



blackmountain
resources limited

31 January 2012

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

By E-Lodgement

Quarterly Activities Report and Appendix 5B for the Period Ending 30 December 2011

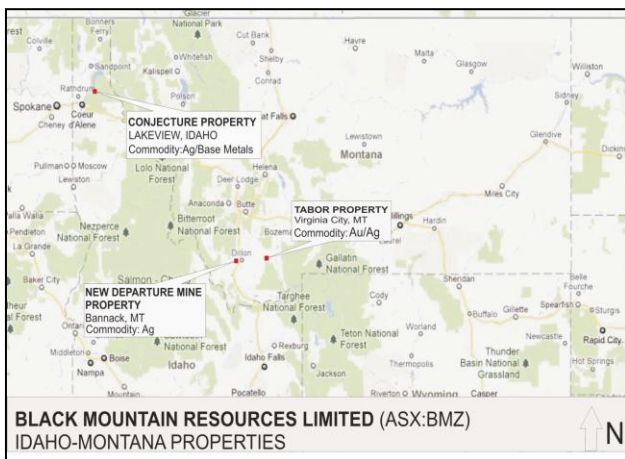
Company Highlights

- **Progress acquisition of highly prospective former producing silver and gold mines in north-western USA**
- **\$2 million raising**

Silver and Gold Projects

Black Mountain Resources Limited (**Black Mountain** or the **Company**) is progressing the acquisition of 70% interest in 3 silver and gold projects which are highly prospective former producing mines in north-western USA (**Projects**). Subsequent to quarter end, shareholders approved the acquisition of the Projects and the Company has raised \$ 2 million pursuant to a prospectus. The Company anticipates settling the acquisition of the Projects and relisting on the ASX in the coming days subject to satisfaction of the ASX Listing Rules.

During the quarter the Company's joint venture partner, Abot Mining Corporation (**Abot**), continued to secure tenure and develop the Projects.



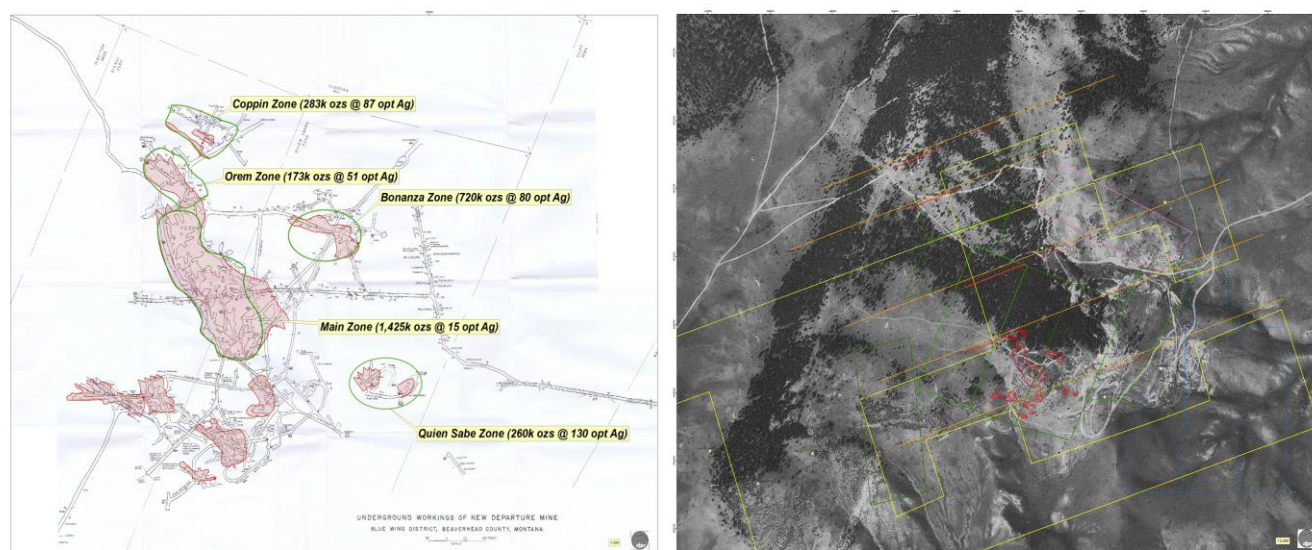
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New Departure Project

Exploration and development work continued during the quarter with key milestones targeted for the current quarter following successful completion of the recent capital raising. Work undertaken included:

- plans for mine re-entry and processing plant logistics;
- sampling of surface expressions and old dumps with results due in Q1 2012;
- successful geophysical survey of claim package to identify replica 'footprints' of the mine area justifying extensional drilling program during 2012;
- identification and commencement of tender negotiations for mining contractor;
- pegging of additional adjacent ground to assist with mine expansion opportunities.

Site preparation and mine entry upgrade work is scheduled to commence this quarter in conjunction with the appointment of the mining contractor and planned production activities.



New Departure Project – Priority Ore Zone Targets and Land Position

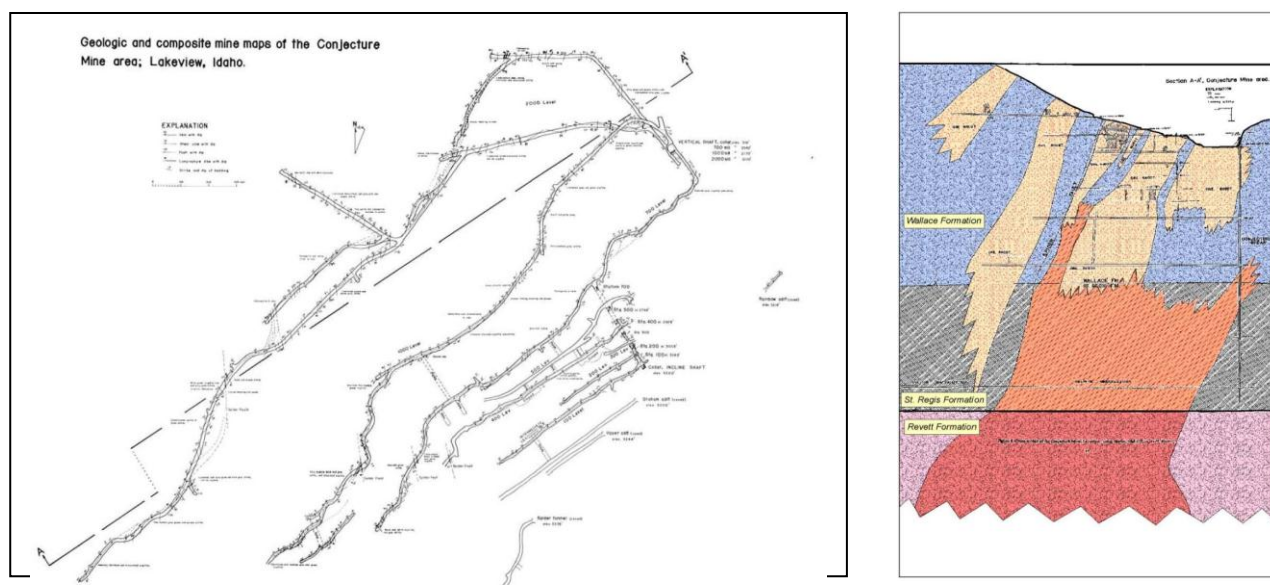
As summarised above, during the quarter Abot acquired 20 rock chip samples and 217 soil samples on the New Departure project area. Rock samples taken from a vein on the project area assayed in excess of 500 g/T Ag with a 1.2% Zinc value. Surface soil samples returned values in excess of 20 ppm Ag. Abot Mining also completed an Induced Polarization and Resistivity survey consisting of 6 lines of 100 meter dipole-dipole array surveying. Results from this IP survey indicate very good potential for a parallel, off-set mineralized zone at the New Departure project area. Additional surface soil and rock chip geochemistry and additional detail IP surveys are planned for the end of Q1, 2012 with a drill program planned to test this parallel zone for Q2, 2012.

Tabor Project

Abot continued the collation of additional historical data with a view to commence a mine re-entry feasibility programme during the current quarter.

Conjecture Project

A detailed analysis was undertaken of the key historical reserve report from 1981 on the Conjecture Project which included details of historical sampling and drilling undertaken and identified a number of reserve blocks. The analysis of the cross sections of the Conjecture Project revealed some previously identified blocks are much nearer to the surface than anticipated. It is intended that further drilling will be undertaken to confirm the potential of these blocks in Q2/3 2012.



Conjecture Project Plan View and 2D Cross Section

West Australian Projects

The Company is pleased to advise that an extension of exploration tenements E36/563 and E37/834 were granted recently and the terms have been extended for a further 2 years.

For and on behalf of the Board



Peter Landau
Executive Director

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BLACK MOUNTAIN RESOURCES LIMITED

ABN

55 147 106 974

Quarter ended ("current quarter")

31 DECEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(164)	(199)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(169)	(221)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	31	70
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other Receipts (refunds)	-	-
2.7	Other	-	-
Net Operating Cash Flows		(302)	(350)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) new project acquisition	-	(478)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Proceeds from underwriting	-	-
Net investing cash flows		-	(478)
1.13	Total operating and investing cash flows (carried forward)	(302)	(828)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(302)	(828)
	Cash flows related to financing activities		
1.14	Proceeds from raising	660	660
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	(42)	(42)
	Net financing cash flows	618	618
	Net increase (decrease) in cash held	316	(210)
1.20	Cash at beginning of quarter/year to date	2,940	3,466
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,256	3,256

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1 Aggregate amount of payments to the parties included in item 1.2	34
1 Aggregate amount of loans to the parties included in item 1.10	Nil

- 1 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	34
Payments to Director Related Companies	Nil

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Appendix 5B

Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(410)
4.2 Development	(200)
4.3 Production	-
4.4 Administration	(50)
Total	(660)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,256	2,940
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	3,256	2,940

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	None		
6.2	Interests in mining tenements acquired or increased	None		

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	27,812,501	26,212,500		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil Nil	5,400,000	Shares released from escrow during the quarter.	
7.5 *Convertible debt securities (description)	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7 Options (description and conversion factor)	2,000,000	Nil	\$0.30	
7.8 Issued during quarter	Nil	Nil	Nil	Nil
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		
Performance Based Shares	Nil	Nil		
Changes during quarter (a) Increases	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Peter Landau
Executive Director
31 January 2012

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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