



blackmountain
resources limited

19 February 2013

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

By E-Lodgement

Settlement of Lakeview Mill and the Weber Pit

Black Mountain Resources Limited (ASX | AIM: BMZ), the silver focused development company with interests in the USA, is pleased to advise that it has settled its exclusive long term (45 year) lease over the Lakeview Mill and its acquisition of the historic Weber Silver Mine and Keep Cool Silver Mine claims. In consideration of the acquisition, the Company has issued 11 million ordinary shares to Shoshone Silver / Gold Mining Corporation.

The Company recently upgraded the facilities at the Lakeview Mill and its key items, including an additional ball crusher and flotation circuit, and the mill is now capable of processing over 300 tonnes of ore per day. The mill will be used to process ore mined from the Company's Conjecture Silver Mine in Idaho following targeted first production in Q2 2013. Black Mountain intends to use the Weber Pit for waste disposal from the Conjecture Silver Mine. In addition the Company intends to undertake initial geological and geophysical work over the two historic assets acquired, in particular targeting the intersection of the Conjecture and Weber shear zones to identify further drill targets as part of the exploration programme planned for Q2/Q3 2013.

Black Mountain Executive Chairman, Peter Landau, commented, "Having completed the acquisition of the Lakeview Mill, which would cost over US\$8 million to replace and a minimum of two years to permit, Black Mountain is ideally positioned to commence high grade silver production from the historic Conjecture Silver Mine in Idaho in Q2 2013. As the only permitted mill in the region, and with a processing capacity of 300 tonnes per day, this is a highly strategic addition to our portfolio and will meet our production requirements going forward. Also, the addition of further mining claims provides the Company with exposure to exploration upside potential and a waste alternative for our Conjecture project."

Application will be made for the new shares to be admitted to trading on the ASX and AIM markets, with the new shares expected to commence trading on the AIM market on or about 25 February 2013.

The Company advises that further to the announcement dated 6 February 2013, 2,475,000 fully paid ordinary shares and 2,000,000 unlisted options (\$0.30; 14 November 2015) have been released from escrow in accordance with the ASX Listing Rules.

For and on behalf of the Board

Peter Landau
Chairman

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 pursuant to 45 year leases from Chester Mining Company, Lucky Friday Extension Mining Company and Brush Prairie Minerals respectively. Black Mountain plans to implement low cost production and development programmes across all three assets, targeting first production from New Departure and Conjecture by Q1|Q2 2013. 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).

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Black Mountain Resources Limited

ABN

55 147 106 974

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 11,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>Issued as part consideration for the Lakeview Mill lease and acquisition of further mining claims.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of Shares pursuant to terms of Lakeview Mill Agreement</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>11,000,000</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil													
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil													
6f	Number of securities issued under an exception in rule 7.2	Nil													
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A													
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A													
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	298,640													
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 February 2013													
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">55,824,266</td> <td style="text-align: center;">Fully Ordinary Shares</td> </tr> <tr> <td style="text-align: center;">36,138,750</td> <td style="text-align: center;">Options (\$0.20; 7 May 2015)</td> </tr> </tbody> </table>	Number	+Class	55,824,266	Fully Ordinary Shares	36,138,750	Options (\$0.20; 7 May 2015)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">55,824,266</td> <td style="text-align: center;">Fully Ordinary Shares</td> </tr> <tr> <td style="text-align: center;">36,138,750</td> <td style="text-align: center;">Options (\$0.20; 7 May 2015)</td> </tr> </tbody> </table>	Number	+Class	55,824,266	Fully Ordinary Shares	36,138,750	Options (\$0.20; 7 May 2015)
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Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	4,000,000	Ordinary fully paid shares subject to escrow expiring 20 February 2014
	20,000,000	Performance shares subject to voluntary escrow until 25 July 2013 (convertible to ordinary shares on a 1:1 ratio on satisfaction of performance milestones).
	5,000,000	Performance shares subject escrow expiring 20 February 2014 (convertible to ordinary shares on a 1:1 ratio on satisfaction of performance milestones).
	2,000,000	Unlisted options (\$0.30; 14 November 2015)

Note - performance milestones for Performance Shares:

- (a) the Company completing exploration and development on each US Project in the total amount of not less than US\$1,500,000, or exploration and development in the amount of US\$4,500,000 across all of the US Projects, within three (3) years from the date of issue of the Performance Shares; and
- (b) production from the Project of not less than 2,000 ounces of gold or gold equivalent within five (5) years from the date of issue of the Performance Shares.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

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Appendix 3B
New issue announcement

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	2,475,000							
39	Class of +securities for which quotation is sought	Ordinary Fully Paid Shares							
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes							
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)</p>	Restricted Securities released from escrow 17 February 2013 as per restriction agreements.							
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="710 1554 1013 1592">Number</th> <th data-bbox="1013 1554 1299 1592">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 1592 1013 1653">55,824,266</td> <td data-bbox="1013 1592 1299 1653">Fully Ordinary Shares</td> </tr> <tr> <td data-bbox="710 1653 1013 1816">36,138,750</td> <td data-bbox="1013 1653 1299 1816">Options (\$0.20; 7 May 2015)</td> </tr> </tbody> </table>	Number	+Class	55,824,266	Fully Ordinary Shares	36,138,750	Options (\$0.20; 7 May 2015)	
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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



18/02/2013

Sign here: Date:
(Director/~~Company secretary~~)

Print name: Peter Landau
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+ See chapter 19 for defined terms.