



# BLACKHAM

RESOURCES LIMITED

ASX LISTED

## ASX ANNOUNCEMENT

### BLACKHAM COMMENCES PROCEEDINGS AGAINST WESFARMERS PREMIER COAL LTD

#### Objections to applications M63/638 and M63/639

On 12 April 2007, Blackham Resources Ltd (**Blackham**) lodged objections to applications M63/638 and M63/639 by Wesfarmers Premier Coal Ltd (**Wesfarmers**) and minor joint venture partner Mokey Pty Ltd. These applications are located in the South West of Western Australia, 60km's north of Esperance.

Wesfarmers' applications cover substantially the same ground as Blackham's applications E63/1145 - 1147 and P63/1595 - 1635, previously held by Wesfarmers as retention licences 63/1 and 63/2, both of which expired on 19 February 2007. Blackham's applications were lodged prior to Wesfarmers' applications.

The grounds of Blackham's objections are that:

- 1 Blackham has priority over Wesfarmers' applications because its applications were lodged first in time (in relation to application E45/1147 this is subject to a ballot between Blackham and Jindalee Resources Ltd);
- 2 Wesfarmers have held the ground subject of the applications since approximately 1980 and have:
  - 2.1 repeatedly failed to comply with minimum expenditure conditions;
  - 2.2 failed to sufficiently explore the land; and
  - 2.3 failed to exploit any mineral resource on the land;
- 3 Wesfarmers' application is defective in a number of respects; and
- 4 Wesfarmers has not complied with the provisions of the *Mining Act 1978* (WA) (**Act**) in making its applications.

#### Applications for forfeiture - Scaddan West

Blackham has also lodged applications for forfeiture in relation to Wesfarmers' existing M63/192, M63/193 and M63/194 at Scaddan West on the grounds that Wesfarmers have failed to comply with the minimum expenditure conditions.

Under the Act, Wesfarmers are required to meet an annual minimum expenditure commitment in relation to each of their mining leases. The table below sets out Wesfarmers' minimum expenditure commitment for the year ending 14 March 2007 against the expenditure claimed:

| Tenement | Minimum Expenditure | Expenditure Claimed | Deficit   |
|----------|---------------------|---------------------|-----------|
| M63/192  | \$ 95,000           | \$ 13,879           | \$ 81,121 |
| M63/193  | \$ 60,400           | \$ 8,835            | \$ 51,565 |
| M64/194  | \$ 80,000           | \$ 11,693           | \$ 68,307 |

In each case, the expenditure claimed by Wesfarmers is almost entirely accounted for by the annual rent for each tenement required to be paid under the Act - the annual rent for M63/192, M63/193 and M63/194 in 2007 was \$ 12,749, \$ 8,105 and \$ 10,736 respectively - meaning that Wesfarmers has made no significant expenditure on mineral exploration or mining activities on the leases.

Wesfarmers has applied to the Minister for Resources for exemption from the minimum expenditure conditions for 2007 on the grounds that the mining leases contain "a large lignite resource" but that the resource is uneconomic. Blackham has also objected to these applications.

All of the above-mentioned proceedings will be heard before a Mining Warden on a date to be fixed. Blackham has instructed national law firm DLA Phillips Fox to act on its behalf in relation to its applications for exploration and prospecting licences for the Scaddan deposit and in relation to its application for forfeiture of Wesfarmer's mining leases.

Commenting on the decision to commence proceedings against Wesfarmers Premier Coal Pty Ltd, Blackham Resources Managing Director Mr Bryan Dixon said, "The two most important pillars of the WA Mining Act are **use it or lose it** and **first in time**."

"The industry has prospered for many years based on these underlying fundamentals and we look forward to this continuing. Any deviation could have dramatic effects on the investing public's confidence in the WA system. "

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**ENDS**