



blackmountain

resources limited

24 August 2012

Manager of Company Announcements
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

High Grade Silver Identified at Conjecture Silver Project in Idaho

- Maiden drilling intercepts high grade silver zones
- Initial assay results of between 900 – 1,106 grams per ton confirming historic reserve report
- Resource definition part of strategy to re-commence production by the end of 2012
- Geophysical work program planned to identify further silver mineralisation

Black Mountain Resources Limited (ASX | AIM: BMZ) (the “Company”), the silver focused development company with silver interests in USA, is pleased to announce highly positive initial results from the drill program underway at its Conjecture Silver Project in the productive Lakeview Mining District in Idaho.

Conjecture Silver Project

The Company commenced a 10 hole diamond core drill program (1,800m) in late July 2012 at the previously producing mine. The first 7 holes have been drilled from Drill Pad 1 and Drill Pad 2 targeting the historic “31” mining block, where high grade silver mineralisation was delineated in the early 1980s, as depicted on Diagram 1 as the ore shoot from the Spider Adit. This block will also be penetrated at depth by the proposed new Morris Decline when complete.

Each of the holes drilled to date have intercepted sulphide zones where anticipated and core log samples have been sent to the local laboratory for assaying. Initial assay results received from holes 4 to 6 confirm high grade silver mineralisation. The assay results of samples from all of the holes will be released in the coming weeks once available.

These results are consistent with the previous historic data for mining block 31 identified in the 1981 Reserve Report on the Conjecture Silver Project which estimated the block to contain 50,000 – 60,000 tons¹ of silver at an estimated grade of 350 – 375 grams Ag per ton¹.

Hole	Northing	Easting	Azimuth	Angle	From (m)	To (m)	Width (m)	Grade
4	5,306,845.88	542,231.07	-112.9	-51.7	100.41	101.00	0.59m	1,106g Ag , 0.81g Au, 0.65% Pb, 0.23% Zn
5	5,306,845.88	542,231.07	119.4	-67.7	122.00	122.32	0.32m	1,060g Ag , 0.72g Au, 0.56% Pb, 0.53% Zn
6	5,306,845.88	542,231.07	-273.3	-88.1	236.46	236.82	0.36m	898g Ag , 0.47g Au, 0.89% Pb, 1.77% Zn
6	5,306,845.88	542,231.07	-273.3	-88.1	237.60	238.60	1.00m	27g Ag , 0.09g Au, 0.02% Pb, 0.02% Zn

Note 1: These estimates of potential quantity and grade are based on historical reports and are conceptual in nature. There is insufficient exploration data to define Mineral Resources and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The drill rig has now moved to the Rainbow Drill Pad where holes 8 to 10 are being drilled targeting the previously undrilled section of the Conjecture Shear Zone to the east of the historic ore shoot, as depicted on Diagram 1. The 8th hole intercepted a sulphide mineralisation zone of approximately 3.6m wide at a depth of 36 – 39.6m, which was shallower than expected. The 9th hole reached target depth overnight and drilling of the 10th hole will commence tomorrow.

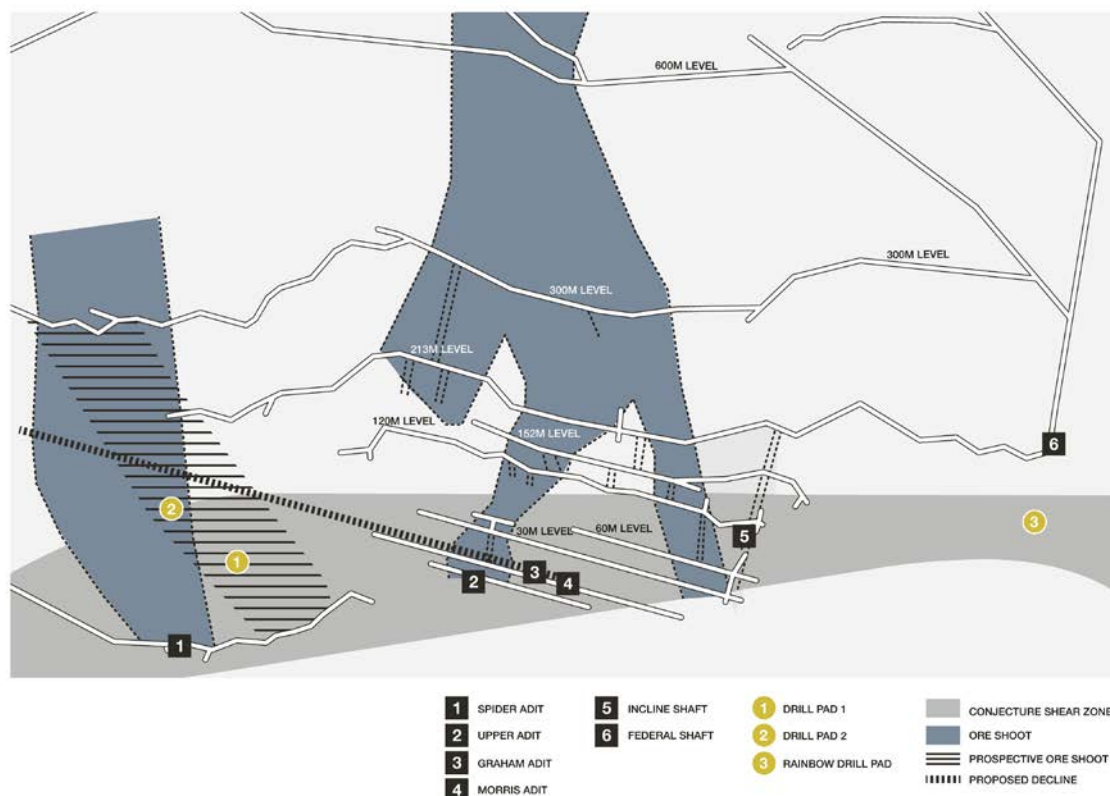


Diagram 1: Conjecture Drill Program – Plan View

In addition, the Company is currently planning a geophysical survey program scheduled to commence in early September 2012. The program is being designed to investigate the strike length of the Conjecture Shear Zone targeting potential intersecting structures which are believed to help focus the accumulation of silver mineralisation. The first induced polarisation (“IP”) line will be run directly down the strike length of the Conjecture Shear Zone and cross lines will be run perpendicular to the strike wherever results identify an increased anomalous response indicative of increased sulphide content. This program aims to delineate additional targets of previously unknown, and untested, mineralised zones along the productive Conjecture Shear Zone.

Black Mountain CEO John Ryan, commented: “These high grade result confirm the quality and exciting nature of the Conjecture project which is located in one of the world’s premier silver district. The progress being made by the team means we remain on target to convert the historic data up to JORC status and bring this previously producing mine back into production this year.”

For and on behalf of the Board



Peter Landau
Executive Director

Competent Persons Statement

The information included in this release that relates to historical mining data and exploration results is based on information compiled by Mr. Gregory Schifrin, a technical consultant to the Company. Mr. Schifrin has worked as a geologist in exploration and mine development for 29 years in precious and base metal exploration and is a professional member (SME Registered Member) of the Society of Mining, Metallurgy and Exploration (SME) #4053449, a 'Recognized Overseas Professional Organization' ('ROPO') included in a list promulgated by the ASX from time to time. Mr. Schifrin has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Schifrin has reviewed this release and consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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

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About Black Mountain Resources Limited

Black Mountain Resources Limited is a dual listed (ASX | AIM: BMZ) silver and gold focused development company focussed 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, the Conjecture Silver Project and the Tabor Gold and Silver Project. It plans to implement low cost production and development programmes across all three assets, targeting first production from New Departure and Conjecture by Q4 2012. 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 and London's AIM Market (BMZ).