



blackmountain
resources limited

3 September 2015

ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Attention: Ben Tippett
Advisor, Listings Compliance (Perth)

By E-mail: *ben.tippett@asx.com.au*

Dear Ben,

I refer to your letter dated 1 September 2015 in relation to the Company's responsibilities and respond as follows in line with the numbers of your letter.

1. Does the Entity consider the information in the Announcement, namely the commencement of a notice of application for a winding up order against the Entity, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No

2. If the answer to question 1 is "no", please advise the basis for that view.

The issuing of the Wind Up application was understood by both parties to be a necessary action to define a timeline to complete negotiations regarding a settlement. At no time did the applicant intend to wind up the Company.

The applicant and company have had a longstanding relationship and it was always expected, as has occurred, that the matter would be dealt with in a professional and proactive fashion.

The executives from both the company and the applicant were in agreement as to the process required to settle the matter and the company at all times had the ability to pay any ultimate negotiated outcome (as per what has transpired).

In effect the Winding Up application (not order) was simply being used as a negotiating tool by both parties in good faith to resolve any outstanding issues in an amicable fashion.

The Company would have objected to the process if it did not believe that an agreed outcome was achievable and deliverable and this is exactly what has happened.

The Company can confirm that the matters leading to the issuing of the Wind Up application have resolved to the satisfaction of Professional Public Relations. As such the Company can confirm that Winding Up application has been terminated and no further action will be taken.

While disappointed in the time taken to resolve this matter, the Company is pleased to have been able to resolve to the satisfaction of both parties

3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information?

Not applicable

4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information as released promptly and without delay.

Not applicable.

5. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Cleansing Notice, please advise the basis for the statement in the Cleansing Notice that 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 the Cleansing Notice.

Not applicable.

6. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm that the Company is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

For and on behalf of the Board



Peter Landau
Executive Director

For further information please visit www.blackmountainresources.com.au or contact:

Black Mountain Resources Limited

Peter Landau
Executive Chairman
E: peter@blackmountainresources.com.au
T: +61 8 9488 5220

About Black Mountain Resources Limited

Black Mountain Resources Limited is a dual listed (ASX:BMZ) silver and gold focused development company focused on the advancement of three highly prospective previously operating assets located in two of the world's most developed and proven silver and gold mining regions of Idaho and Montana, USA.

The Company holds a 70% interest in the New Departure Silver Project and the Conjecture Silver Project pursuant to 45 year leases from Chester Mining Company and Lucky Friday Extension Mining Company respectively. Black Mountain plans to implement low cost production and development programmes across these two assets. It is also implementing exploration programmes to capitalise on the exploration upside potential apparent across its portfolio.

Black Mountain Resources Limited was incorporated on 29 October 2010 and is listed on the Australian Securities Exchange (ASX) – trading codes BMZ and BMZO.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the silver market, expectations regarding silver ore prices, production, cash costs and other operating results growth prospects and the outlook of the Company's operations including the likely commencement of commercial operations of the New Departure and Conjecture Silver Projects, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in silver ore prices and exchange rates and business and operational risk management. For a discussion of such factors refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.



1 September 2015

Jane Flegg
Company Secretary
Black Mountain Resources Limited
Ground Floor, 1 Havelock Street
West Perth WA 6005

By email

Dear Ms Flegg,

Black Mountain Resources Limited (“the Entity”) – ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s quarterly activities and cashflow report for the period ended 30 June 2015, released to ASX on 3 August 2015, which reported a cash balance as at 30 June 2015 of \$37,000.
2. The Entity’s announcement entitled “Company Notice” lodged with ASX Market Announcements Platform and released at 7:01 pm AEST on 27 August 2015, (the “Announcement”), disclosing the commencement of a notice of application for a winding up order against the Entity.
3. The Notice of Application For Winding Up Order commenced against the Entity by Professional Public Relations Pty Ltd on 31 July 2015 (“the Notice”), the material terms of which is available from the ‘Published Notices’ section of the Australian Securities and Investments Commission (“ASIC”)’s website.
4. The Entity’s announcement entitled “Fully Underwritten Rights Issue and Cleansing Notice” lodged with ASX Market Announcements Platform and released at 9:09 am AEST on 13 August 2015, (the “Cleansing Notice”), announcing the commencement of a pro-rata renounceable entitlements issue and stating (in part) as follows:

“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[.]”*
5. Listing Rule 3.1, which sets out the requirement of continuous disclosure under the ASX listing rules:
- “3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information.”*
6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- “3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*
- 3.1A.1 *One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity;*
or
 - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
7. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:
- “an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*
- Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.
8. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of ASX Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:



“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

9. ASX Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* Annexure A “Example E – material law suit”, which discusses the circumstances in which disclosure is required upon service of legal proceedings.

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement, namely the commencement of a notice of application for a winding up order against the Entity, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information?
4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Cleansing Notice, please advise the basis for the statement in the Cleansing Notice that 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 the Cleansing Notice.
6. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEST) on Thursday 3 September 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.



Your response should be sent to me by e-mail at ben.tippett@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Ben Tippett
Adviser, Listings (Perth)