

MARCH 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Engineering Design Contract awarded for Mahenge Graphite Mine**
- **25% increase in Measured Resources making Mahenge the largest Measured graphite mineral resource globally**
- **Corporate capability bolstered with key appointments:**
 - **Mr Greg Wheeler - Chief Commercial Officer**
 - **Mr Paul Sims - Chief Financial Officer**
 - **Mr James Doyle - Company Secretary**
- **Project development and debt financing activities ongoing**
- **Market update on graphite prices for Mahenge's products**
- **A\$6.8M cash at bank as at 31 March 2022**

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) (**Black Rock** or the **Company**) is pleased to provide an update on activities at its Mahenge Graphite Mine in Tanzania for the quarter ending 31 March 2022.

Engineering Design Contract

Following a robust process, Black Rock has awarded its Engineering Design contract to highly experienced engineering design, construction and maintenance company, CPC Engineering (CPC). CPC has detailed knowledge of the Mahenge Graphite Mine, having completed Black Rock's Enhanced Definitive Feasibility Study in July 2019. Since then, CPC have provided ongoing technical support to Black Rock leveraging their extensive knowledge in the sector having previously designed Syrah Resources Ltd's (ASX: SYR) Balama graphite project, the largest producing graphite mine in East Africa.

An Integrated Project Management Team has been established responsible for the FEED process in parallel with detailed engineering, with particular focus on earthworks as the initial priority to ensure the Company can be construction ready in the coming months. Global demand for graphite continues to grow, with positive market tailwinds providing Black Rock with an exceptional opportunity to become a major producer of graphite into the clean energy supply chain. Graphite prices have also begun to move and are up ~60% over the last 12-months.

FEED Key Objectives

The objective of the FEED process is to ensure the project is construction ready (subject to completion of finance) in time for the start of the dry season in Tanzania. Key deliverables of the FEED phase include:

- Optimisation of the process plant design by incorporating results of the variability testwork program, pilot plant programs and CPC's expertise in the design of graphite process plants;
- Tender long lead equipment items;
- Provide updated CAPEX and OPEX for project cost and schedule certainty; and
- Enable finalisation of the debt finance process.

Black Rock continues to expand its project delivery and operations teams largely focused on in-country roles that will ultimately deliver the Mahenge Graphite Mine into production. Tender of other critical contracts has also commenced which includes Mining Services, Earthworks and Concrete works packages.

Mahenge Graphite Mineral Resource Update

As part of the Company's ramp up on Project execution activities, Black Rock has completed an update of its Mahenge Mineral Resource designed to provide high confidence to customers and financiers on the planned production output over the first 10 years of operation from the Ulanzi open pit. The 25% increase in Measured Mineral Resource effectively confirms that 100% of the likely loan life is now underpinned by Measured Resource.

Drilling and bulk sampling was completed on the Ulanzi orebody in 2019 but held in storage for final customer qualification. This material was only recently assayed and used as an ore feed and processed in China and Canada as part of Black Rock's 500 tonne qualification processing plant campaign, refer ASX announcement 6th December 2021.

The complete report on the updated Mineral Resource Estimate can be found in Appendix 1 of ASX Announcement: BKT Confirms 25% increase in Measured Resources, 3 February 2022.

Summary of the Mahenge Project JORC Mineral Resource update:

- The global Mineral Resource Estimate for the Mahenge Graphite Project is 213.1M tonnes at 7.8% TGC (Previously 211.9 Mt @ 7.8% TGC). This makes it the fourth largest JORC Mineral Resource globally and it is still open along strike;
- Mineral Resource in the Measured category is now 31.8Mt and Indicated at 84.6Mt, combined representing 55% of the total Mineral Resource;
- 25% increase in the Measured Mineral Resource at Mahenge resulting in the largest Measured Mineral Resource of any graphite developer globally;
- Within this Mineral Resource is a higher grade portion of 43.8Mt @ 10.8% TGC;
- Project de-risking achieved by:
 - i. Delivering the highest grade zones to date and further increasing mineral resource category quality;
 - ii. Metallurgical test work indicates that 99% TGC concentrates can be processed through a relatively simple flotation process for a low energy, and low risk operation;
 - iii. Test work supported by real world data through commercial scale processing of over 600 tonnes of graphite ore through three pilot plant and customer qualification programs; and
 - iv. End-product validation. Independent testing by the Company's offtake partners confirmed that battery grade spherical graphite and high quality expandable graphite can be made from Mahenge concentrates for commercial sale.

**Table 1 – Comparison between the eDFS July 2019 and February 2022
 Updated JORC Compliant Mineral Resource Estimate and Ore Reserve**

Category	eDFS July 2019			Resource Update February 2022		
	Tonnes (Mt)	Grade (%TGC)	Contained Graphite (Mt)	Tonnes (Mt)	Grade (%TGC)	Contained Graphite (Mt)
Measured	25.5	8.6	2.2	31.8	8.6	2.7
Indicated	88.1	7.9	6.9	84.6	7.8	6.6
Inferred	98.3	7.6	7.4	96.7	7.4	7.2
TOTAL	211.9	7.8	16.6	213.1	7.8	16.6

The Company is not aware of any new information or data that materially affects the information included in ASX Announcement: BKT Confirms 25% increase in Measured Resources, 3 February 2022, and all material assumptions and technical parameters underpinning the updated Mineral Resources estimate continue to apply and have not changed.

Corporate

The Company made a number of key appointments that will bolster corporate capability. These included:

- **Mr Greg Wheeler - Chief Commercial Officer**

- Mr Wheeler started his career within PwC before spending 10 years with ship manufacturer Austal, where he was ultimately responsible for managing a team of more than 50 people. He subsequently joined privately owned global trading and shipping player Wellard during a period of significant growth (including public listing) and responding to challenging market conditions, whilst building robust financial systems and processes. Mr Wheeler's initial focus will be on product marketing and logistics as well as assisting with commercial negotiations with key third parties and stakeholders and supporting the construction of the Mahenge Graphite Project through contract execution.

- **Mr Paul Sims - Chief Financial Officer**

- Mr Sims is a highly credentialled finance resources executive with over 25 years of executive experience in the resources industry, with previous exposure to zinc, iron ore, cobalt, nickel, and uranium commodities spanning finance and commercial roles at BHP, WMC Resources, Minara Resources, and Karara Mining. He has a Bachelor of Business degree from Curtin University and is a Fellow of CPA Australia.

Mr Sims initial focus will be on activities supporting the engagement and structure of project development financing with finance groups currently in train. The Company is currently engaged in discussions with a number of parties with respect to securing project financing for the Mahenge Graphite Mine. Mr Sims will commence his role with Black Rock on 26 April 2022.

The appointment fills the role on a permanent basis, which up to now has been a part-time consulting role provided by Mr Dale Hanna since August 2019. Mr Hanna will continue to support the Company to enable a smooth transition. The Board would also like to thank Mr Hanna for his valuable contribution during his tenure as CFO.

- **Mr James Doyle - Company Secretary**

- Mr Doyle is an experienced advisory and governance professional specialising in the provision of company secretarial and corporate advisory services to public and private companies across a range of sectors including resources, industrials and information technology. Mr Doyle replaces Mr Gabriel Chiappini who will continue to serve as a Non-Executive Director.

During the quarter, the Company changed its registered office and principal place of business to:

Black Rock Mining Limited
Level 1, 1 Walker Ave
West Perth WA 6005
Ph: +61 8 6383 6200

Project Development and Debt Financing Activities

The Company made significant progress on its debt financing activities during the quarter with Independent Expert site visits completed and reporting underway. Black Rock is targeting 50-60% debt via traditional project finance which it is aiming to finalise over the next few months.

Major construction activities are expected to commence in Q3 CY22 and based on a 15-month construction period, the Company is targeting first production from Module 1 in Q4 CY23.

Market update on graphite prices for Mahenge's products

The markets for Mahenge's graphite products continue to be well supported, with prices across all types of graphite up 22% year-on-year according to Benchmark Mineral Intelligence (**BMI**). Fines prices have been particularly strong, rallying 30% to over US\$800/t.

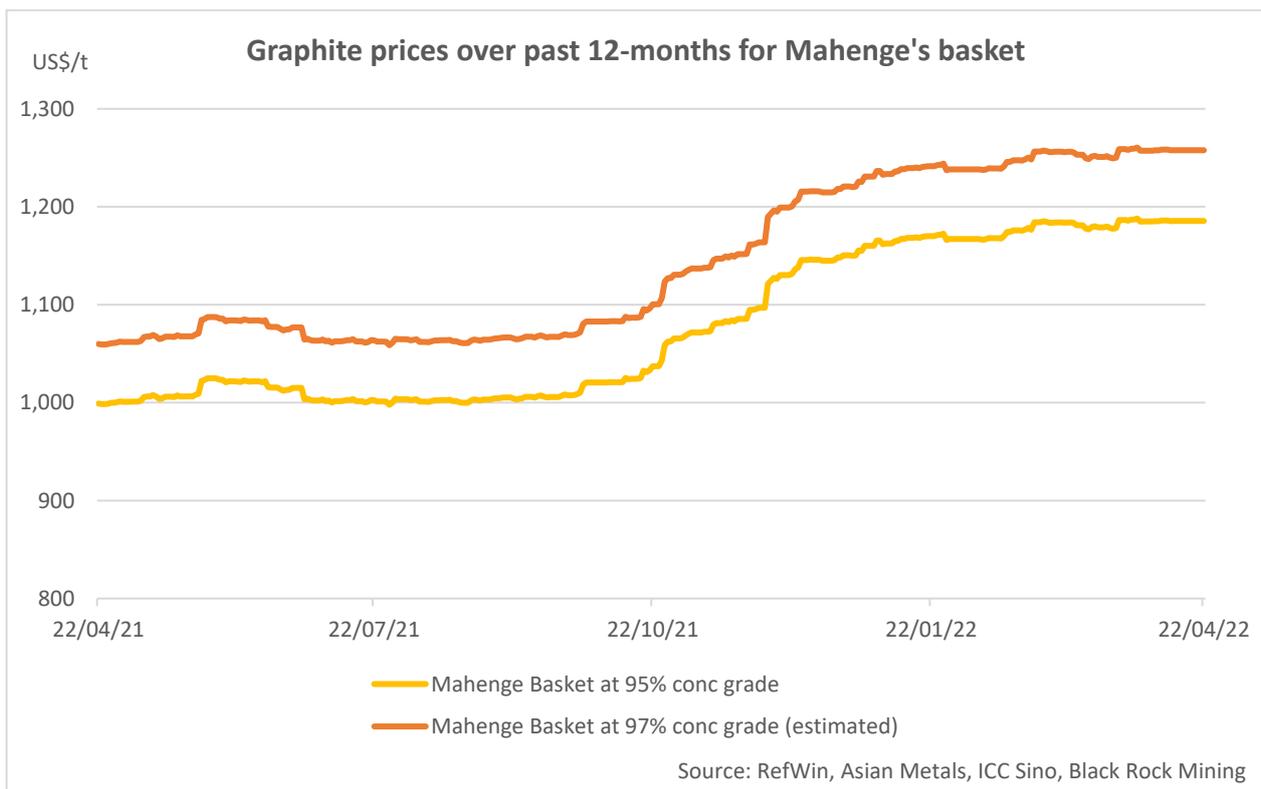
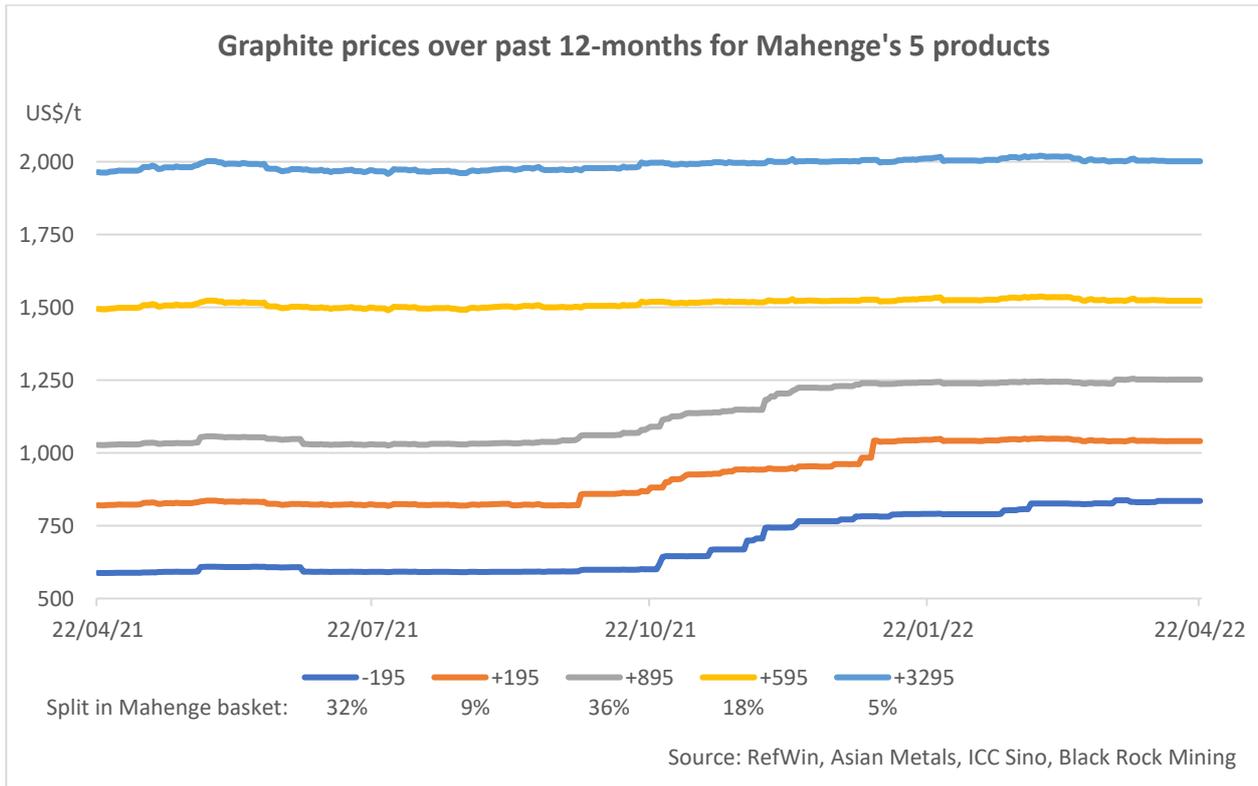
BMI reports spot prices have been exacerbated by short term supply disruption of the European market due to a loss of supply from the Ukraine and Ural Graphite's Taginka mine in Russia..

Cyclones in Madagascar and Covid cases in China have also caused logistical disruptions, combined with low stock builds into last years' winter shutdown.

Demand from the EV sector remains strong, BMI said in its latest graphite price update for February.

"Meanwhile, near-term demand for flake graphite continued to increase, with robust electric vehicle (EV) sales and production figures globally indicating heightened consumer acceptance and sustained demand for EVs, despite a reduction in subsidies at the beginning of the calendar year within China, the world's largest EV market," analysts from BMI wrote.

"As a result, anode producers worldwide, especially Chinese majors such as BTR New Energy and Shinzoom, continued to accelerate project expansions and plan significant new production facilities in order to meet the appetite of cell manufacturers, improving the mid-term demand outlook for flake graphite from the battery market."



Capital Management

The Company had cash reserves of A\$6.8M as at 31 March 2022.

Payments to, or to an associate of, a related party of the entity during quarter

During the quarter A\$309,000 was paid to related parties of the Company relating to executive director salary, non-executive director fees and company secretary fee.

Summary of the exploration expenditure incurred during the quarter

	A\$'000
Consulting	169
Site costs	86
Test work	192
Pilot Plant	-
RAP (Resettlement planning)	337
Total	784

Tenement summary

License number	Opening	Additions	Disposals	Closing
ML 611/2019*	100%	-	-	100%
ML 612/2019*	100%	-	-	100%
PL 11486/2020*	100%	-	-	100%
PL 10427/2014*	100%	-	-	100%

* Located in the Mahenge region of Tanzania. No farm-in or farm-out agreements were entered into during the quarter.

~ Tenement not renewed at its second annual renewal date.

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

Steuart McIntyre
GM Corporate Development
Black Rock Mining
 +61 413 555 609
 sm@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 Mine (the **Project**) located in Tanzania. The Project has a JORC compliant Mineral Resource Estimate of 213m 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 (ASX Announcement 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**)

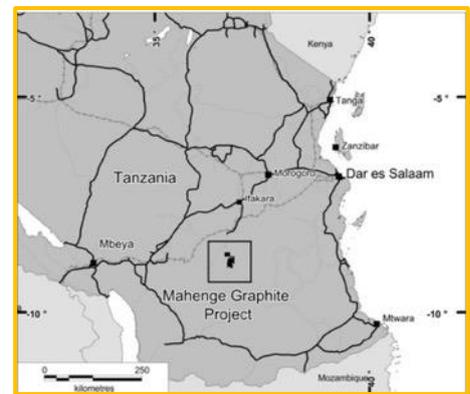
Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan with clear title to the eDFS project area.

In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of the Mahenge Graphite Mine. This included an equity investment of US\$7.5M, signed in February 2021, followed by an offtake agreement, with a US\$10M prepayment facility. Black Rock has also allocated planned production through Pricing Framework Agreements (ASX release 8 May 2019) with five other offtake customers. In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming their 16% Free Carried Interest shareholding, and commitment to jointly develop the world-class Mahenge Graphite Mine. The Company is construction-ready subject to financing.

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).

JORC Compliant Mineral Resource Estimate and Ore Reserve***			
Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	70.5	8.5	6.0
Total Ore Reserves	70.5	8.5	6.0
Mineral Resources			
- Measured	31.8	8.6	2.7
- Indicated	84.6	7.8	6.6
Total M&I	116.4	8.0	9.3
- Inferred	96.7	7.4	7.2
Total M, I&I	213.1	7.8	16.6



Location of Black Rock's Mahenge Graphite Project in Tanzania

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

** \$AU/US 0.70

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

Black Rock Mining Ltd
 ACN 094 551 336
 ASX: BKT

Australian Office
 Level 1, 1 Walker Ave
 West Perth WA 6005
 Ph: +61 8 6383 6200
 E: info@blackrockmining.com.au

Tanzanian Office
Mahenge Resources Ltd
 Msasani Towers
 Second floor Wing B
 Dar es Salaam
 Ph +255 719 382 631

Directors
 Richard Crookes Chairman
 John de Vries Managing Director & CEO
 Gabriel Chiappini Non-Executive Director
 Ian Murray Non-Executive Director

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Black Rock Mining Limited

ABN

59 094 551 336

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(583)	(1,267)
(e) administration and corporate costs	(278)	(953)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material):	-	-
- Project financing	(154)	(179)
- Marketing	(98)	(148)
- Foreign subsidiary costs	(196)	(637)
1.9 Net cash from / (used in) operating activities	(1,309)	(3,184)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) Entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(25)	(25)
(d) exploration & evaluation (if capitalised)	(784)	(3,658)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(809)	(3,683)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	410	2,275
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	400	2,246

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,648	11,343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,309)	(3,184)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(809)	(3,683)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	400	2,246
4.5	Effect of movement in exchange rates on cash held	(139)	69
4.6	Cash and cash equivalents at end of period	6,791	6,791

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,501	5,433
5.2	Call deposits	2,148	3,073
5.3	Bank overdrafts	-	-
5.4	Other (provide details):		
	- Cash backing credit cards	45	45
	- Cash backing lease	97	97
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,791	8,648

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	309 ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

¹ Payments relate to executive director salary, non-executive director fees and company secretary fees. During the period John de Vries was paid a short term incentive bonus and salary increase.



7. Financing facilities		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	-
7.5	Unused financing facilities available at quarter end	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
Not applicable		

8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,309)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(784)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(2,093)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	6,791
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5 + Item 8.6)	6,791
8.7	Estimated quarters of funding available (Item 8.7 divided by Item 8.3)	3.2

8.9 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

9. Tenement summary

In accordance with ASX Listing Rule 5.3.3 below is the Company's tenement holdings at quarter end.

License number	Opening	Additions	Disposals	Closing
ML 611/2019 *	100%	-	-	100%
ML 612/2019 *	100%	-	-	100%
PL 11486/2020 *	100%	-	-	100%
PL 10427/2014 *	100%	-	-	100%

* Located in the Mahenge region of Tanzania. No farm-in or farm-out agreements were entered into during the quarter.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2022

By the Board of Black Rock Mining Limited

Authorised by:

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this

quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.