited



Nicholas Yeak
Company Secretary

Competed Person Statement

Information in this report relating to nickel, cobalt and associated metals of the Wiluna Cobalt Nickel Project (Wilconi Project) and the Exploration Target, is based on information compiled by Mr Paul Ingram, a director of A-Cap Energy Limited and a Member of AusIMM. Mr Ingram has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting Exploration Results Mineral Resources and Ore Reserves. Mr Ingram consents to the inclusion of the data in the form and context in which it appears.

Information relating to the published Wilconi Inferred Resource:

This mineral resource statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Andrew Ross is a Fellow of the Australasian Institute of Mining and Metallurgy, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). Sign-off compliance taken from Oxiana’s 2007 Annual Report, with the resources reported in the same format.

JORC Code, 2012 Edition – Table 1 report template

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"> 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. 	<ul style="list-style-type: none"> The WNP database comprises 70 Auger (AUG) holes for 465m, 1,479 Aircore (AC) holes for 99,213m, 11,614 Rotary Air Blast (RAB holes for 326,412m, 694 Reverse Circulation (RC) holes for 74,215m and 38 Diamond core (DD) holes for 8,735m. Samples used in the Wiluna Nickel-Cobalt Laterite resource estimate include Reverse Circulation (RC) and Diamond drilling. The drilling results detailed in this report were from drilling undertaken by Wiluna Mines Ltd (Wiluna Mines), CRA Exploration Pty Ltd (CRAE), Outokumpu Exploration Australia Pty Ltd (Outokumpu), Agincourt Resources Ltd (Agincourt) and Independence Group NL (Independence). RC drill holes were sampled and geologically logged on 1m or 2m intervals. Diamond sampling varied between 1m to 4m intervals, with selective sampling at narrower intervals to geological/ mineralisation boundaries. Independence drilling utilised 4m composites with subsequent 1m re-sampling through higher-grade zones. The core sampling method and the RC sampling method is considered appropriate for the style mineralisation. All of the drill samples were sent to a commercial laboratory for crushing, pulverising and chemical analysis by industry standard practises.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> The WNP database comprises 13,895 holes with Ni assays, including 70 Auger (AUG) holes for 465m, 1,479 Aircore (AC) holes for 99,213m, 11,614 Rotary Air Blast (RAB holes for 326,412m, 694 Reverse Circulation (RC) holes for 74,215m and 38 Diamond core (DD) holes for 8,735m. All RAB holds and some RC with Diamond tails (years 1968-71) were left out of the resource work due to potential errors in location accuracy. From the resource estimation work completed by Snowden's, the samples used in the resource estimate were: <ul style="list-style-type: none"> Aircore 972 holes Diamond core 70 holes Reverse circulation 552 holes

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Recovery methods are not recorded, historical sampling procedures have not been sighted. Historical sampling procedures have not been sighted. There is no known or reported relationship between sample recovery and grade with the RC or DD drilling. Recovery data for CRA core holes was typically 100%. Other historical sample recovery data has not been sighted.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drillholes have been logged to varying degrees depending on the campaign and company. CRA drillhole data includes lithology, weathering, mineralogy and colour. Agincourt drillhole data includes lithology and weathering data. Independence drillhole data includes lithology, colour, grain size, texture and mineralisation. Logging is appropriate for the stage of the project and sufficiently detailed to support further studies.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Drill sampling was predominantly half core and was cut using a diamond saw. Core diameter was NQ. RC and RAB samples were routinely composited in the field (Independence samples were tube-speared, splitting method unknown for other operators), with subsequent zones of mineralisation split on 1m intervals (splitting method not recorded). Moisture information is not recorded. The sample preparation techniques are not recorded. RAB and RC drilling is considered appropriate for 'first-pass' exploratory and RC and DD are considered appropriate for resource definition drilling. The sampling to mineralisation boundaries in core holes, with either half core or full core sampling is preferred to RC 1m or composite sampling. It is assumed that standard dual stage crushing and pulverisation was employed prior to acid digest. Quality Control was not recorded for RC/RAB/AC drilling, historical sampling procedures have not been sighted. However, it is expected that industry-standard practices were employed. Details of QAQC procedures for DD drilling are included in some of the Annual Reports; diamond core in uniform mineralisation zones is sampled on two metre intervals and stopped at geological contacts or at changes in the tenor

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<p>of mineralisation. In barren zones CRA also took samples at the rate of one metre in five to monitor background geochemical levels.</p> <ul style="list-style-type: none"> The project has an extensive history and there have been a range of procedures used for assay quality control within the various drilling programs. CRA reports indicate that no assay standards were used prior to 1993 to control laboratory accuracy. Subsequent to this CRA incorporated several certified reference material (CRM) standards. There was no documented record of quality control procedures prior to 1994 but drilling during this period was significantly less than later periods and it has a reduced influence on the overall assay performance. The sample sizes typically obtained from RAB, RC or DD drilling over 1m intervals are believed to be appropriate for the style of mineralisation being sampled. The 0.25m and 0.3m massive sulphide sample intervals in core are considered quite short and almost too short to provide sufficient sample quantity for analysis, however given the massive nature of the sulphides sampling to mineralisation boundaries is considered appropriate regardless of the sample length.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The project has a 30-year history since discovery which has included being managed by three separate companies. The changes in ownership mean that much of the past work, particularly prior to 1994, has often been poorly documented or archived. The analytic methods for the programs with significant results which have been tabled in Annexure A and are included in Tables within the body of the Report are outlined below. For CRA drilling, the laboratory used was Analabs, the method is not recorded. For Agincourt drilling the lab was Amdel and technique ICP, with parts per million accuracy. For Independence drilling, samples were analysed by Ultratrace using four acid digest and ICP/OES finish (technique ICP102) to part per million accuracy. These are considered to be industry-renowned labs using standard analytical methods for this style of mineralisation. No geophysical tools or hand-held assay devices have not been reported. Very limited external standards and analysis at alternative laboratories were of insufficient numbers to make concussive assessment of assay accuracy. Internal laboratory standards and repeats demonstrated a high level of

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<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> 	<p>accuracy and precision in the analysis.</p> <ul style="list-style-type: none"> Significant intercepts are inherited from historical databases. The Competent Person has validated the database; however, no verification of sampling and assaying has been undertaken for the historical drilling. Scissor-drilled holes (i.e. pairs of holes drilled in opposite directions and designed to intersect in the ore zone) are on multiple sections. No specific twinned holes have been drilled. Historical data collection procedures are not documented. Digital copies of historical Annual Reports submitted to the DMIRS were obtained. These contain photocopies of 'hard copy' logs of CRA RAB, RC and DD holes. More recent drilling data was downloaded from the DMIRS WAMEX site. The digital data shows no indication of assay adjustment being performed.
Location of data points	<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> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Collar survey methods are not recorded in the database, though data appears at either mm or cm accuracy, which suggests that DGPS collar pick-ups were routinely obtained in the later drilling. Local grids were used in the early 1968-71 drilling and were not picked up by GPS. They have been converted to GDA by a grid transformation. Drillhole deviation for RC and DD drilling was not determined, only the setup dip and azimuth are recorded. Deviation in the holes drilled is therefore unknown, however due to the shallow nature of the holes it is not believed to be an issue. The grid system for the Wiluna Nickel Project is Map Grid of Australia GDA 94, Zone 51. Relative level co-ordinates do not appear to have been routinely collected; many holes were recorded at RL 500 so for simplicity all holes have been draped onto this level, given that topographical relief is very flat this is considered a reasonable approach to allow correlation between lithology and assays between holes. For use in the assessment of the exploration target all collars were draped on to aeromagnetics-derived topography models.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The data used in reporting the exploration targets was previously used in the estimation of an inferred Ni resource under JORC 2004. The laterite was remodelled with respect to Cobalt and some estimations completed. The estimation used parameters from the Ni and Co inferred resource estimation completed in 2005. No new geostatistics were interpreted. The drill spacing on average is approximately 400m by 100m

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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"> The mineralisation shows sufficient continuity of both geology and grade between holes to support geological and grade continuity to establish a mineral resource estimate. RC samples have been composited at various times on 2m or 4m lengths, with subsequent re-splitting of samples on 1m intervals in anomalous zones. Most domains within the Nickel Laterite Resource contained samples of two metre intervals, so drillholes were composited to two metre lengths for estimation and statistical analysis.
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"> The drill lines are located perpendicular to the strike of the ultramafic unit. The ultramafic unit is defined by some outcrop and by geophysical surveys
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> There is no documentation on sample security for the RC and Diamond samples available in historical reports.
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"> None known

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Blackham Resources Ltd and A-Cap Energy Ltd have entered into a definitive Farm-in and Joint Venture Agreement (JVA). Tenements in the JV consist of the following exploration tenements: E53/1794, E53/1645, E53/1908, E53/1803, E53/1864, E53/2048, E53/1644, E53/1852, E53/2050, E53/1791, E53/1853, E53/1912, E53/2054, E53/2053, P53/1560, R53/0001 Tenements in the JV consist of the following mining leases: M53/0092, M53/0139, M53/0026, M53/0024, M53/1098, M53/0049, M53/0071, M53/00131, M53/00034, M53/00052, M53/00041, M53/00188

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> All the JV tenements are held in the name of Kimba Resources Pty Ltd and Matilda Operations Pty Ltd both companies are subsidiaries of Blackham Resources Ltd. All tenements are current except exploration permits EL53/2053 and EL53/2054 which are pending grant. All tenements are contiguous and cover an 881 km² area around the town of Wiluna. Franco Nevada Australia Pty Ltd hold a 2% net smelter return royalty over nickel metal produced from the existing mining leases only. The tenements are located on the traditional lands of the Tarlka people (NTA WR2016/001). Blackham Resources currently have an agreement with the traditional owners that requires any areas within the JV tenements be cleared by cultural heritage survey prior to any surface disturbance. There are no known impediments to obtaining a license to operate in the area outside of standard landholder, traditional owner and Western Australia Department of Mines & Petroleum (DMP) regulations.
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Delhi 1968 conducted initial costeaning and sampling for Ni gossans and Kambaldatype Ni sulphides. Numerous assays >2% Ni were returned from laterite. Kennecott 1969-1972 completed further soil sampling and pitting which identified coincident Ni+Cu anomalies. This was followed up by a percussion drilling program that covered several kilometres of strike length with 850 holes to a typical depth of 10-15m, which confirmed the previously identified soil geochemical targets. Kennecott conducted extensive RC drilling of the laterite profile, which has subsequently formed part of the laterite Ni resource. Kennecott followed up by drilling 2 diamond holes, which from the sections and plans it appears have failed to test the targeted ultramafic basal contact, due to structural complexity. Despite failing to directly detect the targeted Mount Keith-style mineralisation, this drilling does not preclude the possibility that some laterite Ni mineralisation has resulted from weathering of an underlying Ni sulphide body During 1973-1976 WMC followed up with IP and EM geophysical surveys and drilled 4 further percussion holes and 1 diamond hole testing the resulting anomalies. There are no significant assays reported and the source of geophysical anomalism was attributed to variably massive and disseminated pyrrhotite and pyrite logged in association with amphibolites.

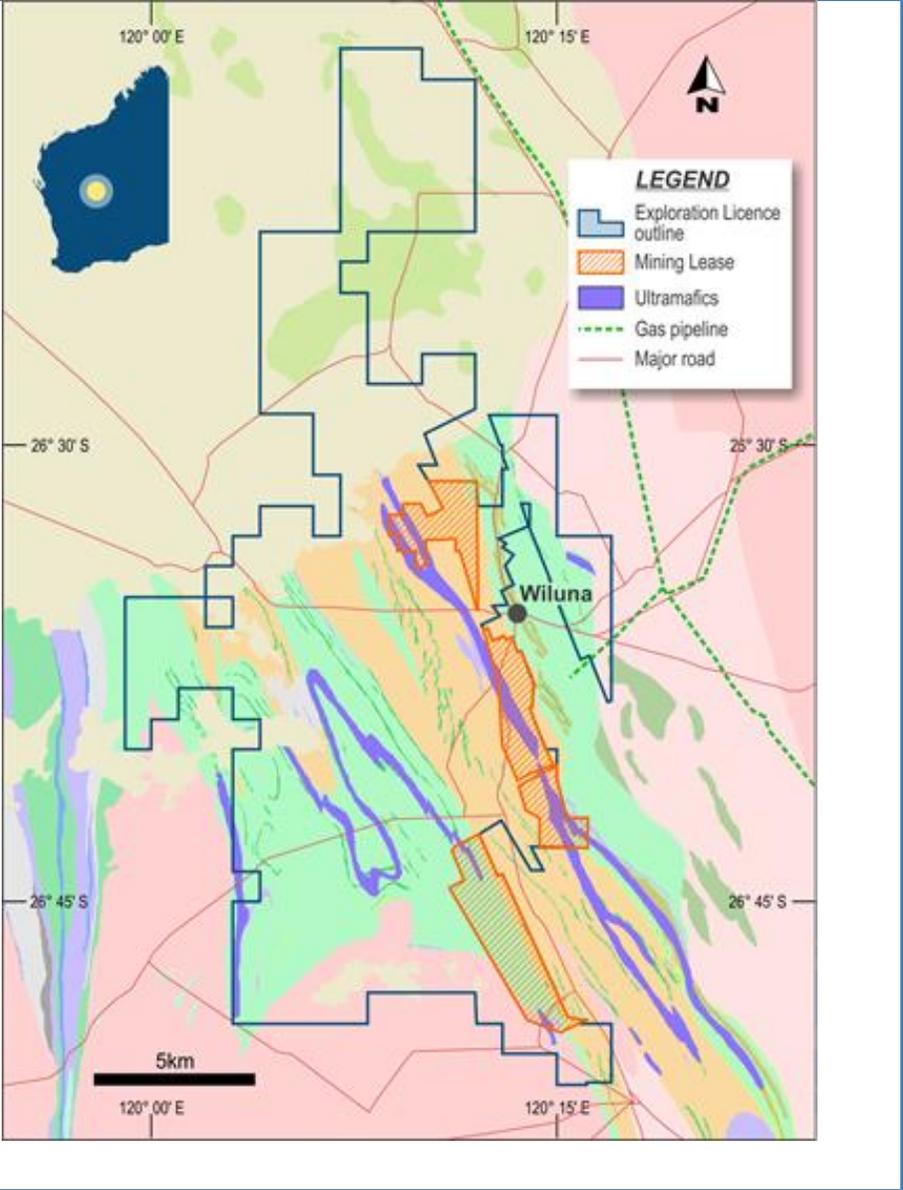
Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> In 1993-4 the CSIRO and Asarco Australia conducted mapping and petrographic analysis of ultramafic rocks at several prospects. These researchers recommended further drilling to determine whether the Perseverance ultramafics were extrusive or intrusive as per the high-energy extrusives / sub-volcanic intrusives around AgnewLeinster, and therefore prospective for Ni sulphide deposits. In 1995 Wiluna Mines intersected Ni sulphide and PGE mineralisation of up to 2m @ 2.15%Ni + 1g/t Pd+Pt from 74m in hole 95WJVP251 at Bodkin prospect. The massive sulphide is located within an interpreted thermally eroded footwall basalt unit. This was the first recorded massive sulphide occurrence in the Perseverance ultramafics and has major implications for the prospectivity of the immediate Bodkin area and the wider ultramafic stratigraphy. (Blackham Resources Ltd, Wiluna Nickel Project- Information Memorandum Oct 2104)
<p>Geology</p>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Wilconi project is located on the north eastern edge of the Archaean Yilgarn Block, in the Wiluna Greenstone Belt. The Wiluna Greenstone Belt can be divided into two metamorphic domains, the Wiluna domain in the east and the Matilda domain in the west. The major north west trending Perseverance Fault separates the domains. The Wiluna domain is a low grade, prehnite-pumpellyite facies, metamorphic terrain comprising mafic to ultramafic lavas with intercalated sedimentary units, felsic volcanics and dolerite sills overlain by a thick pile of felsic volcanics, tuffaceous sediments, and sedimentary rocks, interrupted by extrusion of a large volume of komatiitic lava. Primary igneous textures and structures are well preserved, and deformation is predominantly brittle. The Matilda domain is a medium to high grade, greenschist to lower amphibolite facies, metamorphic terrain with predominantly ductile deformation. It consists of a volcano sedimentary sequence in an interpreted major north west trending synclinal structure, with the axis close to the Perseverance Fault. The sequence comprises basal banded iron formation in the west, overlain by komatiitic volcanics with limited basal peridotite members. These grade upwards into high magnesium basalt and basalt with interflow chert and graphitic sediments. Metabasalt predominates in the project area. Felsic volcanic rocks and sediments are interpreted to form the core of the syncline. A number of granite plutons intruded both domains during the very latest stages of volcanism, or the earliest stages of subsequent compressional deformation and regional metamorphism. Emplacement was essentially along the contact between the greenstones and the unknown substrate.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Exposure at the Wiluna Nickel-Cobalt Project ground is virtually non-existent and the geology of the Wiluna ultramafics has been largely determined from previous drilling results aided by an interpretation of magnetic surveys. Approximately 10km northwest of Wiluna the ultramafics are buried under Proterozoic cover. • Drilling has shown that the ultramafics form the base part of a differentiated igneous intrusion which is represented by serpentised dunite, serpentised peridotite, pyroxenite and gabbro. The intrusion appears to be conformable or slightly discordant and is thought to have been emplaced as a sill. • Near Wiluna, this ultramafic sill is between 200-300m wide at the surface but thins rapidly south to less than 100m at the surface before disappearing under the surficial cover. The ultramafics are dislocated by a number of faults trending north and northeast. • Nickel – cobalt mineralisation is concentrated in laterite profiles developed over units of the Perseverance ultramafic sequence. Previous drilling has shown that the mineralisation forms a thin, <5m thick laterally extensive blanket. Where cut by steep structures, intense lateritisation and mineralisation can extend to down to 120 metres depth. • From the top of the profile magnesium levels typically increase from less than 1% to 20% at the saprock interface. This typically occurs within approximately 6 metres allowing an Mg discontinuity surface to be easily identified. This discontinuity is a redox front which forms between the reduced water table and the overlying oxidised saprolite. In many locations the nickel and cobalt peak values occur above this surface.

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Criteria	JORC Code explanation	Commentary
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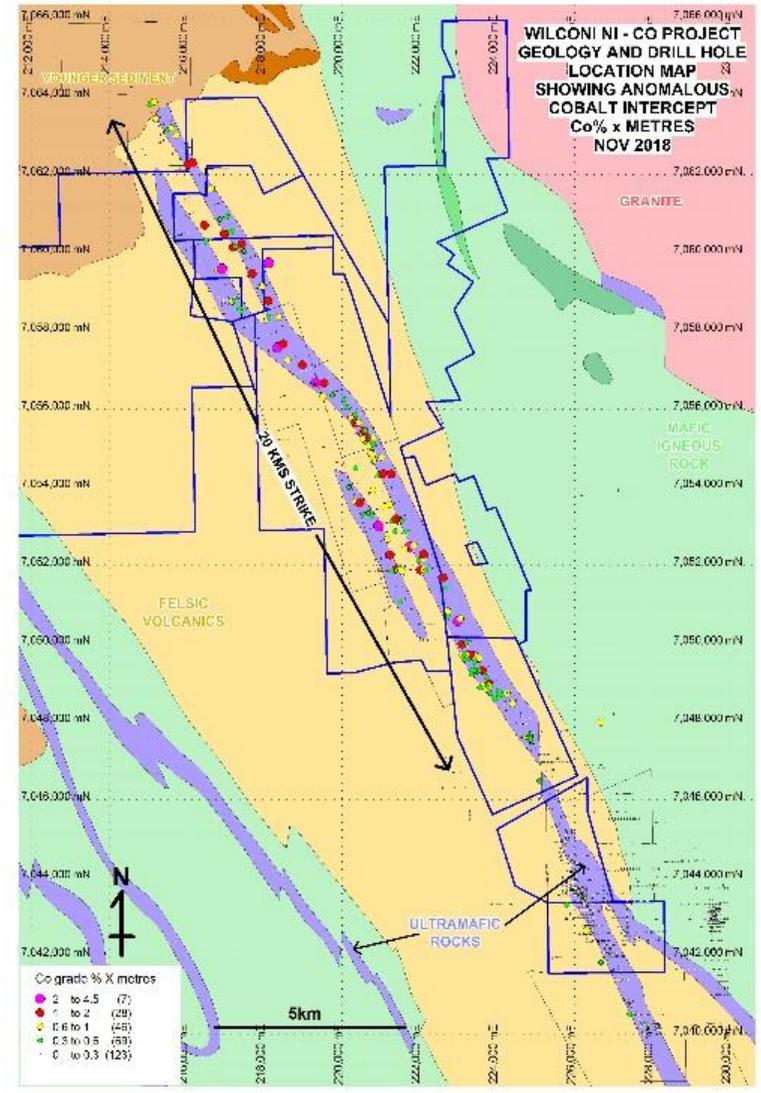
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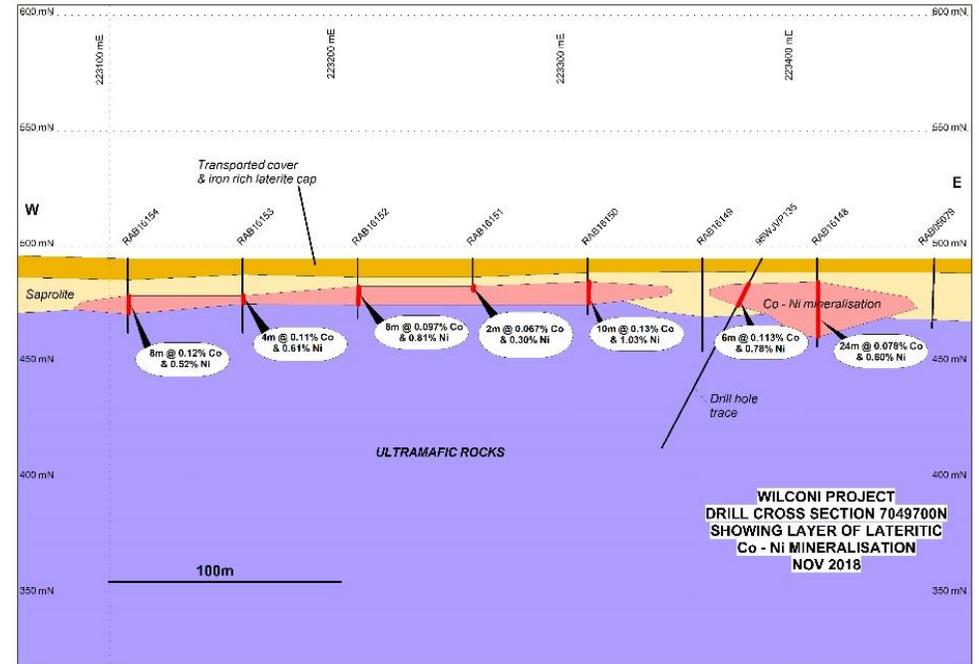
Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ 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. 	<ul style="list-style-type: none"> • Annexure A
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"> • Annexure A - Wiluna Nickel-Copper Project significant intercepts calculated using the following parameters: Ni\geq1.0%, minimum width of 0.5m, internal dilution up to 2m consecutive waste with a minimum grade of final composite of 1.0% Ni
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"> • The Laterite is flat lying and drilling is either vertical or at a 60 degree angle. The intersections are a reasonable approximation of the mineralization thickness.
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"> • See Annexure A and maps below

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Criteria	JORC Code explanation	Commentary
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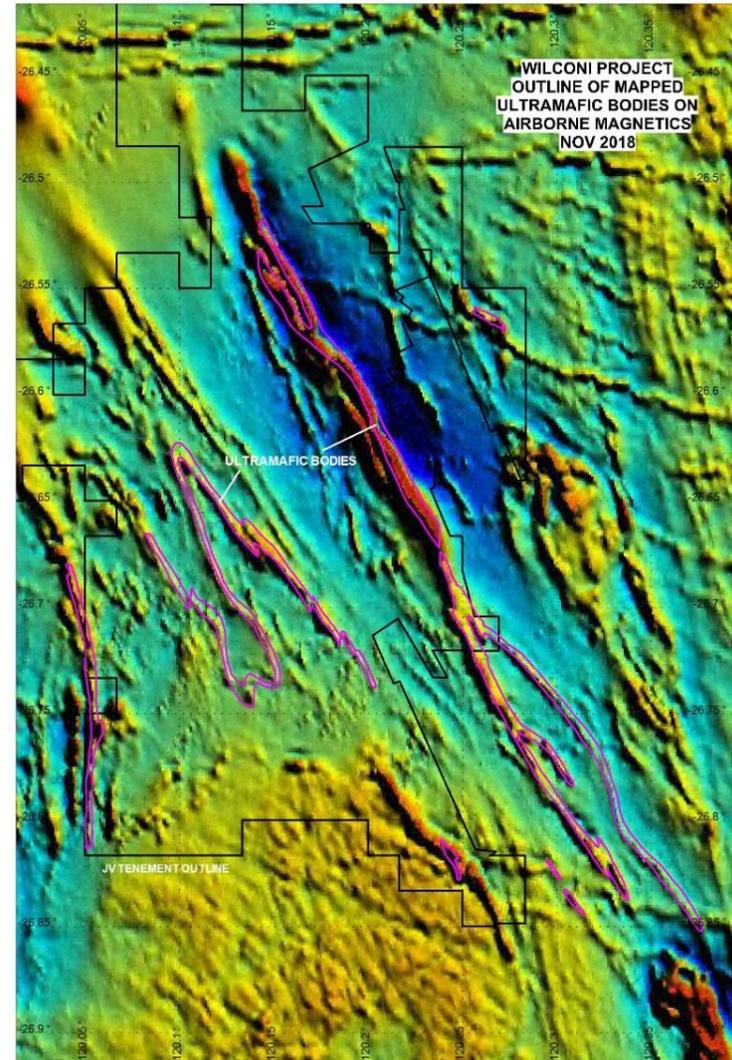


Criteria	JORC Code explanation	Commentary
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<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The large volume of data makes reporting of all exploration results not practical. Drill hole plan above shows holes with no significant cobalt intercepts and also those with anomalous cobalt intercepts.
<p><i>Other substantive exploration data</i></p>	<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"> Ultramafic units in the Wiluna region are strongly magnetic and show up as conspicuous linear magnetic highs in the ground and airborne magnetic survey data (see Figure). The magnetic data highlights the continuity of the ultramafic units over which the cobalt and nickel rich laterite deposits are developed.

Criteria JORC Code explanation Commentary



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"> Future work will focus on drilling to collect bulk samples for metallurgical testwork and infill drilling to define a JORC compliant resource at the Wiluna Nickel-Cobalt laterite deposit. Geophysics such as deep ground penetrating radar (DGPR) and magnetics surveys are planned to complement drilling and assist with resource definition.

ANNEXURE A: Significant Drillhole Intercepts at the Wiluna Nickel-Cobalt Project

HOLE ID	EAST (m)	NORTH (m)	RL (m)	EOH (m)	Drill Type		INTERSECTION				
							From (m)	To (m)	Width (m)	Ni %	Co %
92WJVP002	215926	7062466	500	119	RC	-60/248	33	41	8	1.23	0.09
92WJVP004	215493	7063139	507	119	RC	-60/248	42	48	6	1.51	0.08
92WJVP005	215603	7063194	507	116	RC	-60/248	27	33	6	1.25	0.08
92WJVP007	215304	7063488	507	119	RC	-60/248	28	30	2	1.30	0.11
92WJVP010	215160	7063870	507	119	RC	-60/248	21	29	8	1.23	0.09
95WJVP058	221389	7053190	500	117	RC	-60/248	55	63	8	1.41	0.15
95WJVP075	221015	7054763	500	123	RC	-60/248	28	34	6	1.30	0.14
						and	42	54	12	1.32	0.05
						and	60	72	12	1.25	0.05
95WJVP077	219315	7056673	500	96	RC	-60/248	54	78	24	1.29	0.06
95WJVP085	218593	7057249	500	99	RC	-60/248	65	73	8	1.13	0.11
95WJVP097	218098	7058774	500	99	RC	-60/248	53	55	2	1.00	0.04
95WJVP102	217693	7059475	500	117	RC	-60/248	46	48	2	1.19	0.11
95WJVP109	217306	7060182	500	117	RC	-60/248	54	56	2	1.01	0.18
95WJVP110	217413	7060224	500	117	RC	-60/248	58	66	8	1.26	0.15
95WJVP117	216975	7060912	500	111	RC	-60/248	43	55	12	1.31	0.05
95WJVP122	220572	7055449	500	129	RC	-60/248	8	10	2	1.13	0.49
95WJVP127	221236	7052270	500	99	RC	-60/248	27	35	8	1.52	0.24
						and	45	55	10	1.06	0.06
95WJVP129	221729	7052464	500	99	RC	-60/248	41	53	12	1.80	0.27
95WJVP130	221841	7052508	500	99	RC	-60/248	40	48	8	1.14	0.09
95WJVP135	223388	7049678	500	93	RC	-60/248	14	16	2	1.12	0.11
95WJVP139	223664	7048926	500	93	RC	-60/248	8	10	2	1.32	0.15
95WJVP140	223775	7048970	500	99	RC	-60/248	8	18	10	1.08	0.10
95WJVP141	223887	7049014	500	93	RC	-60/248	31	35	4	1.21	0.07
95WJVP143	224034	7048642	500	93	RC	-60/248	19	23	4	1.54	0.11
95WJVP144	224146	7048686	500	87	RC	-60/248	14	16	2	1.73	0.16
						and	20	22	2	1.02	0.11
95WJVP149	220691	7055066	500	99	RC	-60/248	18	20	2	1.00	0.05
95WJVP150	220803	7055110	500	105	RC	-60/248	15	23	8	1.20	0.06
95WJVP161	219075	7057009	500	129	RC	-60/248	84	86	2	1.07	0.02
95WJVP175	217066	7060518	500	99	RC	-60/248	43	53	10	1.25	0.04
95WJVP193	220684	7053342	500	111	RC	-60/248	49	51	2	1.40	0.18
95WJVP196	221233	7053559	500	129	RC	-60/248	61	65	4	1.42	0.19
95WJVP197	221344	7053603	500	111	RC	-60/248	47	55	8	1.11	0.05
95WJVP202	221424	7052774	500	105	RC	-60/248	23	25	2	1.01	0.05
95WJVP205	221647	7052862	500	99	RC	-60/248	38	48	10	1.45	0.04
95WJVP207	221173	7052675	500	99	RC	-60/248	26	34	8	1.04	0.06
95WJVP208	221392	7051901	500	111	RC	-60/248	42	50	8	1.40	0.18
95WJVP211	221978	7052132	500	99	RC	-60/248	37	45	8	1.23	0.07
95WJVP212	222090	7052177	500	111	RC	-60/248	37	39	2	1.50	0.23
95WJVP216	223093	7049991	500	111	RC	-60/248	42	50	8	1.05	0.13
95WJVP217	223204	7050035	500	99	RC	-60/248	37	41	4	1.12	0.10
95WJVP227	221050	7054347	500	117	RC	-60/248	50	54	4	1.13	0.14
95WJVP234	219629	7056367	500	120	RC	-60/248	52	54	2	1.24	0.09
						and	62	66	4	1.21	0.07
95WJVP240	218334	7057577	500	99	RC	-60/248	29	37	8	1.07	0.12
95WJVP248	218217	7058391	500	111	RC	-60/248	47	49	2	1.11	0.06
95WJVP251	217100	7058810	502	120	RC	-60/248	74	76	2	2.15	0.04
95WJVP255	217933	7059139	500	111	RC	-60/248	51	55	4	1.84	0.18
95WJVP256	218044	7059183	500	123	RC	-60/248	51	55	4	1.12	0.05
95WJVP259	216792	7059549	500	93	RC	-60/248	48	50	2	1.00	0.05
95WJVP263	217537	7059843	500	117	RC	-60/248	46	48	2	1.26	0.10
95WJVP270	216495	7061583	500	117	RC	-60/248	47	49	2	1.13	0.07
95WJVP271	216607	7061627	500	99	RC	-60/248	44	50	6	1.17	0.14
95WJVP272	216718	7061671	500	99	RC	-60/248	64	68	4	1.08	0.06
96WJVD003	216966	7060908	500	283.2	DD	-63/250	45	51	6	1.18	0.05
96WJVD004	217031	7060934	500	325	DD	-62/250	44	48	4	1.12	0.05
96WJVD005	220600	7055460	500	250	DD	-60/251	12	14	2	1.00	0.04
96WJVD009	218015	7058741	500	175.7	DD	-63/252	48	58	10	1.06	0.05
96WJVP292	216034	7062261	500	99	RC	-60/248	40	46	6	1.09	0.12
96WJVP293	216145	7062305	500	123	RC	-60/248	56	58	2	1.02	0.06
96WJVP302	215628	7062961	500	123	RC	-60/248	36	38	2	1.09	0.06
96WJVP307	215388	7063297	500	141	RC	-60/248	36	38	2	1.26	0.08
96WJVP308	215497	7063345	500	111	RC	-60/248	31	35	4	1.09	0.08
96WJVP313	215295	7063697	500	111	RC	-60/248	23	27	4	1.10	0.05
96WJVP315	215961	7062663	500	93	RC	-60/68	44	46	2	1.04	0.06
96WJVP316	216964	7060477	500	147	RC	-60/68	45	51	6	1.41	0.29
96WJVP317	217269	7060168	500	147	RC	-60/68	38	49	11	1.06	0.05
96WJVP322	219212	7056633	500	123	RC	-60/68	54	56	2	1.00	0.02
96WJVP323	219508	7056320	500	147	RC	-60/68	45	47	2	1.31	0.14
96WJVP327	221102	7053507	500	147	RC	-60/68	57	59	2	1.30	0.11
96WJVP342	224754	7047636	500	111	RC	-60/248	43	47	4	1.26	0.09

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AMAXW009	222571	7051336	500	152.4	DD	-90/0	33.5	39.6	6.1	1.07	0.00
PDW006A	223725	7048836	500	28.95	RC	-90/0	4.6	6.1	1.5	1.06	0.08
PDW010	218484	7057667	500	58.21	RC		22.9	25.9	3.0	1.23	0.09
						and	45.7	47.2	1.5	1.05	0.10
						and	54.9	57.9	3.1	1.10	0.12
PDW012	218977	7057138	500	86.86	RC	UNKN	80.8	85.3	4.6	1.12	0.09
PDW019	218366	7058359	500	76.2	RC	UNKN	53.3	54.9	1.5	1.00	0.09
						and	59.4	61.0	1.5	1.00	0.11
PDW025	220796	7053928	500	91.44	RC	-90/0	29.0	33.5	4.6	1.17	0.15
PDW028	220474	7054604	500	150.6	RC	-90/0	112.5	114.0	1.5	1.02	0.04
						and	127.7	129.2	1.5	1.06	0.15
						and	135.3	136.9	1.5	1.00	0.08
						and	149.0	150.6	1.5	1.00	0.06
PDW031	222983	7050579	500	111.25	RC	-90/0	44.2	53.3	9.2	1.20	0.10
						and	64.0	65.5	1.5	1.00	0.11
						and	67.1	79.2	12.2	1.05	0.08
						and	82.3	85.3	3.1	1.09	0.08
						and	89.9	102.1	12.2	1.04	0.09
						and	106.7	108.2	1.5	1.08	0.09
PDW032	223051	7050637	500	89.92	RC	-90/0	38.1	39.6	1.5	1.13	0.09
PDW034	223529	7049619	500	96.01	RC	-90/0	15.2	29.0	13.7	1.24	0.09
						and	65.5	67.1	1.5	1.02	0.19
PDW039	223414	7049521	500	106.68	RC	-90/0	13.7	16.8	3.0	1.20	0.12
PDW042	223717	7049146	500	91.44	RC	-90/0	13.7	15.2	1.5	1.14	0.07
PDW062	221381	7052536	500	54.86	RC	-90/0	25.9	39.6	13.7	1.16	0.03
PDW067	221262	7054339	500	79.25	RC	-90/0	48.8	51.8	3.0	1.05	0.26
						and	76.2	77.7	1.5	1.16	0.30
PDW072	222608	7051685	500	85.34	RC	-90/0	19.8	24.4	4.6	1.10	0.06
PDW085	219258	7056903	500	86.86	RC	UNKN	64.0	71.6	7.6	1.43	0.04
PDW112	221534	7053144	500	73.15	RC	-90/0	47.2	48.8	1.5	1.36	0.21
WILRC001	217033	7058784	500	130	RC	-78/248	72	73	1	6.38	0.11
WILRC002	217065	7058759	500	150	RC	-76/248	92	93	1	2.67	0.05
WILRC005	220460	7053600	550	144	RC	-80/90	44	52	8	1.06	0.08
WNP013	217438	7060028	500	72	RC	UNKN	38	39	1	1.15	0.07
						and	40	42	2	1.08	0.04
WNP014	217474	7060049	500	72	RC	UNKN	41	44	3	1.20	0.13
WNP015	221583	7052749	500	48	RC	UNKN	37	39	2	1.69	0.13

Notes:

- All coordinates are in MGA94 Zone 51
- Wiluna Nickel-Copper Project significant intercepts calculated using the following parameters: Ni \geq 1.0%, minimum width of 0.5m, internal dilution up to 2m consecutive waste with a minimum grade of final composite of 1.0% Ni

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