ASX ANNOUNCEMENT

23 September 2016

RETRACTION OF ASX RELEASE OF 14 SEPTEMBER 2016

Following consultation with ASX, Black Mountain Resources Limited wishes to retract its ASX announcement dated 14 September 2016 titled "Namekara Technical Update".

As a consequence of the retraction, the Company advises that investors should not be influenced by the 14 September 2016 announcement.

A replacement announcement is attached.

ENDS

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ASX ANNOUNCEMENT

23 September 2016

TECHNICAL UPDATE FOR NAMEKARA PROJECT

This Technical update replaces the Update made by the Company on the 14th September 2016.

Black Mountain Resources Limited (**ASX:BMZ**) (**Black Mountain** or the **Company**) is pleased to provide an Exploration Target for the Namekara Vermiculite Mine located in Uganda. **This Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource in accordance with the JORC 2012 Code.**

Table A: Namekara, Exploration Target

Classification	Million Tonnes	Grade > 180µm	Grade > 425µm
Exploration Target	45-55	20-27%	15-19%

This is not a JORC Mineral Resource estimate in accordance with the JORC Code 2012, and based on the assessment of the current information no JORC Minerals can be declared.

BASIS OF THE NAMEKARA EXPLORATION TARGET

The Exploration Target has been prepared by the Company's technical consultants and is based on data generated from approx. 7 years of intermittent mining and process plant operations and the production of saleable vermiculite flake product at the Namekara Vermiculite Mine site and from historical resource evaluation studies completed between 2008 and 2012. Only one of these resource evaluation studies has been published externally and is in the public domain.

In June 2008, Rio Tinto completed an internal resource estimate in compliance with the JORC 2004 Code. This was based on a 72 vertical hole, 3,490m reverse circulation, drilling program in 2007 and 2008.

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Figure 1: Geology of the Busuku Carbonatite Complex, SE Uganda, and the Namakera Prospect to its SW.

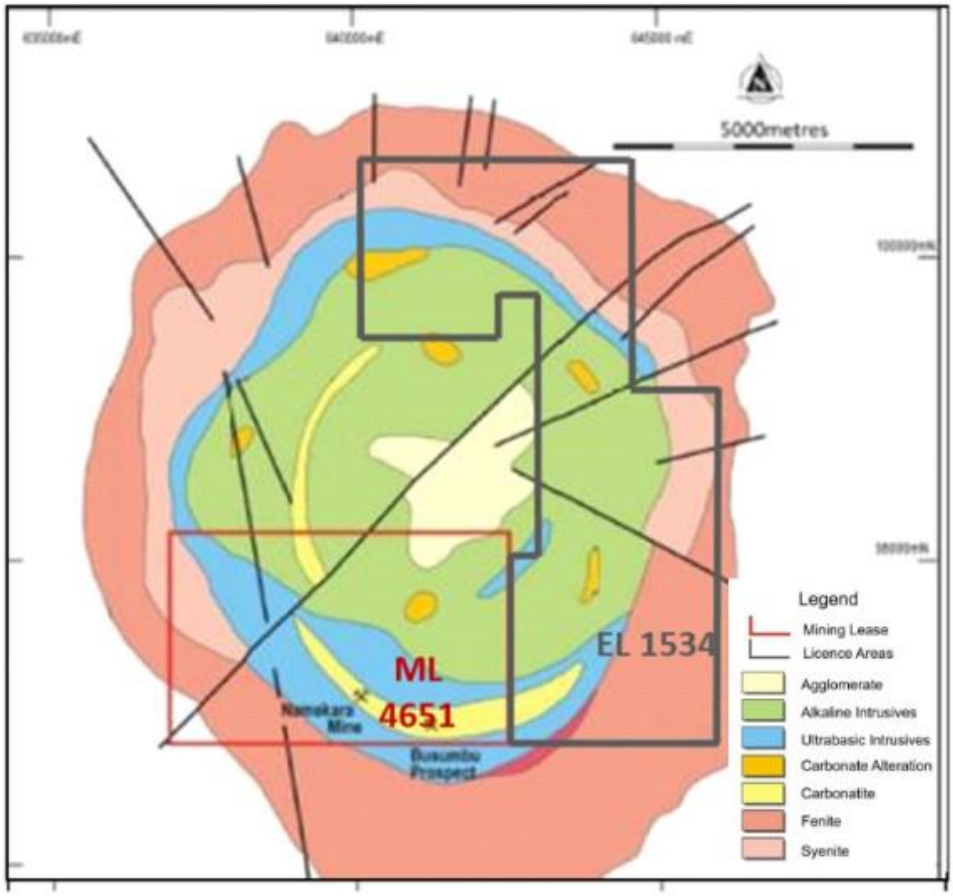
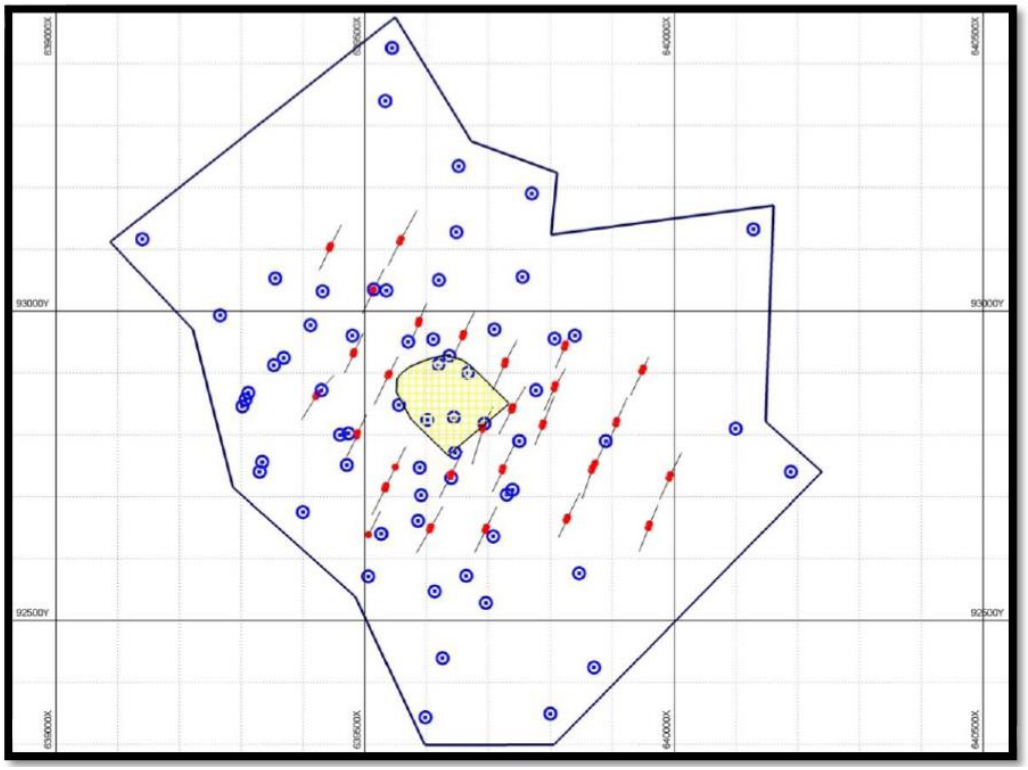


Figure 2: Location of all drill collars within the Namekara mine area.
Open Blue Circles = Rio Tinto R/C holes. Red Dots = Gulf DD holes. Yellow cross hatch = Namekara Mine



On the 23rd July 2009, Gulf Resources Limited (ASX:GLF) ("**Gulf**") published an Inferred Resource estimated completed in compliance with the JORC 2004. In the period 2011/12, Gulf completed 56 angled boreholes in a 3,408 metre, diamond core, infill drilling campaign based on recommendations in the SRK Consulting review published by Gulf in July 2009. Following this drilling campaign, Gulf completed a number of internal reviews, none of which were made public.

Further details regarding the basis of the Exploration Target are provided in Table 1 to this announcement.

THE NAMEKARA VERMICULITE MINE

The Namekara Vermiculite Mine is located in Eastern Uganda near the towns of Mbale and Tororo, approx. 190 km from the Uganda capital, Kampala and close to the border with Kenya. It is on major central African road and rail networks and is 10 km from a rail spur that connects to the Kenyan port of Mombasa.

Namekara Mining Company Limited ("**NMCL**") is the registered holder of Mining License ML 4651, upon which it operates the Namekara Vermiculite Mine.

Vermiculite mineralisation on ML 4651 occurs within an approximately 34m thick sub-horizontal tabular zone and is derived by weathering of phlogopite within coarse-grained to pegmatoidal pyroxenite. The vermiculite mineralisation has been identified to extend from surface to a depth of between 45m to 55m.

The Flake size which is relevant to the Exploration Target is shown in Table B below

Table B: Flake Size for Namekara Product

Particle Size Range		Large	Medium	Fine	Superfine
Min. % by weight retained in size range indicated	11.2mm - 4.75mm	80%	-	-	-
	4.75mm - 2.00mm	-	80%	-	-
	2.80mm – 1.00mm	-	-	80%	-
	1.70mm – 0.3mm	-	-	-	80%

PROPOSED ACQUISITION OF THE NAMEKARA PROJECT

The Namekara Project is the Company's key acquisition and was the subject of the Extra Ordinary General Meeting ("EGM") on the 15 August 2016. At this meeting the shareholders of the Company unanimously approved the acquisition of GLF Holdings Limited, the owner of the Namekara Mine. The explanatory memorandum, which accompanied the EGM, gave a detailed description of the Namekara Project.

The Company lodged a Prospectus to raise funds to complete the Namekara Project on the 2 August 2016 to raise funds to complete the acquisition as indicated in the Notice of Meeting to shareholders. On the 11 August 2016, BMZ received an interim stop order relating to the lodgement of the Prospectus. The Company intends to update the prospectus following the publication of the Exploration Target which has been published for Namekara in accordance with the JORC 2012 Code and will issue a replacement prospectus shortly with the aim of completing the GLF Holdings transaction.

PROPOSED ADDITIONAL EXPLORATION WORK

In the coming months, the Company intends to complete further work focused on assay techniques and specific gravity through laboratory test-work and further investigations. The Company may also elect to drill twin holes alongside some of the original Rio Tinto drill holes to further understand the vermiculite flake size and how this relationship can be better understood by the drilling and assay techniques. Flakes size is a key attribute for the Namekara Vermiculite Mine and the marketing of the vermiculite product.

ENDS

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Competent Person's Statement

The Independent Geological Report has been prepared by Allen J. Maynard. Allen Maynard is not an employee of the Company or any related party. Mr. Maynard is the Principal of AM&A, a qualified geologist, a Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") (# 104986) and a Member of the Australian Institute of Geoscientists ("AIG" #2062). Mr. Maynard has had over 35 years of continuous experience in mineral exploration and evaluation and more than 30 years' experience in mineral asset valuation. Mr. Maynard holds the appropriate qualifications, experience and independence to qualify as an independent "Expert" and "Competent Person". The information in the Independent Geological Report and this Prospectus that relates to the Namakera Vermiculite Mine and the Busumbu Phosphate Project is based on and fairly represents, information and supporting documentation prepared by Mr Maynard. The Company has obtained the prior written consent of Mr Maynard to the form and context in which the information is presented.

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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• Data for report mainly derived from two reports by Rio Tinto and SRK-EA *Rio Tinto Mining And Exploration Limited. 2008. Namekara Vermiculite Project – Technical Study. Unpublished Report* and *SRK Consulting (2009): "Review of the Exploration and Mineral Resource estimates of the Namekara Vermiculite Deposit in south east Uganda"* • Exploration Target estimates based on RC drilling and trench results carried out by previous owners. • Drill holes and trenches including geological logging and mapping were sampled using industry standard methods. Drill holes sampled over 1 m intervals and split using riffle equipment. Approximately 3 kg sent to lab for chemical analysis. Trenches carefully channel sampled and bagged samples submitted to lab for chemical analysis.
Drilling techniques	• Reverse Circulation (RC) drilling and diamond drilling. Due to problems with the core sampling, sample preparation and analyses the diamond drilling data was disregarded.
Drill sample recovery	• Drill (RC) recoveries reported as being good, quantities per interval all within acceptable intervals including below water table except for a few intervals that were not sampled. • Sample recoveries not recorded on the logging sheets. • All samples collected by a cyclone with all joins sealed with appropriate seals. • Finer material lost as dust not appreciably different to bulk sample retained. The percussion drilling method however reduced the vermiculite flake sizes.
Logging	• All the drill and trench samples were appropriately geologically logged. • Geological logging included but qualitative and quantitative descriptions. • All 72 RIO RC drill holes (3,490 m) were logged.
Sub-sampling techniques and sample preparation	• All the RC drill samples were dry when split at the rig by a 50:50 riffle. • QA/QC procedures documented in reports and met high industry standards for the minerals being tested. • No duplicates were taken for repeat analyses. • All splits taken were sufficiently large to be maintain representativeness of the coarsest vermiculite.
Quality of assay data and laboratory tests	• The lab samples underwent exfoliation and sink tests to determine vermiculite and phlogopite contents and screening tests to determine flake sizes. Residues also chemically tested to determine contaminants. • No sample standards have been established
Verification of sampling and assaying	• A site visit was undertaken by SRK-EA from the 16th to the 18th of May 2009. • No twinned holes have been drilled. • All the logs have been recorded on paper copies that were then transcribed to Excel spreadsheets. • No adjustments were made to the assay data.
Location of data points	• Not all holes were identified by SRK-EA in the field since the drilling campaign ended; some collar locations were re-surveyed to test for variance as part of a QC process. Multiple measurements and several readings were taken at one hole location over time to check for variance. Results show spatial variance of <2m and vertical variance of <3m
Data spacing and distribution	• The drill holes and trenches were located to approximate a grid but adjusted to avoid cultural features such as houses, crops and roads. • The sample spacing is appropriate for an Exploration Target estimate. • Samples were composited into up to 5 m samples in the first phase RIO drilling according to visual

Criteria	Commentary
	grade/quality estimates.
Orientation of data in relation to geological structure	• The vermiculite mineralization is basically flat as a result of weathering of micaceous rocks so vertical holes would take representative unbiased samples of the vermiculite.
Sample security	• There is no record of the measures taken to ensure sample security. • There is no reason to suspect that samples have been tampered with.
Audits or reviews	• SRK-EA audited the RIO work and resource estimates and generally found the work satisfactory.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• Two tenements: one Mining License and an Exploration License are held over the Namekara prospect area. • There are no material issues with third parties like JV agreements partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • AM&A have not carried out a thorough investigation on the Company's tenure of the property. Tenure details are contained within the Independent Solicitors Report completed by Ugandan legal firm Adukule and Co Advocates.
Exploration done by other parties	• All the significant exploration on the project was undertaken by RIO and Gulf.
Geology	• The vermiculite in the Namekara Prospect occurs in flat lying zones which contain sub-vertical, coarse-grained, high grade developments. The underlying biotitite is cut by carbonatite and mica-pyroxenite dykes which have been postulated by RIO to have acted as conduits for hydrothermal fluids which mobilised and re-crystallised coarse grained biotite in zones which, being permeable to groundwater flow, were subsequently altered to vermiculite.
Drill hole Information	• A total of 72 RC drill holes for 3,490 m were drilled by RIO and 54 RC holes for 3,408 m were drilled by Gulf. Details of these holes are included in the body of the report.
Data aggregation methods	• There was no aggregation or grade cutting of any of the drilling data used for estimating the Exploration Targets. • All averages are sample length weighted. • No metal equivalents are reported in this report.
Relationship between mineralisation widths and intercept lengths	• Since the mineralization is essentially flat dipping and the RC drilling vertical the intersection widths are close to actual widths. Some steeply dipping high grade zones following shears may have been poorly intersected by the vertical holes. • No drill intersections provided in text of main report because analysis results may be negatively biased due to crushing of the coarse vermiculite caused by the inappropriate percussion RC drilling method used.

Criteria	Commentary
Diagrams	• All the appropriate maps and cross sections are included in the main report.
Balanced reporting	• Only an overall report of the drilling results as an Exploration Target is provided in the report with appropriate comment on potential bias of results to avoid misleading reporting.
Other substantive exploration data	• All the available meaningful and material exploration data has been reported.
Further work	• An exploration budget and comments on the exploration potential of the property has been included in the report.