



blackmountain
resources limited

1 August 2012

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

By E-Lodgement

Strategic UK Capital Raising

- **Placing to raise over £1.5 million (approximately A\$2.3 million)**
- **Placing provides additional funding to complete Lakeview Mill acquisition and Conjecture Silver Project development**

Black Mountain Resources Limited (ASX | AIM: BMZ) the silver focused development company with silver interests in USA, is pleased to announce a placing through XCAP Securities PLC in the UK and Australian institutions for 9,994,265 new ordinary shares at 15.5 pence per share (**Placing Shares**) raising £1,549,111 before expenses (**Placement**). The Placing Shares will rank *pari passu* in all respects with existing ordinary shares in the Company.

The Placement comprises of two tranches: the First Tranche being 3,439,791 new ordinary shares and the Second Tranche being 6,554,474 new ordinary shares. Application has today been made for admission of the First Tranche Placing Shares to trading to AIM and it is expected that admission will become effective on or around 6 August 2012.

The Second Tranche is subject to shareholder approval at a forthcoming General Meeting. The notice for this meeting is expected to be published shortly. It is expected that admission will become effective for the Second Tranche on or around 5 September 2012.

The funds raised pursuant to the Placement will be used (following shareholder approval and final due diligence) to complete the acquisition of the Lakeview Mill (see announcement on 10 July 2012) and to carry out refurbishment and equipment upgrades to increase capacity at the mill. In addition, funds will be used for the development and exploration of the Conjecture Silver Project including the surface and underground drill programs scheduled for 2012.

Following admission of the First Tranche, the Company will have 68,769,792 ordinary shares and 25,000,000 performance shares on issue. The Company holds no shares in treasury and each share carries one vote.

For and on behalf of the Board

Peter Landau
Executive Director

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About Black Mountain Resources Limited

Black Mountain Resources Limited is a dual listed (ASX | AIM: BMZ) silver and gold 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. | BMZ has low cost production and development programmes across all three assets, targeting first production from New Departure and Conjecture by Q4 2012. It is also conducting multiple exploration programmes to test the significant exploration upside 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).