

POSCO Confirms Binding Investment Agreement

HIGHLIGHTS

- **POSCO completes final internal approval process for its US\$7.5m equity investment**
- **Positive negotiations continue on an Offtake & Prepayment Agreement**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX:BKT) (**Black Rock** or the **Company**) is pleased to confirm that following the announcement on 17 December 2020, where POSCO Ltd (**POSCO**) signed a term sheet for a US\$7.5m equity placement to advance the development of the Mahenge Graphite Mine, POSCO has completed its final internal approval sign off, with both parties now working to finalise the remaining conditions precedent⁽ⁱ⁾.

POSCO Strategic Alliance

In parallel to finalising POSCO's US\$7.5m equity investment and as part of the Strategic Alliance to develop the Mahenge Graphite Mine, Black Rock and POSCO are advancing the following agreements:

- (i) Offtake & Prepayment Agreement
- (ii) Subscription Agreement to the equity investment
- (iii) Umbrella & Shareholder Rights Deed

Black Rock advises that positive discussions are ongoing with POSCO in relation to the Offtake Agreement including a prepayment facility of up to US\$20m.

(i) Conditions precedent to finalise the POSCO investment include the Australian Government Foreign Investment Review Board approval and the Tanzanian Government Fair Competition Commission approval, both of which are expected to be procedural and routine.

This ASX release was authorised on behalf of the Black Rock Board by:
John de Vries, Managing Director & CEO

For more information:

John de Vries
Chief Executive Officer
Black Rock Mining
+61 438 356 590
jdv@blackrockmining.com.au

Elvis Jurcevic
Investor Relations
irX Advisors
+61 408 268 271
ej@blackrockmining.com.au



About Black Rock

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX:BKT). The Company has a 100% interest in the Mahenge Graphite Project (**Project**) located in Tanzania. The Project has a JORC compliant Mineral Resource Estimate of 212m tonnes at 7.8% TGC. It also has Ore Reserves of 70m tonnes at 8.5% TGC. The Ore Reserves support a mine life of up to 350k tonnes of graphite per annum for a reserve life of 16 years. Since the release of the Mineral Resource Estimate, the Company confirms that it is not aware of any new information or data that materially affects the mineral resources estimate.

In October 2018, the Company released a Definitive Feasibility Study (DFS) for the Project, which was based on strong customer demand. This was enhanced in July 2019 (refer to ASX release 25 July 2019), and demonstrates exceptional financial metrics including:

- *Low Capex:* Lowest peak capital expenditure of US\$116M for phase one*;
- *High Margin:* AISC margin of 63.1%;
- *Low Technical Risk:* Substantial pilot plant operations run of 110 tonnes; and
- *Superior Economics:* IRR of 44.8% with NPV₁₀ of US\$1.16bn (A\$1.65bn**)

In February 2019, the Company announced receipt of its mining licence for the DFS project.

In May 2019, the Company announced it had substantially allocated planned production with up to 255k tonnes per annum of graphite committed to sale by year three of production, through Pricing Framework Agreements (refer to ASX release 8 May 2019). The Company is progressing these agreements into binding offtake commitments.

Following release of the enhanced DFS (eDFS) in July 2019, the Company confirms that it is not aware of any new data or information that materially affects the results of the eDFS and that all material assumptions and, in the case of estimates of Mineral Resources or Ore Reserves, technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The estimated Ore Reserves and Mineral Resources underpinning the production target has been prepared by competent persons in accordance with the requirements in Appendix 5A (JORC Code).

The Company is currently progressing financing discussions and detailed engineering with a view to commencing construction of the mine.

JORC Compliant Mineral Resource Estimate and Ore Reserve***

Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	69.6	8.5	6.0
Total Ore Reserves	69.6	8.5	6.0
Mineral Resources			
- Measured	25.5	8.6	2.2
- Indicated	88.1	7.9	6.9
Total M&I	113.6	8.1	9.1
- Inferred	98.3	7.6	7.4
Total M, I&I	211.9	7.8	16.6



For further information on Black Rock Mining Ltd, please visit www.blackrockmining.com.au

* Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE

** \$AUD/USD 0.70

*** Resource and Ore Reserve Estimates as released to ASX on 8 August 2017 Optimised PFS