



**blackmountain**  
resources limited

25 January 2013

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

*By E-Lodgement*

### **Down-dip Extension Confirmed at New Departure Silver Project**

Black Mountain Resources Limited (ASX | AIM: BMZ), the silver focused development company with interests in the USA, is pleased to announce initial results from its 13 hole (3,000m) maiden drill programme at its New Departure Silver Project in Montana, USA (**New Departure** or the **Project**).

- **Initial drill results, returning grades up to 365 g/t of silver, confirm down-dip extension of historic workings and indicate a potential projected strike length of 670m**
- **Further drill testing of the extension is scheduled for Q2 2013 and has a potential to significantly extend the current mine plan**
- **Mine development is on-going with adit refurbishment almost complete and new decline extension scheduled to commence at end of January to access historic workings – significant milestone towards Q1 2013 production**

Black Mountain Executive Chairman, Peter Landau, commented, "Our projects are located in an area of prolific silver mineralisation and these initial high grade silver intercepts of up to 365 g/t Ag underpin our belief that we can add significant value to the Project through production and exploration outside of the historically worked areas. This is the first time a drilling campaign has been implemented at this site, and with results indicating a strike length of 670m, we have planned a further drilling campaign to commence during the second quarter to test this highly prospective area of mineralisation further."

"When put into context historically, it is clear why the intercepts are very valuable. The historic New Departure mine was not previously drilled with all the workings following visible veins. For the first time the programme has confirmed the 'down dip' extension possibilities for the mine and with the extension now located, further drilling can be accurately undertaken with a view to significantly extend the current mine plan. The widths of the intersection were also encouraging given previous narrow vein extraction and with this in mind, we look forward to receiving the additional drill results targeting the identified IP anomaly targets."

### **Further Information**

The Company recently completed its maiden drilling at the New Departure Silver Project targeting the projected downward dip extension of historic ore shoot and induced polarised (IP) anomaly targets previously identified. Initial assay results for holes 3 and 5 intercepted high grade silver mineralisation zones confirming 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.

New Departure Silver Project Assay Results								
Hole	Northing	Easting	Azimuth	Angle	From (m)	To (m)	Width (m)	Grade
3	5006800	348780	N45E	-50	145m	148m	3m	162.36g/t Ag; 0.22g/t Au; 0.20% Pb; 0.28% Zn
4	5006125	348812	N45E	-70	NRI*			
5	5006125	348812	N45E	-50	148m	151m	3m	365.47g/t Ag; 0.11g/t Au; 0.35% Pb; 0.46% Zn; 0.6% Cu
6	5006850	348837	N45E	-50	NRI*			
7	5006850	348837	N45E	-70	NRI*			

1. Intersections were calculated using minimum criteria of 150g/t Ag

2. NRI = no reportable intersection

3. These are calculated by gross \$ value of any Ag and Au in drill intersections. For the purposes of this release, values have not be attributed to Pb and Zn content.

\* To be redrilled with Angle and Azimuth adjusted now that Holes 3 and 5 have intercepted the downward dip extension

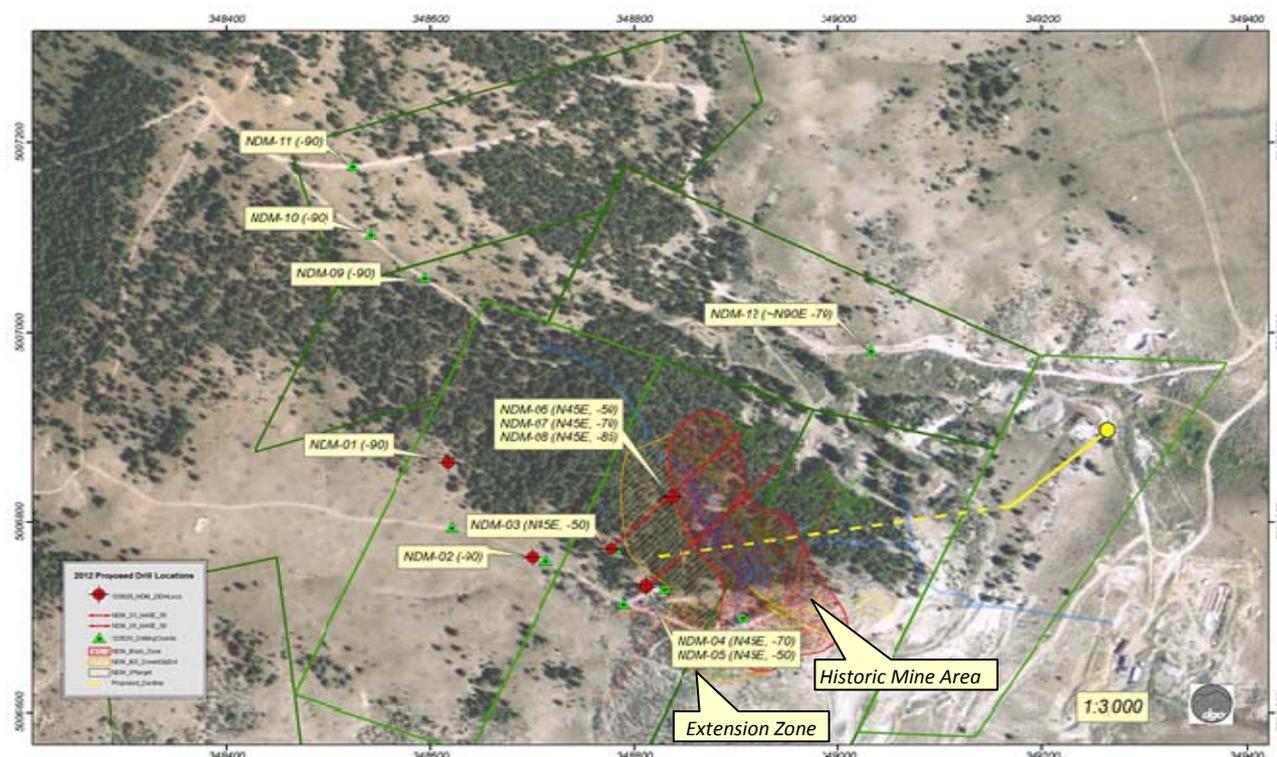


Figure 1: Drill Results, New Departure

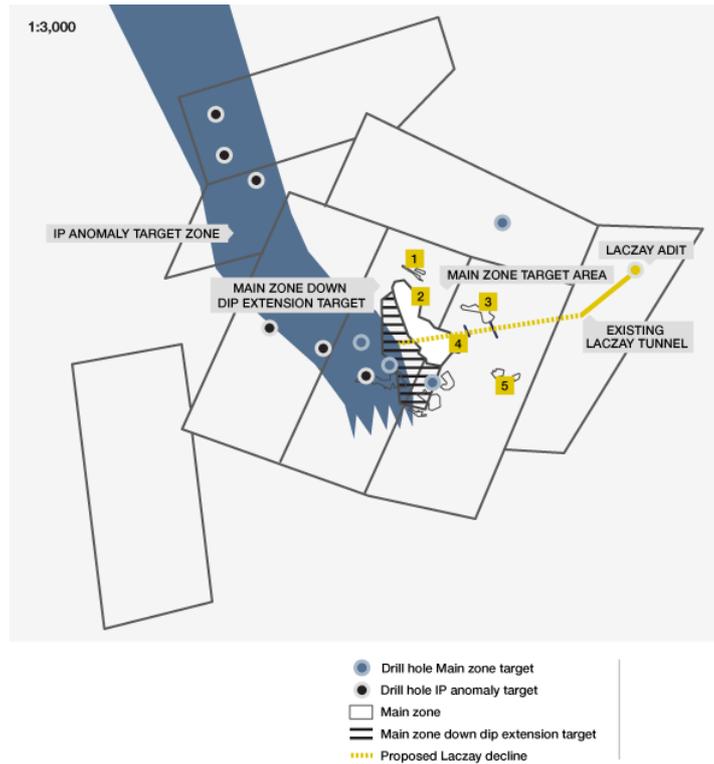


Figure 2: Drill Programme Map, New Departure

## Mine Development

In terms of development at New Departure, the widening of the Laczay portal and tunnel are almost complete. The steel set structure will be set in the portal entry this week. A 335m decline will then be driven at a 15% decline to access historic workings below the historic blocks known as the Main Zone. In addition secondary drifts will be driven from the main decline to enabling access to the Quien Sabbe Zones and the Bonzana Zones.



Figure 3: New Departure Silver Project: Laczay Adit and Tunnel

For and on behalf of the Board



Peter Landau  
Executive Chairman

## 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](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 which are under 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).