



13 August 2015

FULLY UNDERWRITTEN RIGHTS ISSUE AND CLEANSING NOTICE

Black Mountain Resources Limited (**Black Mountain or the Company**) announces that it is undertaking a pro-rata, renounceable entitlement issue (**Rights Issue**) of 687,845,825 shares (subject to adjustment for roundings) at an issue price of 1 cent per share (**New Shares**) on the basis of 5 New Shares for each share held by shareholders on 19 August 2015 (**Record Date**).

The Rights Issue will raise approximately \$6.87 million before costs and the New Shares will rank equally with shares currently on issue.

Indicative Timetable

The indicative timetable for the Rights Issue is as follows:

| Event | Date |
|---|-----------------------------|
| Rights Issue announced, Appendix 3B and s708AA Notice (Day 0) | 13 August 2015 |
| Notice sent to Eligible Shareholders (Day 0/1) | 13 August 2015 |
| Shares trade on 'ex' entitlement basis, rights trading commences on a deferred settlement basis (Day 2) | 17 August 2015 |
| Record date (Day 4) | 19 August 2015 (5pm WST) |
| Completion of dispatch of offer documents and entitlement and acceptance form to shareholders (Day 6) | 21 August 2015 |
| Rights trading ends (Day 8) | 25 August 2015 |
| Shares quoted on a deferred settlement basis (Day 9) | 26 August 2015 |
| Closing Date (Day 13) | 1 September 2015 |
| Notification of shortfall (Day 16) | 4 September 2015 |
| Allotment of new shares and dispatch of holding statements to shareholders and deferred settlement trading ends. Company to confirm all information required by the Appendix 3B (Day 18) | 8 September 2015 |

Note that all times are indicative only. The Company reserves the right to change these dates subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules. All times are Australian Western Standard Time unless otherwise indicated.

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Act) as notionally modified by Australian Securities and Investment Commission Class Order 08/35 (CO 08/35). Black Mountain gives notice that:

- a) the Rights Issue Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- b) this notice is being given under section 708AA(2)(f) of the Act as notionally modified by CO 08/35;
- c) as at the date of this notice, Black Mountain has complied with:
 - i) the provisions of Chapter 2M of the Act as they apply to Black Mountain; and
 - ii) section 674 of the Act;
- d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice; and
- e) having regard to the composition of Black Mountain's share register, the terms of the Rights Issue, Black Mountain does not believe that any person will increase their percentage holding pursuant to the issue of the Rights Issue Shares in a way which will have a material impact on the control of Black Mountain.

The potential effects that the issue of the New Shares under the Rights Issue will have on the control of Black Mountain are as follows:

- i) The Rights Issue is being made to all Shareholders (**Eligible Shareholders**). If all Eligible Shareholders take up their entitlements under the Rights Issue, the Rights Issue will have no effect on the control of Black Mountain and all Eligible Shareholders will hold the same percentage interest in Black Mountain;
- ii) If there is a shortfall, Eligible Shareholders who do not take up all of their full entitlements of Shares under the Rights Issue will be diluted relative to those shareholders who subscribe for some or all of their entitlement;
- iii) In respect of any shortfall, Eligible Shareholders who have taken up their full entitlement will be able to top up their shareholding, by subscribing for New Shares (**Additional New Shares**) to be issued from the shortfall pool (**Shortfall Offer**). However, Black Mountain will only issue such Additional New Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Additional New Shares will not increase the Eligible Shareholders voting power in contravention of the takeover prohibition in section 606 of the Act (that is, the 20% voting power threshold).

Further details of the Rights Issue will be set out in the Offer document.

Yours faithfully

For and on behalf of the Board



Peter Landau
Executive Director

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

55 147 106 974

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).

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|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 687,845,826 fully paid ordinary pursuant to a renounceable rights issue (Rights Issue). |
| 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) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|---|--|
| <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.</p> |
| <p>5 Issue price or consideration</p> | <p>A\$0.01 per share for eligible shareholders registered on the ASX.</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>The net proceeds of the Rights Issue will be used to repay existing creditors and fund working capital.</p> |
| <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>No.</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>N/A.</p> |

+ See chapter 19 for defined terms.

| | | |
|----|--|------------------|
| 6c | Number of +securities issued without security holder approval under rule 7.1 | N/A. |
| 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) | N/A. |
| 6f | Number of +securities issued under an exception in rule 7.2 | N/A. |
| 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 | N/A. |
| 7 | <p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | 8 September 2015 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | Number | +Class |
|---|---|----------------------------|
| 8 | <p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p> <p>After the Rights Issue there will be approximately 825,414,991 shares on issue.</p> <p>The exact number is still to be finalised and is subject to rounding of securityholder entitlements.</p> | Fully paid ordinary shares |

| | Number | +Class |
|---|--|---|
| 9 | <p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p> <p>2,000,000</p> <p>5,000,000</p> <p>500,000</p> <p>2,000,000</p> | <p>Unlisted option (\$0.12; 31 March 2017)</p> <p>Unlisted options (\$0.10; 30 November 2016)</p> <p>Unlisted options (\$0.25; 25 July 2016)</p> <p>Unlisted options (\$0.30; 14 November 2015)</p> |

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| 10 | <p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p> | N/A. |
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Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

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| 11 | Is security holder approval required? | No. |
| 12 | Is the issue renounceable or non-renounceable? | Renounceable. |
| 13 | Ratio in which the +securities will be offered | 5:1 |
| 14 | +Class of +securities to which the offer relates | Fully paid ordinary shares. |
| 15 | +Record date to determine entitlements | 5.00pm (AWST) 19 August 2015 |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No. |
| 17 | Policy for deciding entitlements in relation to fractions | Where fractions arise in the calculation of ordinary share entitlements under the Rights Issue they will be rounded up to the next whole number of new ordinary shares. |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | Only shareholders with a registered address in Australia and New Zealand will receive the offer documentation. |
| 19 | Closing date for receipt of acceptances or renunciations | 5.00pm (AWST) 1 September 2015 |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A. |
| 23 | Fee or commission payable to the broker to the issue | N/A. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|---|---|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | N/A. |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/A. |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | 21 August 2015 |
| 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 | 13 August 2015 |
| 28 | Date rights trading will begin (if applicable) | 17 August 2015 |
| 29 | Date rights trading will end (if applicable) | 25 August 2015 |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | By completing the "Instructions to Stockbroker" section within the Entitlement and Acceptance Form, which accompanies the Offer Booklet, and providing it to their Stockbroker. |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | As noted in Part 2, No. 30 of this Appendix 3B above. |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | By completing a Renunciation Form (obtainable through their stockbroker or Black Mountain's share registry) with the Entitlement and Acceptance Form, completed by the transferee, together with a cheque for the appropriate application monies and providing them to Black Mountain's share registry. |
| 33 | ⁺ Issue date | 8 September 2015 |

+ See chapter 19 for defined terms.

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)

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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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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

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

+ See chapter 19 for defined terms.

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.
- 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: 
Company secretary

Date: 13 August 2015

Print name: Jane Flegg

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+ See chapter 19 for defined terms.