

10 July 2015

ASX Release

## Operations Update

Black Oak Minerals Ltd (ASX: **BOK**) continues to build on its transition to production in March following completion of the upgrade and re-commissioning of the Manuka Silver Project acquired in September 2014.

### Appointment of Chief Operating Officer

Following completion of the development phase of the Manuka Silver Project, the Company's GM Development, Ian Jobbins, has been appointed to the position of Chief Operating Officer. Ian brings a wealth of project management experience from the resources industry, and process improvement expertise from manufacturing. This experience contributes to the Company's strategy to develop and execute quality resource projects and maximise the value of existing operations.

### Silver Production at Manuka

Mining of the Manuka pit was completed 6 weeks early, at the beginning of May, resulting in significant operational cost savings.

Commissioning of the upgraded plant commenced in March with the first silver pour achieved in late March. Total silver production at the end of June 2015 is around 500,000oz.



Figure 1 – Manuka Processing Plant

Work is continuing on improving silver production through increased availability and recovery, while also minimising the processing costs per ounce produced.

The plant is yet to achieve target production levels of 200,000oz silver per month. Plant availability has been impacted by electrical generation issues and silver recovery is below that forecast by independent metallurgical testwork. Testing prior to production indicated silver recoveries in the region of 85% compared with the 70% achieved to the end of June. Further plant optimisation continues aiming to enhance silver recoveries.

Silver production will continue at current rates until the availability of gold ore from the Mt Boppy Gold Mine in early September, at which time the Manuka plant will commence gold production in accordance with the previously announced plans underpinning the funding arrangements with the TrailStone group. A blend of silver and gold ores will be determined on the basis that gold production is maximised in conjunction with optimal utilisation of the Manuka plant.

It is anticipated that approximately 400,000t of the 614,000t mined silver ore averaging 84g/t Ag will be processed prior to the transition to gold production. The silver ore not blended during the gold production campaign will likely be processed once gold production is exhausted in 2017.

Exploration activity is underway focussed on extending the current silver reserves.

Detailed production statistics and cost data will be available in the upcoming Quarterly Report due for release to ASX by 31 July 2015.

### **Mt Boppy Gold Ore**

Mining operations at Mount Boppy continue to progress satisfactorily, with all key aspects of the transition plan on target to meet delivery of first gold ore to Manuka and first gold production in September 2015. Mining remains ahead of schedule.

Progress on the capital works and plant modifications required to process Mt Boppy ore is continuing on schedule and within budget. The transition to gold processing should have no impact on silver production prior the commencing milling of Mt Boppy gold ore.

The contract for haulage of the gold ore from Mt Boppy to Manuka has been awarded to current dry hire mining contractor, Andy's Earthmoving Asia Pacific Pty Ltd, furthering the existing successful relationship.



**Figure 2 – Mining activities at Mt Boppy**

Managing Director, David Sproule, commented: *“The Manuka mill and production team is performing well with commissioning now complete and Black Oak Minerals looks forward to bolstering its cash flows via gold production from the Mt Boppy Mine.”*

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### **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.

*Announcement – “Manuka Silver Project: First silver pour” released to ASX on 19 March 2015; available to view on [www.asx.com.au](http://www.asx.com.au).*

*Announcement – “Wonawinta Silver Project to be acquired” released to ASX on 5 September 2014; available to view on [www.asx.com.au](http://www.asx.com.au).*

*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).*

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.