

Black Rock Mining Limited

ABN 59 094 551 336

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

15 April 2021

Time of Meeting

11.30am Perth Time

Place of Meeting

The Park Business Centre
45 Ventnor Avenue
WEST PERTH WA 6005

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

BLACK ROCK MINING LIMITED

ABN 59 094 551 336

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Black Rock Mining Limited ABN 59 094 551 336 will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth on 15 April 2021 at 11.30am for the purpose of transacting the following business referred to in this Notice of General Meeting.

AGENDA

1 Resolution 1 – Proposed Issue of Shares to POSCO

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 126,020,001 Shares to POSCO on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (d) an Associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Gabriel Chiappini

Non-executive Director and Company Secretary

Dated: 12 April 2021

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy in accordance with the instructions set out on the Proxy Form.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 10 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.

- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 11.30am (AWST time) on 15 April 2021. Proxies received after this time will be invalid.
- Proxies must be lodged in accordance with the instructions on the Proxy Form.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11.30am (AWST time) on 15 April 2021. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 11.30 (AWST time) on 13 April 2021.

BLACK ROCK MINING LIMITED

ABN 59 094 551 336

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

1 Resolution 1 – Proposed Issue of Shares to POSCO

As announced by the Company on 11 February 2021, the Company entered into a conditional subscription agreement with POSCO on 10 February 2021 (**Subscription Agreement**) pursuant to which the Company will issue 126,020,001 Shares to POSCO in return for a cash payment of US\$7,500,000 (**POSCO Placement**).

POSCO is a diversified Korean industrial company and the world's fourth largest steel producer, with a market capitalisation of approximately A\$25 billion. POSCO, through its speciality chemicals unit, POSCO Chemical Co Ltd, is a global participant in the lithium battery supply chain with dedicated manufacturing facilities for both anode and cathode materials. In March 2020, POSCO Chemical Co Ltd committed US\$178 million to a 16,000 tonne per annum synthetic graphite facility in the Pohang Blue Valley National Industrial Complex, in North Gyeongbuk Province Korea. The POSCO group also holds lithium assets in Argentina and nickel assets in Madagascar.

The key terms of the Subscription Agreement are set out in the Schedule to this Notice. One of the conditions to the Subscription Agreement is the requirement that the Company obtains Shareholder approval to issue the Shares under the POSCO Placement for the purposes of Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that the Company can issue without the approval of its Shareholders over any 12-month period to 15% of the Shares it had on issue at the start of that period.

The proposed issue of Shares pursuant to the POSCO Placement does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. The Company cannot rely on its capacity under Listing Rule 7.1A because the issue price of the Shares to be issued under the POSCO Placement does not satisfy the requirements of Listing Rule 7.1A.3. The Company therefore requires the approval of the Shareholders under Listing Rule 7.1.

Resolution 1 seeks the required Shareholder approval for the proposed issue of Shares under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed:

- the Company will be able to proceed with the POSCO Placement and the Company will issue 126,020,001 Shares to POSCO;
- the Company's cash reserves will increase by US\$7,500,000 (before expenses);
- POSCO will have voting power of 14.97% in the Company;¹ and

¹ Based on the number of Shares on issue at the date of this Notice.

- the total number of Shares on issue will increase from 716,026,284 to 842,046,285 and the existing Shareholders' holdings will be diluted by 17.6% on an undiluted basis and 15.53% on a fully diluted basis.²

In addition, the Shares issued pursuant to the POSCO Placement will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed:

- the Company will not be able to proceed with the POSCO Placement and the Company will not receive the cash consideration of US\$7,500,000;
- the Company's ability to develop the Mahenge Graphite Project in accordance with its current work plan will be materially impacted;
- it is likely that the Company's market valuation will be impacted by the POSCO Placement not proceeding;
- POSCO may elect to terminate negotiations regarding an offtake and prepayment agreement in respect of the Mahenge Graphite Project;
- unless otherwise agreed, the Subscription Agreement will terminate and POSCO's offtake rights (which are summarised in the Schedule) under the Subscription Agreement will lapse; and
- the Company will need to raise additional funds in the short term to continue development of the Mahenge Graphite Project and for working capital purposes.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- the Shares will be issued to POSCO;
- the Company will issue 126,020,001 Shares;
- the Shares will be fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- the Shares will be issued no later than 3 months after the date of the Meeting;
- the Company will receive US\$7,500,000 for the Shares issued under the POSCO Placement;
- the Shares are being issued to raise funds which will be used for the following purposes:
 - carrying out a detailed design of the Mahenge Graphite Project;
 - conducting a pilot scale test for ore processing;
 - developing a graphite product;
 - third party technical due diligence;
 - front-end engineering work; and

² Based on the number of Shares on issue at the date of this Notice and assuming the issue of the Shares to POSCO under the POSCO Placement.

- project development, site works, early stage construction and general corporate costs associated with the development of the Mahenge Graphite Project;
- the material terms of the Subscription Agreement are set out in the Schedule; and
- a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

Recommendation

The Board unanimously recommends Shareholders vote in favour of Resolution 1.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Company means Black Rock Mining Limited ABN 59 094 551 336.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Directors means the directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Mahenge Resources means Mahenge Resources Limited, a corporation having its registered office at Msasani Towers, Second Floor Wing B Dar es Salaam, Tanzania.

Meeting means the General Meeting convened by the Notice.

Notice means this Notice of General Meeting.

Notice of Meeting means this Notice of General Meeting.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in the Notice.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Schedule – Key terms of the Subscription Agreement

The key terms of the Subscription Agreement are as follows:

- (a) **Subscription:** the Company agrees to issue 126,020,001 Shares to POSCO in return for a cash payment of US\$7,500,000.
- (b) **Conditions precedent:** the issue of Shares to POSCO is subject to the satisfaction or waiver (as applicable) of the following conditions precedent:
 - (i) POSCO receiving a notice from or on behalf of the Treasurer under the *Foreign Acquisition and Takeovers Act 1975* (Cth) that the Treasurer does not object to the POSCO Placement, or the Treasurer is precluded from making an order under that legislation in respect of the POSCO Placement;
 - (ii) Shareholders approving the POSCO Placement for the purposes of Listing Rule 7.1;
 - (iii) the Fair Competition Commission of Tanzania giving (i) written notice that section 11 of the Tanzanian Fair Competition Act does not apply to the POSCO Placement, or (ii) merger clearance approval for the POSCO Placement;
 - (iv) no material adverse change in the Company occurring prior to completion; and
 - (v) no government agency restraining, prohibiting or otherwise materially adversely affecting the POSCO Placement.
- (c) **Completion:** unless otherwise agreed, the conditions precedent must be satisfied or waived (as applicable) by no later than 30 June 2021. As at the date of this Notice POSCO has received a no objection notification from the Commonwealth Treasurer in respect of the POSCO Placement. The Company and POSCO are still to receive approval under the Tanzanian Fair Competition Act.
- (d) **Use of funds:** the funds from the POSCO Placement will be used for the following purposes:
 - (i) carry out a detailed design of the Mahenge Graphite Project;
 - (ii) conduct a pilot scale test for ore processing;
 - (iii) develop a graphite product;
 - (iv) third party technical due diligence;
 - (v) front-end engineering work; and
 - (vi) project development, site works, early stage construction and general corporate costs associated with the development of the Mahenge Graphite Project;
- (e) **Offtake and prepayment:**
 - (i) POSCO and the Company must negotiate in good faith and use reasonable endeavours to agree the terms of a cash prepayment facility in favour of Mahenge Resources or another form of capital contribution of between US\$10 to 20 million (**Funding**). Subject to shareholder approval under, or a waiver of, Listing Rule 10.1, the Company will provide security in favour of POSCO to secure the repayment of the Funding;
 - (ii) POSCO has the right to take 100% of the graphite fines concentrate from Module 1 of the Mahenge Graphite Project at an agreed offtake price, as well as the right to make the first offer for graphite fines concentrate for Modules 2, 3 and 4 of the Mahenge Graphite Project; and
 - (iii) POSCO and the Company must negotiate in good faith and use reasonable endeavours to agree and execute definitive prepayment and offtake agreements to reflect these offtake and funding rights before completion of the POSCO Placement.

BKT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:30 AM (AWST) on Tuesday, 13 April 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Black Rock Mining Limited hereby appoint

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the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Black Rock Mining Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, WA 6005 on Thursday, 15 April 2021 at 11:30 AM (AWST) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Proposed Issue of Shares to POSCO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

