



ASX ANNOUNCEMENT

11 November 2016

BLACK MOUNTAIN ASSUMES CONTROL OF OPERATING AND EXPORTING MINE REINSTATEMENT TO ASX AND SUCCESSFUL CAPITAL RAISING AND RESTRUCTURING

HIGHLIGHTS

- Australian Securities Exchange (“**ASX**”) has approved the reinstatement of the Company’s shares to trading following completion of the A\$4.5 million capital raising for the acquisition of the Namakera Vermiculite Mine and Busumbu Phosphate Project in Uganda.
- Major strengthening and restructure of the Company’s balance sheet has now been completed through the extinguishment of historical debt and reduction of creditors through A\$1.55 million of share issuance and additional cash repayments
- Shares re-instated to trading on the ASX this morning, Friday 11 November 2016
- Company assumes immediate control of the producing and exporting Namakera Vermiculite Mine
- Company to now proceed and apply the funds from the Company’s capital raising to amongst other things, commence process plant upgrades and maintenance work and to invest in new mobile mining equipment and site infrastructure for the Namakera Vermiculite Mine

Black Mountain Resources Limited (“**Black Mountain**” or the “**Company**”) is pleased to confirm that following the completion of the Company’s capital raising and restructuring (refer ASX Announcement dated 14 October 2016), the Company’s shares have now been re-instated to trading on the ASX. The Company will now look to immediately finalise the acquisition of 100% of the share capital in GLF Holdings Limited (**Gulf**).

The Company has already assumed operating and financial control of Gulf’s wholly owned subsidiary in Uganda, Namakera Mining Company Limited (**NMCL**), which is the registered holder of Mining License ML 4651, upon which it operates the Namakera Vermiculite Mine and conducts exploration activities on the Busumbu Phosphate Project.

CAPITAL INVESTMENT INTO NMCL

Over the past several months, the Company and its consultants in conjunction with NMCL's management have identified a capital investment program that it will now look to implement over the next 3 to 8 months. This will include:

- **Mining Fleet and Processing Plant Upgrade**- The Company has identified the need to acquire certain items of fixed and mobile mining equipment to improve productivity, as well the need to complete refurbishment and maintenance work and upgrades to the process plant.

A new mine plan has been prepared and a plant refurbishment program that is scheduled to be implemented over the next 3-8 months.

- **Improved Storage, Logistics and Working Capital Facilities** - The Company has identified the ability for product to be stored on site and delivered to port in a more cost efficient manner.

Discussions with its logistic providers and established trading groups are advanced and aimed at improving current processes and improving working capital.

- **Sales and Marketing Discussions** - Discussions are advanced with existing and potential new customers in Europe, Asia, North America, the Middle East and Australia to identify new market opportunities for the Company's production of vermiculite.

The Company will continue to update the market and its shareholders on the progress of its capital investment into NMCL and the operating and financial performance of the Namakera Vermiculite Mine.

END

Mr Julian Ford
Chairman
Black Mountain Resources Ltd

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the



Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.