



ASX ANNOUNCEMENT

1 June 2018

Update and Appendix 3B

Black Mountain Resources Limited (ASX:BMZ) (“BMZ” or “the Company”) attaches an Appendix 3B to this announcement in relation to the recently completed non-renounceable entitlement issue and associated transactions which were approved at the 14 May 2018 General Meeting of Shareholders.

BMZ is also pleased to report that it is nearing completion of the Namekara transaction over the coming days and commencement of activities on the existing Ugandan phosphate, rare earth and copper licences.

With regard to the previously announced Lithium farm in opportunity, the sampling results from the recent field visit are expected shortly. Through its current due diligence program on the lithium permits, the Company has also been offered synergistic farm in opportunities on various cobalt licences in the DRC which it is reviewing.

The change of the Company’s name to Hipo Resources Limited (approved at the 14 May 2018 General Meeting of Shareholders) will be processed following completion of the Namekara transaction.

Black Mountain looks forward to reporting progress on both its existing projects and potential opportunities referred to above.

-ENDS-

Further information, please contact:

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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.

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Black Mountain Resources Limited

ABN

55147106974

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 | Fully paid ordinary shares and quoted options. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 139,355,723 fully paid ordinary shares and 55,215,362 quoted options. |
| 3 | Principal terms of the +securities (e.g. 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) | Shares - fully paid ordinary shares.

Options – quoted, exercisable at \$0.02 on or before 30 June 2020. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes – fully paid Ordinary Shares.</p> <p>Yes – quoted options. On exercise of the options, fully paid ordinary shares issued will rank equally with existing quoted fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>The Shares were issued at an issue price of \$0.02 per Share.</p> <p>The Options were issued for nil consideration on a free attaching 1:2 basis to the Shares issued.</p>

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. 28,925,000 fully paid ordinary shares issued on conversion of 535,000 convertible notes including accrued interest at \$0.02 per share in accordance with the terms of the convertible notes and as approved by shareholders at the AGM held on 30 November 2017 (2,175,000 of these shares were issued in consideration of interest to non-related party noteholders at \$0.02 per share under the Company's available LR7.1 placement capacity). 2. Issue of 27,500,000 shares and 13,750,000 options pursuant to shareholder approval of conversion of loans as approved by shareholders in Resolution 2 at the Meeting of Shareholders held on 14 May 2018. 3. Issue of 10,500,000 shortfall shares and 5,250,000 options to M. Feilich (or nominee) and S. Grant-Rennick (or nominee) as approved by shareholders in Resolutions 3 and 4 (respectively) at the Meeting of Shareholders held on 14 May 2018. 4. Issue of 72,430,723 shortfall shares and 36,215,362 options pursuant to the non-renounceable entitlement issue which opened on 20 April 2018 and closed on 15 May 2018.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	2,175,000 fully paid ordinary shares in consideration of outstanding interest at \$0.02 per share in relation to the 535,000 convertible notes at \$0.02 per share.
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>1. 26,750,000 fully paid ordinary shares issued on conversion of 535,000 convertible notes at \$0.02 per share (approved on 30 November 2017).</p> <p>2. 27,500,000 shares and 13,750,000 options issued on conversion of loans (approved by on 14 May 2018).</p> <p>3. 10,500,000 shares and 5,250,000 options to M. Feilich (or nominee) and S. Grant-Rennick (or nominee) (approved on 14 May 2018).</p>
6f	Number of +securities issued under an exception in rule 7.2	72,430,723 fully paid ordinary shares and 36,215,362 quoted options (LR7.2 exception 3).
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>ASX Listing Rule 7.1 – 54,912,818.</p> <p>ASX Listing Rule 7.1A – 38,058,545.</p>

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

31 May 2018

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	382,760,456	Fully Paid Ordinary Shares.
	95,333,873	Quoted options (\$0.02; expiring 30/6/2020).

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	1,857,252	Unlisted Options exercisable at \$0.125 on or before 30 June 2018.
	2,000,000	Unlisted Options exercisable at \$0.05 on or before 30 April 2020.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not applicable

Part 2 - Pro rata issue

11 Is security holder approval required?

N/A

+ See chapter 19 for defined terms.

- 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 offer 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
- 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 offer documents 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? How do security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Issue date	

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)

+ See chapter 19 for defined terms.

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
- 40 Do the +securities rank equally in all respects from the +issue date 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)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

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.

+ See chapter 19 for defined terms.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we 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:

Date: 1 June 2018

Company Secretary

Print name: Susan Hunter

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	153,167,728
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>26/7/17 – 3,750,000 fully paid ordinary shares (approved 30/11/17).</p> <p>25/8/17 – 6,250,000 fully paid ordinary shares (approved 30/11/17).</p> <p>22/5/18 – 80,237,005 fully paid ordinary shares (LR7.2 exception 1).</p> <p>31/5/18 – 72,430,723 fully paid ordinary shares (LR7.2 exception 3).</p> <p>31/5/18 – 10,500,000 fully paid ordinary shares (approved 14/5/18).</p> <p>31/5/18 – 27,500,000 fully paid ordinary shares (approved 14/5/18).</p> <p>31/5/18 – 26,750,000 fully paid ordinary shares (approved 30/11/17).</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	380,585,456

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	57,087,818
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	31/5/18 – 2,175,000 fully paid ordinary shares.
“C”	2,175,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	57,087,818
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	2,175,000
Total [“A” x 0.15] – “C”	54,912,818 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	380,585,456
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	38,058,545
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A

<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>38,058,545</p>
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>-</p>
<p>Total ["A" x 0.10] – "E"</p>	<p>38,058,545</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>