



7 February 2012

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

By E-Lodgement

Revised Terms of Performance Shares

Black Mountain Resources Limited (ASX: BMZ) (**Company**) confirms that the terms and conditions of the performance shares have been revised to remove the following statement in clause (l) of the terms: "or by such later date as the parties may have agreed upon in writing prior to that date." The full terms and conditions are attached.

For and on behalf of the Board

A handwritten signature in black ink, enclosed within a hand-drawn oval.

Peter Landau
Executive Director

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TERMS OF PERFORMANCE SHARES

The terms and conditions of the Performance Shares are as follows:

Rights attaching to the Performance Shares

- (a) **(Performance Shares)** Each Performance Share is a share in the capital of the Black Mountain.
- (b) **(General Meetings)** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Black Mountain that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Black Mountain.
- (c) **(No Voting Rights)** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Black Mountain.
- (d) **(No Dividend Rights)** The Performance Shares do not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up)** The Performance Shares participate in the surplus profits or assets of the Black Mountain upon winding up of the Black Mountain only to the extent of \$0.000001 per Performance Share.
- (f) **(Not Transferable)** The Performance Shares are not transferable.
- (g) **(Reorganisation of Capital)** If at any time the issued capital of the Black Mountain is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (h) **(Application to ASX)** The Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into fully paid ordinary shares (Shares), the Black Mountain must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (i) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(No Other Rights)** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

- (k) **(Conversion on achievement of milestone)** Each Performance Share will convert into one (1) Share upon satisfaction of the following performance hurdles to the reasonable satisfaction of the Black Mountain:
 - (i) Black Mountain 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 (being Black Mountain's Expenditure Commitment pursuant to the ABM Shareholders Agreement); and

- (ii) 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 Share,

(with both of the above performance hurdles constituting the **Milestone**).

- (l) **(Redemption if Milestone not Achieved)** If a Milestone is not achieved by the required date then each Performance Share held by a Holder will be automatically redeemed by the Black Mountain for the sum of \$0.000001 within 10 Business Days of non satisfaction of the Milestone.
- (m) **(Conversion Procedure)** Black Mountain will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.
- (n) **(Ranking of Performance Shares)** The Shares into which the Performance Shares will convert will rank pari passu in all respects with existing Shares.