



# blackmountain

resources limited

9 September 2013

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

*By E-Lodgement*

## Positive Metallurgical Test Results

Black Mountain Resources Limited (ASX | AIM: BMZ), the silver focused mining company with interests in the US, is pleased to announce that having completed the initial phase of metallurgical test work from bulk samples collected from its underground mine development of the New Departure silver project located in Montana, USA, silver yields of up to 79% recovery producing 359 oz/t (11,160 g/t) silver concentrate are recoverable from flotation processing.

### *Upper Zone Ore*

The flotation tests are on-going with regards to optimising recoveries, with results to date being consistent with expectations. The Company anticipates these results to improve (to over 90%), as the mining operations move into fresh sulphide zones where the bulk of the historic ounces are contained as opposed to older oxidised areas where the bulk samples were taken.

Importantly, the laboratory that conducted the flotation tests works with, and replicates, the circuit of the proposed mill that Black Mountain will toll treat with. This provides the Company with significant advantage in expediting the final toll treat arrangements for the New Departure mine in the coming weeks.

A representative composite sample selected from a 227kg (500lb) bulk sample extracted from the upper Coppin Ore Zone accessed from the Silver Springs level via the Laczay Tunnel was delivered to the laboratory for flotation testing and bottle roll cyanide leach testing, in respect of the potential to treat the tailings. The material comes from the upper mine workings where the ore zone is strongly oxidised and is composed of silver chlorides and base metal carbonates. Ore material was processed for bench scale froth flotation concentrates and yielded various results testing a variety of reagents, grinds and flotation intervals. A summary of the results is shown:

Sample	Head Grade		Float Con 1 Grade		Tails Grade		Recovery	
	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (g/t)	Ag %	Au %
ABM met1-1	425.18	0.37	10,924	3.48	131.26	0.53	69.58	17.90
ABM met1-2	425.18	0.37	21,284	8.46	126.90	0.19	75.75	48.36
ABM met1-3	425.18	0.37	4,398	3.73	226.12	0.43	53.76	41.03
ABM met1-4	425.18	0.37	11,159	4.98	96.11	0.34	78.97	37.19

The laboratory is currently working on gravity separation of the tails, bottle roll cyanide leach test of the tails and bottle roll cyanide leach test of -100 mesh from bulk sample material. Additionally, base metal assays are underway to characterise the behavior of silver with base metal minerals potentially increasing silver recoveries by optimising primary grind size, reagents and flotation times with additional testing. While metallurgical test work is on-going, results will be released when available.

**Black Mountain Chairman, Pete Landau commented:**

*"We are extremely pleased with the initial metallurgical test results which confirm the high grade nature of the silver mineralisation at the New Departure Silver Mine. While the bulk ore sample we collected is from the upper portion of the mine, it represents the most oxidised ore mineralogy and we expect the deeper supergene and hypogene sulfide bearing ores to yield much higher recoveries (to over 90%) from flotation processing.*

*As the Company continues its progress towards first high grade low cost production, these highly positive results, combined with previous work, further strengthen the foundations of what is a very exciting silver project especially given the recent upturn in silver prices."*

For and on behalf of the Board



Peter Landau  
Executive Chairman

For further information please visit [www.blackmountainresources.com.au](http://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.