



blackmountain
resources limited

30 April 2013

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

By E-Lodgement

Quarterly Report for the Period Ending 31 March 2013

Issued Capital: 86M Ordinary Shares* + 25M Performance Shares*	ASX Code: BMZ AIM Code: BMZ	Closing price: A\$0.16* Closing Price: £0.12*
* as at 31 March 2013		

The Board of Black Mountain Resources Limited (**Black Mountain** or the **Company**), the silver focused development company with interests in the US, is pleased to provide the following commentary regarding its activities during the three months ended 31 March 2013 and Appendix 5B.

Highlights

- **Positive exploration and development progress made at the New Departure Silver Project, Montana, which is on target to commence production imminently:**
 - **Mine development on-going with adit refurbishment completed and new decline underway to access the Bonanza Zone historic workings**
 - **Initial drill results returned grades of up to 365 g/t of silver confirming down-dip extension of historic workings and indicate a potential projected strike length of 670m**
- **Acquisition of Lakeview Mill to process Conjecture type ore and nearby mining claims**

New Departure Silver Project, Montana

Mine development at the New Departure Silver Project in Montana continued during the quarter with the completion of the widening of the Laczay portal and tunnel extension. The Company has commenced the development drive to access the high grade silver Bonanza Zone and it is anticipated that the drive will access the eastern area of the zone in the coming days. Once the Bonanza Zone has been accessed, the Company intends to take production samples from historic workings for assaying and mill testing and to finalise toll treatment arrangements with local mills.

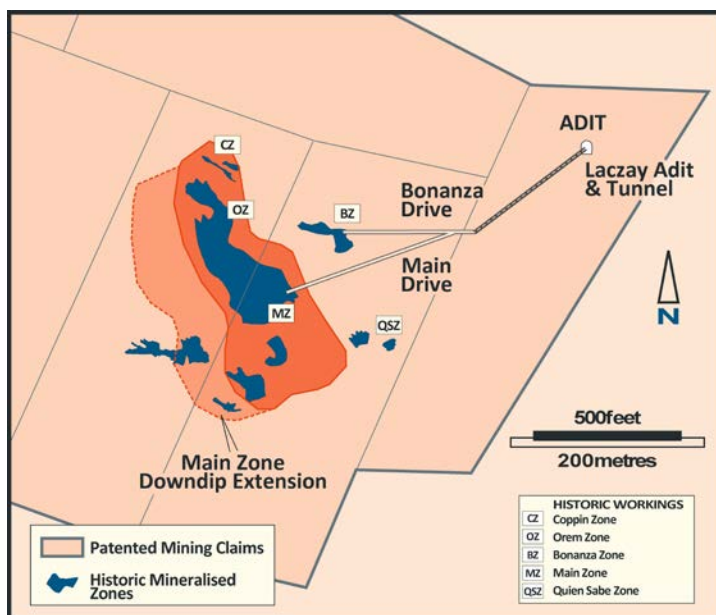


Figure 1: New Departure Silver Project

The Company intends to access the historic workings of the Main Zone by cutting the Main Drive from the Bonanza Drive. The mucking station has been completed along the Bonanza Drive following which the Main Drive will be commenced.

The Company also intends to access the Quien Sabe Zone by constructing a new portal higher up the mountainside and cutting a horizontal drive to access historic workings, subject to regulatory approvals. Due to the shorter horizontal drive required and the shorter distance to haul ore and for waste disposal, the revised development plan will facilitate access to the Quien Sabe Zone sooner than if the Company was to access it from the Laczay Adit underground.

Subsequent to the quarter end, the Company appointed United Mine Services Inc. ('UMS'), a subsidiary of TSX listed United Silver Corporation ('USC'), as Mining Contractor for the New Departure Silver Project. This appointment marked a significant milestone for the Company with increased efficiency and productivity on site given previous owner/operator arrangements. In addition UMS have brought their own mining equipment on site, increasing both daily footage achieved and preserving capital expenditure for Black Mountain.



Figures 2-3: Mine Development at New Departure Silver Project

During the quarter the Company released the results from the exploration programme undertaken in 2012, the first exploration drilling undertaken at the New Departure Silver Project. Initial assay results for holes 3 and 5 intercepted high grade silver intercepts of up to 365g/t Ag confirming mineralisation zones and the down-dip extension of the historic workings. These intercepts indicate the potential for a projected strike length of approximately 670m. With the identification of the extended mineralisation zone, the Company intends to drill the extension area further as part of its exploration programme scheduled for Q2 2013.

Full details on the drilling results, including drill hole locations and assumptions for calculating Ag equivalent grades are contained in the Company's previous release on 25 January 2013.

Conjecture Silver Project, Idaho

During the quarter, Black Mountain 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 issued 11 million ordinary shares to Shoshone Silver / Gold Mining Corporation or its nominees.

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 Q3 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 Q3 2013.



Figures 4-6: Lakeview Mill

The Company anticipates recommencing mine development at the Conjecture Silver Project later this quarter with the completion of the construction of the decline ramp to access historic workings, weather permitting. In the meantime the Company has focussed on the development of the mine plan and exploration programme for the project, including a detailed 3-D mine model, which is almost complete, using Vulcan incorporating the data from historic production and mapping at the project.

It is intended that cross cuts from the decline to the vein zone will be driven approximately every 200 feet (61.2m). Additionally, planned i-drifting on the vein will enable bulk sample testing of the vein zone as well as delineation of additional potential development blocks for eventual mining.

In addition a further 20 mining claims were staked in the Lakeview Mining District at the Conjecture Silver Project during the quarter. The Company now holds 65 mining claims that form the project and extend over 700 acres in a prolific silver region. The resulting land staking continues to assure Black Mountain's position for continued exploration and resource expansion at the property. This area, along with additional potential resources identified from the 2012 drilling programme, will be evaluated for the 2013 exploration programme.

Tabor Silver and Gold Project

Preliminary development activities for the Tabor Silver and Gold Project in Montana are scheduled for Q3 2013 including securing access, general portal repair and development. Once the portals and tunnels are secured, the Company intends to access the mine openings and commence exploration by way of an initial sampling and assay programme. The Company continues to focus on obtaining necessary permitting and

access for operations for the project as well as the collation, digitalisation and review of historic data on the historic workings.

Corporate

During the quarter, the Company satisfied its earn-in obligations to acquire the 70% interest in each of the Conjecture Silver Project, the New Departure Silver Project and the Tabor Silver and Gold Project. The Company continues its focus on the development of these projects targeting initial ore production in Q2 | Q3 2013 from its two silver projects. In addition the Company is finalising potential prepaid offtake arrangements with several interested parties given the timetable for initial ore production.

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 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. 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 (ASX) and London's AIM Market – trading codes BMZ and BMZO.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the silver market, expectations regarding silver ore prices, production, cash costs and other operating results growth prospects and the outlook of the Company's operations including the likely commencement of commercial operations of the New Departure and Conjecture Silver Projects, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding the Company's development and exploration operations economic performance and financial condition. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in silver ore prices and exchange rates and business and operational risk management. For a discussion of such factors refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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 MARCH 2013

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, permitting & evaluation	(50)	(1,106)
(b) development & equipment	(1,208)	(2,572)
(c) production	-	-
(d) administration	(246)	(1,024)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	26
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other Receipts (refunds)	52	52
Net Operating Cash Flows	(1,450)	(4,624)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) new project acquisition	-	(531)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans from other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds from underwriting	-	-
Net investing cash flows	-	(531)
1.13 Total operating and investing cash flows (carried forward)	(1,450)	(5,155)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,450)	(5,155)
	Cash flows related to financing activities		
1.14	Proceeds from raising	-	2,213
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	670	670
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	-	(165)
	Net financing cash flows	670	2,718
	Net increase (decrease) in cash held	(780)	(2,437)
1.20	Cash at beginning of quarter/year to date	1,597	3,254
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	817	817

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
1.23	Aggregate amount of payments to the parties included in item 1.25	104
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments of Directors Fees and Remuneration	22
Payments to Director Related Companies	82

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	1,500	-
3.2 Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration, permitting and evaluation	(40)
4.2 Development and equipment	(1,000)
4.3 Production	-
4.4 Administration	(200)
Total	(1,240)

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	817	1,597
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)	817	1,597

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		

+ See chapter 19 for defined terms.

Appendix 5B Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	20 Unpatented Mining Claims	70% interest acquired	Nil	20 Unpatented Mining Claims
		6 Patented Lode Mining Claims	100% interest acquired		6 Patented Lode Mining Claims
		3 Patented Lode Mining Claims	45 year lease interest		3 Patented Lode Mining Claims

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	86,324,266	61,324,266		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,000,000 Nil	11,000,000		
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 36,138,750	Nil 36,138,750	\$0.30 \$0.20	
7.8	Issued during quarter	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	25,000,000	Nil	\$0.20	

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

Changes during quarter (a) Increases	Nil	Nil	Nil	
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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.

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
30 April 2013

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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly 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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