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QUARTERLY ACTIVITIES REPORT – MARCH 2012

Mongolia – Rare Earths

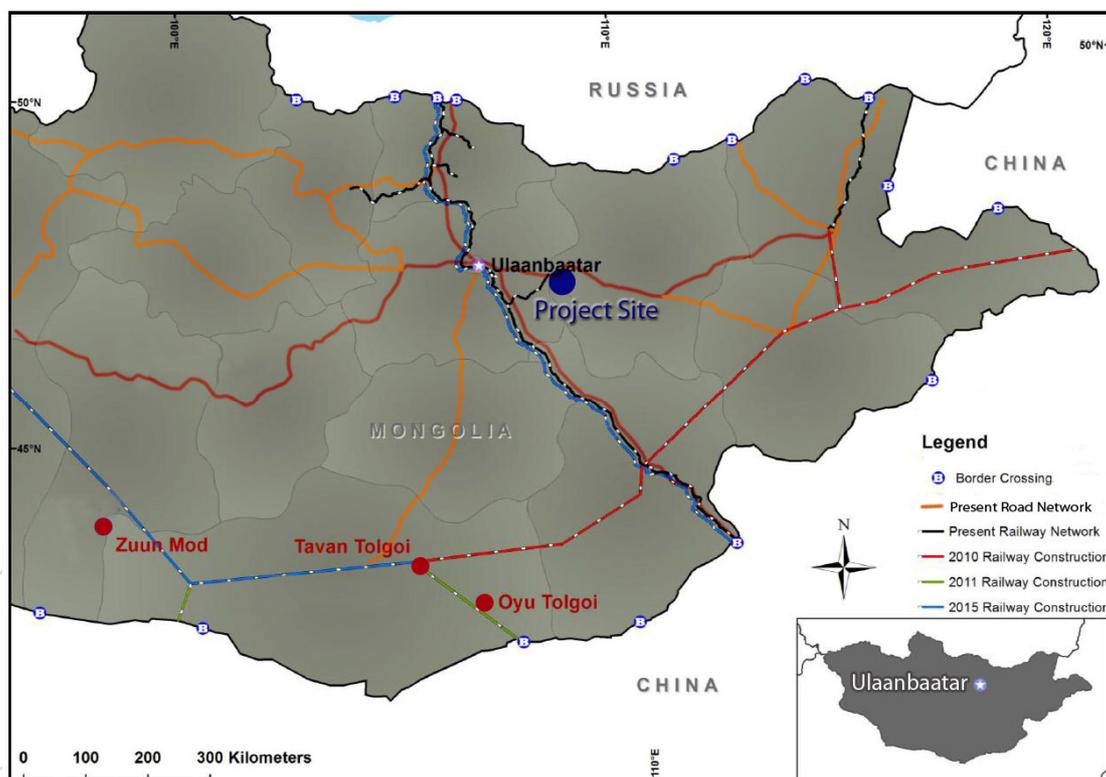
Avdrant Project

During the quarter, on 2 March 2012, Black Ridge Mining NL (**ASX:BRD**) (**Black Ridge or the Company**) announced that it had signed a Heads of Agreement to develop a licenced Rare Earths project located in the Tuv Province, 80 kms east of Ulaanbaatar, the capital of Mongolia. The Heads of Agreement allows for a 120 day due diligence period, during which time the Company will seek to finalise a definitive agreement to jointly develop the project.

Samples assayed in mid-2011 confirmed encouraging concentrations of lanthanum, scandium, yttrium, cerium and other Rare Earth Elements (REE).

Location

The project licence area is approximately 7,750 hectares and is 80 km east of Ulaanbaatar.



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The Company also released the following update in respect of the Rare Earths Heads of Agreement.

- Site inspection undertaken to confirm data provided with actual field validation
- Main ore body contained within an alkaline, igneous, elliptical shaped intrusion 550m long, 200m wide and slope elevation difference of 90m with an estimated Exploration Target of 20 million - 25 million tonnes *
- Topography is favourable for open cut operations
- Key local professional service providers identified
- Confirmed availability of well-developed local infrastructure
- Confirmation of positive results from the samples submitted for assaying will permit the Company to proceed to a planned drilling programme to provide a resource value of the deposit

**- The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

The Company initiated its 120 day due diligence process, with Company personnel, accompanied by their consultant geologist, visiting Mongolia during which time a site visit was conducted and various meetings were held to establish a network of key professional service providers.

Technical due diligence was conducted encompassing confirmation of all reported exploration workings (pits, trenches and Diamond Drill (DD) collars sites). During the site visit, rock-chip samples were collected at all relevant points to confirm historically reported grades of rare earth minerals in addition to vanadium, tungsten, chrome, scandium, among others.

The Company has submitted samples for quantifying the amount and type of REE-bearing minerals, with Ultra Trace Pty Ltd in Perth, part of the Bureau Veritas group of companies.

Assessment of geology

Company personnel, accompanied by Mr V Trashliev, visited the exploration site with the vendors and their exploration team. Mr V Trashliev has provided the geological description for the project and he specialises in mineral resource/reserve estimations, advanced project assessment and exploration management. A field inspection forms the basis of this announcement.

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The metallic elements in the lanthanide series are typically subdivided into the Cerium group, or Light REE (LREE), and the Yttrium group of Heavy REE (HREE). The LREE are usually more abundant in the Earth's crust than the HREE.

The most significant economic concentrations of REE-bearing minerals are hosted in alkaline igneous rocks. The Avdrant Project shows very close similarities with these types of deposits:

- The Avdrant intrusion consists of peralkaline pyroxenites.
- The peralkaline granite-syenite system and related pegmatite cutting across the Avdrant intrusion have been described during the exploration conducted by Russian geologists in the 1970's.
- The peralkaline rocks are typically located as specific early phases of a larger multi-phase felsic intrusives.
- These phases are considerably smaller in size than the encompassing batholiths and are often situated near the margins of the complex.
- There are a variety of exotic minerals related to these peralkaline rocks, and rare earth elements are often associated with them.
- The Company has commenced mineralogical and petrographic analyses to establish all type of minerals potentially associating with REE and their volumetric percentage within these rocks.
- Typically, REE mineralizing events associated with peralkaline rocks contain more thorium than uranium. A characteristic which has been confirmed by historical analyses conducted by the vendors. The Avdrant intrusion will very likely associate with thorium radiometric response. A feature that will be used during future exploration for delineating additional perakaline phases within the granites.
- The Avdrant peralkaline intrusion is clearly identified by its dark colour patterns on satellite imagery of the Licence area.

About Rare Earths

Rare earths are vital to worldwide manufacturing of many modern technological products from consumer electronics such as:

- smartphones,
- batteries,
- catalytic converters,
- solar panels,
- superconductors, and
- wind turbine generators.

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Manufacturing demand for rare earths and critical materials has risen sharply in the last 20 years, and diminishing export quotas from China, the world's largest rare earth producer and supplier of more than 95% of the world's rare earth supplies, have led to rising prices and supply concerns as demand has exploded. The United States, the European Union and Japan have filed a challenge with the World Trade Organization against China's export restrictions on these minerals that are crucial for the production of many high-tech devices including state of the art weapons, missile guidance systems, drones and the new F-35 Joint Strike Fighter.

By developing new rare earth production in Mongolia, China's northern neighbour, the proposed venture plans to help secure essential rare earth supplies for manufacturers in the US, Japan, South Korea, India and elsewhere.

Unaly Hill (E57/420), Western Australia –Vanadium- Magnetite-Titanium

The Company has previously announced an Inferred Mineral Resource estimate for Unaly Hill (E57/420), Western Australia.

- Vanadium-Magnetite Inferred Resource with over 86 million tonnes of 0.42% V_2O_5 at a 0.30% cut-off grade
- Confirmation of similar mineralization type to Quest Minerals Limited's (ASX:QNL) Victory Bore Deposit
- Two significant high-grade zones
- The deposit remains open along strike and depth with the potential to increase the estimated resource

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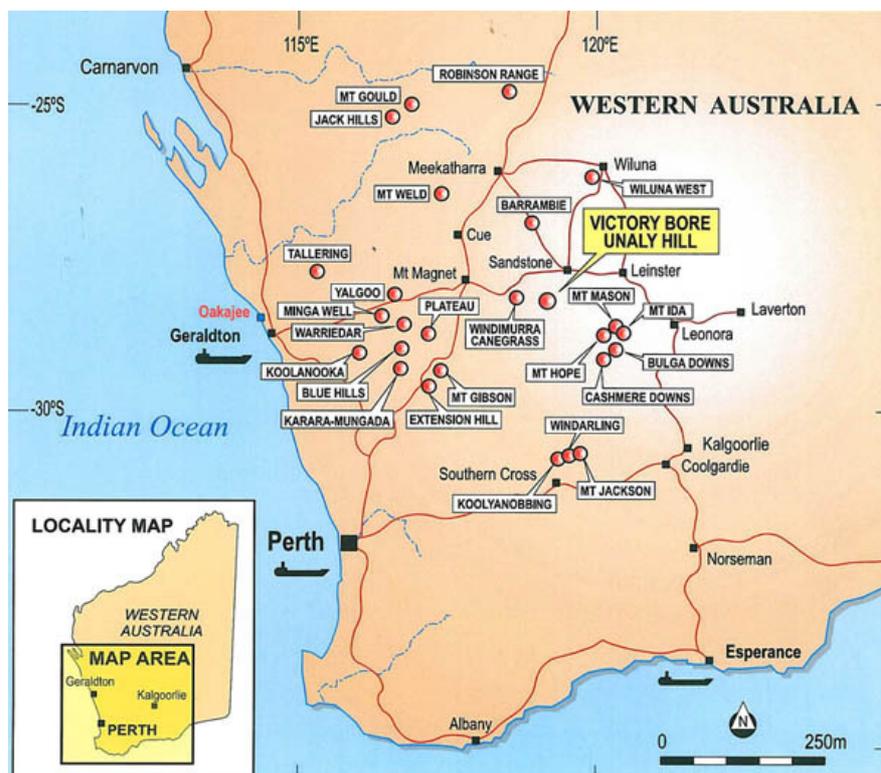


Figure 1 Location and geological setting of the Unaly Hill Project

Drilling completed in 2010 targeted titaniferous magnetite mineralisation and a maiden Inferred Mineral Resource revealed significant high grade vanadium mineralisation in association with magnetite iron mineralisation. The Mineral Resource for the vanadium mineralisation is 86 Mt @ 0.42% V₂O₅ (Table 1). The Mineral Resource is based on a +0.30% V₂O₅ cut-off.

Inferred Mineral Resource for V ₂ O ₅ % (Oct 2011)						
Million tonnes	V ₂ O ₅ %	Content (Kt) V ₂ O ₅	Fe ₂ O ₃ %	Fe %	TiO ₂ %	SiO ₂ %
86.2	0.42	36,533	24.79	23.57	4.51	30.1

Table 1 Unaly Hill vanadium Inferred Mineral Resource tonnage and grade report

The Unaly Hill project area is located approximately 48 km south of Sandstone in Western Australia and around 30km ESE of Atlantic Ltd's Windimurra vanadium plant which recently successfully achieved its first ferrovandium production.

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Recent drilling and studies have highlighted excellent vanadium grades associated with the gabbro-hosted magnetite iron mineralisation. There are two main magnetite horizons, with overall strike length of 6 kilometres and widths of 25 to 40 metres and specific gravity of 3.5.

The Unaly Hill vanadium mineralisation occurs within a titaniferous magnetite sequence hosted by the Atley Intrusion. A major 25km long aeromagnetic anomaly is believed to cover this vanadiferous magnetite horizon. A greenstone series about 1 km wide with outcrops occurring over 4 km of strike length are situated immediately to the east of the Atley Intrusion.

Aeromagnetic data interpretation of the Unaly Hill Project and the Quest Minerals Limited (ASX:QNL) Victory Bore deposit to the north indicates that the vanadiferous magnetite horizons persist throughout most of the Atley Igneous Complex. Their presence was also confirmed by drilling.

Corporate

Post quarter, on 11 April the Company announced the appointment to the Board of Mr. Robert Molkenthin as Executive Director. Mr. Molkenthin joined the Company in July 2011 as Chief Operating Officer and continues in that role.

Mr. Molkenthin has held a variety of positions throughout his career and has over 25 years' experience in Australia and Internationally in a wide range of business environments at all levels in Corporate Finance and business operations and was, more recently, Chief Financial Officer and Commercial Manager at the engineering consultancy, Lycopodium Minerals Pty Limited, part of the ASX listed Lycopodium Limited group of companies. Previous experience encompasses capital raising, IPOs and corporate restructuring in the engineering, mining, property and retail sectors.

The Company also advised that non-Executive Director, Mr. Angus Middleton resigned, effective 13 April 2012, in order to avoid any potential conflicts of interest with other business opportunities he is now undertaking.



DAVID SEMMENS
Company Secretary

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Competent Persons Statements

The information in this report that relates to the drilling data and geological interpretations is based on information compiled by Mr V Trashliev who is a member of the South African Council for Natural Scientific Professions ("SACNASP"). Mr Trashliev is responsible for the Mineral Resource modelling and reporting and is an employee of Gemcom Pty Ltd. The Competent Person responsible for the Independent Audit of the Mineral Resource is Mr Andrew Bewsher from BM Geological Services Pty Ltd and is a member of the Australian Institute of Geoscientists (MAIG). Both persons have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and do consent to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Vladislav Trashliev who is a member of the South African Council for Natural Scientific Professions ("SACNASP"). Mr Vladislav Trashliev is an employee of Gemcom Australia Pty Ltd. He has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity that 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 Vladislav Trashliev consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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