



ASX ANNOUNCEMENT

23 March 2017

BLACK MOUNTAIN COMPLETES FIRST VERMICULITE SALE INTO SOUTHERN AFRICA

- **Sale is an important validation of Namekara vermiculite from Southern African market which has traditionally been dominated by two entrenched suppliers including the world's largest producer**
- **First order confirms quality and demand for Namekara's premium vermiculite product**
- **Demonstrates Black Mountain's logistics costs and delivery capabilities are globally competitive**

Vermiculite miner and processor Black Mountain Resources Limited (**ASX: BMZ**) (**Black Mountain** or the **Company**) is pleased to confirm that its 100%-owned subsidiary Namekara Mining Company Limited (NMCL) has completed the first sale of vermiculite to a new customer in Southern Africa.

This is an important development for Black Mountain as Southern Africa is a market that has traditionally been supplied and dominated by two large and well respected Southern African vermiculite producers, one of which is the world's largest.

Black Mountain's first sale, which was undertaken on a trial basis, confirms that there is healthy demand in Southern Africa for a Namekara's premium vermiculite product, and that the Company's logistics and delivery capabilities are globally competitive from the mine gate in Eastern Uganda.

This development means Black Mountain has the opportunity to build stable sales channels into five markets – Europe, the Middle East, Asia, North America, and now Southern Africa. The European and Asian Markets are well established, and the Company has had a very good customer response in Australasia. With Black Mountain's Mineral Resource now better defined, the Company can plan production with more certainty and confidence to extend its reach into North America, the world's largest vermiculite market.

MANAGEMENT COMMENTARY

Black Mountain's Chairman and Chief Executive Officer Julian Ford said: "This first sale is a pleasing development for Black Mountain and our team at the project in Eastern Uganda are to be congratulated for identifying this market opportunity and completing a timely delivery. It clearly demonstrates that there is demand for our premium grade larger flake vermiculite in Southern Africa, and that Namekara can compete with the world's best.

"The Namekara mine and processing facility are performing well. We expect to shortly publish an initial Reserve Report which then gives us significantly improved flexibility to report on production forecasts and plans."

-ENDS-

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