



7 September 2012

Manager of Company Announcements
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

Completion of Capital Raising

- **Second tranche of placing to raise over £1.5 million (approximately A\$2.3 million) completed**
- **Placing provides additional funding to complete Lakeview Mill acquisition and Conjecture Silver Project development**

Black Mountain Resources Limited (ASX | AIM: BMZ), the silver focused development company with interests in USA, is pleased to announce the completion of the second tranche of the placement (see announcement on 1 August 2012) raising over £1.5 million (approximately A\$2.3 million). An appendix 3B is attached.

As previously announced, the funds raised will be used (following final due diligence) to complete the acquisition of the Lakeview Mill (see announcement on 10 July 2012) and to carry out refurbishment and equipment upgrades to increase its capacity. In addition, funds will be used for the development and exploration of the Conjecture Silver Project in Idaho, including the surface and underground drill programmes scheduled for 2012.

For and on behalf of the Board

Peter Landau
Executive Director

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About Black Mountain Resources Limited

Black Mountain Resources Limited is a dual listed (ASX | AIM: BMZ) silver and gold focused development company focussed on the advancement of three highly prospective previously operating assets located in two of the world's most developed and proven silver and gold mining regions of Idaho and Montana, USA.

The Company holds a 70% interest in the New Departure Silver Project, the Conjecture Silver Project and the Tabor Gold and Silver Project. It plans to implement low cost production and development programmes across all three assets, targeting first production from New Departure and Conjecture by Q4 2012. It is also implementing exploration programmes to capitalise on the exploration upside potential apparent across its portfolio.

Black Mountain Resources Limited was incorporated on 29 October 2010 and is listed on the Australian Securities Exchange and London's AIM Market (BMZ).

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Black Mountain Resources Limited

ABN

55 147 106 974

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | (a) Fully paid ordinary shares
(b) Unlisted Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 6,554,474
(b) 500,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully paid ordinary shares
(b) Unlisted Options (\$0.25; 25 July 2016) |

+ See chapter 19 for defined terms.

4	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(a) Yes (b) The unlisted options will rank equally on conversion of these securities into ordinary shares						
5	Issue price or consideration	(a) £0.155 (b) Nil						
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) Issue of shares pursuant to terms of capital raising (b) Issue of options pursuant to nomad mandate						
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	7 September 2012						
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>47,849,266</td><td>Fully paid ordinary shares</td></tr><tr><td>36,138,750</td><td>Options (\$0.20; 7 May 2015)</td></tr></table>	Number	⁺ Class	47,849,266	Fully paid ordinary shares	36,138,750	Options (\$0.20; 7 May 2015)
Number	⁺ Class							
47,849,266	Fully paid ordinary shares							
36,138,750	Options (\$0.20; 7 May 2015)							

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	21,000,000	Ordinary fully paid shares subject to escrow expiring 6 February 2013
	4,000,000	Ordinary fully paid shares subject to escrow expiring 20 February 2014
	2,475,000,	Ordinary fully paid shares subject to escrow expiring 17 February 2013
	20,000,000	Performance shares subject to 12 months escrow expiring 6 February 2013 (convertible to ordinary shares on a 1:1 ratio on satisfaction of performance milestones).
	5,000,000	Performance shares subject to escrow expiring 20 February 2014 (convertible to ordinary shares on a 1:1 ratio on satisfaction of performance milestones).
	2,000,000	Unlisted options (\$0.30; 14 November 2015) subject to escrow expiring 17 February 2013
	500,000	Unlisted options (\$0.25; 25 July 2016)

Note – performance milestones for Performance Shares:

- (a) the Company completing exploration and development on each US Project in the total amount of not less than US\$1,500,000, or exploration and development in the amount of US\$4,500,000 across all of the US Projects, within three (3) years from the date of issue of the Performance Shares; and
- (b) production from the Project of not less than 2,000 ounces of gold or gold equivalent within five (5) years from the date of issue of the Performance Shares.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

+ See chapter 19 for defined terms.

40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="790 1153 1085 1187">Number</th> <th data-bbox="1093 1153 1375 1187">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 1198 1085 1413"></td> <td data-bbox="1093 1198 1375 1413"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Director/~~Company secretary~~)

7 September 2012
Date:

Print name:
Peter Landau

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+ See chapter 19 for defined terms.