



ASX ANNOUNCEMENT

05 April 2017

Closure of Convertible Note and Payout of Bridging Loan

Black Mountain Resources Limited (**ASX: BMZ**) (**Black Mountain** or the **Company**) is pleased to advise that it has finalised an agreement with L1 Capital to close out and repay a Convertible Note and Bridging Loan Facility established in February 2016 and drawn down in July 2016. As final settlement of the secured L1, Convertible Note facility, Black Mountain has paid L1 Capital A\$355,000 in cash and issued two million Black Mountain Options to L1. The Options are unlisted and have a strike price of \$0.05 and will expire on 30th April 2020.

In addition, the Company has raised A\$535,000 through issue of 535,000 Convertible Notes each with a face value of A\$1 to existing shareholders, the proceeds of which have been used to repay the L1 facility and will be used for working capital purposes. The Convertible Notes will pay the holders interest at a rate of 10% per annum, payable quarterly in arrears. The Convertible Notes expire on 15 March 2018 (Expiry Date) and are convertible into ordinary shares at any time after 24 April 2017 at \$0.05 or a lower price if the Company undertakes a capital raise at a lower price prior to the Expiry Date. The Convertible Notes automatically convert into ordinary shares on the Expiry Date if not converted prior to that date.

Black Mountain management remains focused on strengthening its financial position, as operations are scaled up at the Company's flagship Namekara Vermiculite Mine in Uganda over the coming months.

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