

19 March 2015

ASX Release

## **Manuka Silver Project: First silver pour**

Black Oak Minerals Ltd (ASX: **BOK**) has completed commissioning of the Manuka Silver Project and commenced operations following the Project's acquisition in September 2014.

The first silver pour produced 136kg of dore delivered (approximately 4,000 ounces of silver). Production is anticipated to increase progressively over coming weeks to current capacity of around 200,000 ounces of silver per month. After six months it is intended to then switch processing to treat gold ore trucked from the Company's Mount Boppy gold mine where mining has recently commenced.

Since the acquisition of Manuka, the plant has been reset to incorporate a 1500kW ball mill, an upgraded Carbon-In-Leach circuit, and several other improvements to enhance recovery and increase throughput.

Chairman, Jon Parker, noted that: *"this completes the transition of Black Oak Minerals to producer and we look forward to building on this base to establish ourselves as a sustainable production company"*.



**Figure 1: First silver dore bar from the Manuka Project**

Operations at Manuka and Mount Boppy are progressing satisfactorily, notably

- mining of silver ore in the Manuka pit is ahead of schedule due to improved cycle times from in-pit waste disposal and will deliver lower mining costs versus plan
- the additional milling is expected to deliver improved grinding circuit performance versus plan and will support the processing of the current stockpiles of ore that average 50g/t silver to increase overall silver production by 350,000 ounces
- mining of the Mount Boppy pit commenced in early March and is on plan for the gold ore to be trucked to Manuka for processing in September to meet delivery obligations under the Company's financing agreements.

Managing Director, David Sproule, commented: *“Another milestone has been achieved in our growth strategy. It provides cashflow to underpin the investment required to increase value for our shareholders. Entering into the ranks of producers is a significant event for the Company, our employees and shareholders. We are proud of the achievement, and pleased that these activities have been done professionally and safely; this is a credit to our work team on site.”*

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## **About Black Oak Minerals Limited**

Black Oak Minerals Limited (ASX:BOK) is a Brisbane-based mining project development and operations company, with the operating Manuka Silver Project and associated Mt Boppy gold project in central NSW and an advanced gold project at Marda west of Kalgoorlie in Western Australia.

The Company was first listed in early 2008 with four gold and nickel projects in Western Australia. It completed acquisition of the Marda gold resource in 2010 completing the initial feasibility study in May 2012.

In April 2013, the company merged with Polymetals Mining Ltd, which had a long history of successful mine development dating from its formation as a private company by current BOK Managing Director David Sproule in 1986. Most recently it operated the White Dam gold project in South Australia (2009-2013).

### **Manuka Silver Project**

BOK acquired the Manuka Silver Project in central NSW in September 2014. This included the process plant and infrastructure built at a cost of more than \$60 million with a production capacity in excess of 2 million ounces per year, a 60 million ounce silver JORC Resource, and around 840 square kilometres of exploration ground in the highly prospective Cobar Basin.

### **Manuka Silver Processing**

The Manuka Project was developed by Cobar Consolidated Resources as the Wonawinta Project, commencing in 2007. Plant construction commenced in May 2011, with first ore mined in April 2012. Mining is from shallow open pits, and processing has been via conventional CIP methods (but without primary grinding). First silver was poured in July 2012.

The project produced a total of 2.1 million ounces of silver until it was placed in voluntary administration in March 2014 and acquired by BOK.

### **Manuka processing of Mt Boppy ore**

BOK intends to use the Manuka plant to process ore from its Mt Boppy Gold Mine approximately 100 kilometres to the north-east.

BOK previously had planned to redevelop the mine and upgrade the Mt Boppy plant to start gold production in 2015. It is now planned to truck the ore 150 kilometres by road to the Manuka plant for processing, eliminating the need to upgrade the Mt Boppy plant and the associated capital expenditure. Additionally, processing through the modern Manuka plant is expected to lead to improved process efficiencies and higher gold recovery rates for Mt Boppy ore.

Based on current Reserves, the Mt Boppy ore is forecast to produce approximately 67,000 ounces of gold over a two-year period from Q3-2015. Haulage costs to Manuka will be offset by lower capital requirements, higher production efficiency and better recovery.

### **Marda Gold Project**

The Marda project is located 400 kilometres north east of Perth in Western Australia. The project has a resource of 495,000 ounces of gold at a grade of 1.9 g/t, and a reserve of 176,000 ounces of gold at 2.3 g/t.

A feasibility study has been completed on the project, and BOK is progressing towards development. Major permits are currently in place for the main Marda Central development, and funding is contemplated through the current facility agreements with TrailStone group. The project is expected to produce approximately 167,000 ounces of gold over a four year period. It involves an open cut pit and conventional CIL processing.

## **Production Targets and Forecast Financial Information**

The information in this announcement that relates to production targets and forecast financial information is extracted from previous market announcements as listed below.

### Mt Boppy Gold Project

*Announcement – “Mt Boppy Feasibility Study Results” released by Polymetals Mining Limited (ASX:PLY) on 29 January 2013; available to view on [www.asx.com.au](http://www.asx.com.au).*

### Marda Gold Project

*Announcement - “Marda Gold Project - Feasibility Study Review” released on 10 December 2013 and “Marda Gold Project Feasibility – Additional Information” released on 20 December 2013; both are available to view on [www.scross.com.au](http://www.scross.com.au) and [www.asx.com.au](http://www.asx.com.au).*

The Company confirms that all material assumptions underpinning the production targets, and forecast financial information derived from the production targets, in the relevant market announcements shown above continue to apply and have not materially changed.

## **Resource and Reserve Statements**

The information in this announcement that relates to Mineral Resources and Ore Reserves is extracted from previous market announcements as listed below.

### Mt Boppy - Canbelego

*Announcement - “Mt Boppy Feasibility Study Results” released by Polymetals Mining Limited (ASX:PLY) on 29 January 2013; available to view on [www.asx.com.au](http://www.asx.com.au).*

*Competent Person (Mineral Resources) – Troy Lowien*

*Competent Persons (Ore Reserves) – Chris Bolger*

### Marda

*Announcement - “SXG set to open up new WA gold province with Marda Gold Development” released on 10 May 2012; available to view on [www.scross.com.au](http://www.scross.com.au) and [www.asx.com.au](http://www.asx.com.au).*

*Competent Person (Mineral Resources) – Richard Simmons*

*Competent Person (Ore Reserves) – Denis Grubic*

### Manuka

*Announcement - “Mineral Resources and Reserves Update” released by Cobar Consolidated Resources Ltd (ASX:CCR) on 21 February 2014; available to view on [www.ccrlimited.com.au](http://www.ccrlimited.com.au) and [www.asx.com.au](http://www.asx.com.au).*

*Competent Person (Mineral Resources) – Jonathon Abbott*

*Competent Person (Ore Reserves) – Steve O’Grady*

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

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