

Black Rock Signs MOU for Grid Power Supply to Mahenge

HIGHLIGHTS

- **Black Rock has signed a non-binding MOU with Tanzania Electric Supply Company Limited (TANESCO) to collaborate on the construction of a 220kV transmission line to the Mahenge Graphite Project**
- **The MOU envisages a new grid power connection and supply to the Mahenge Graphite Project and includes the broader regional electrification of local villages including the Ulanga district**
- **Grid power differentiates Black Rock:**
 - **positions the Mahenge Graphite Project in the lower quartile of the cost curve via, diesel free low-cost grid power;**
 - **renewable, hydro sourced power will reduce carbon footprint enhancing green credentials;**
 - **regional electrification supports external funding options.**
- **Black Rock is progressing discussions with several parties to explore funding for the power line infrastructure outside of the Mahenge Graphite Project**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX: **BKT**) (**Black Rock** or the **Company**) is pleased to announce that it has signed a non-binding Memorandum of Understanding (**MOU**) with Tanzania Electric Supply Company Limited (**TANESCO**) to collaborate on the construction of a 220kV transmission line to the Mahenge Graphite Project, and local towns, including the Ulanga District.

TANESCO Grid Power Supply MOU

The enhanced Definitive Feasibility Study (**eDFS**) for the Mahenge Graphite Project considered grid power connection to support the Company's aim for a highly differentiated and sustainable operation. An MOU was executed between Black Rock's Tanzanian subsidiary, Faru Graphite Corporation Limited (**Faru**), and TANESCO, that aims to build the infrastructure to support reliable, renewable and low-cost grid power. The parties will cooperate to develop a 220kV transmission line from Ifakara to Mahenge, including an associated substation for a distribution network within Ulanga District to supply power in Mahenge town and the Ulanga District at large.

One of the key differentiating features of the Mahenge Graphite Project will be access to low-cost grid power in Tanzania. Grid power generation in Tanzania currently is sourced from ~40% hydroelectric and ~60% natural gas with the proportion of hydroelectricity forecast to grow. As a result, graphite from Mahenge is forecast to have a very low carbon intensity compared to peers and is likely to have one of the lowest carbon footprints of any graphite project globally. Access to a clean and low-cost power source will also support Project economics by delivering a sustainable and low-cost base that drives a higher margin operation.

Black Rock is exploring options to bring forward the construction of the power line to align with first production from Module 1. The Company is currently in discussions with several parties to explore funding for the power line infrastructure project with TANESCO in parallel and separate to the Mahenge Graphite Project.

Key terms of the MOU include:

- Identify and conduct the relevant studies and surveys related to implementation of the project;
- Design, finance, construction, commissioning and operation of the project;
- Negotiate and enter into relevant project implement agreements;
- Construction of a 220kV transmission line and associated 220/33kV substations at Ifakara and Mahenge (Ndororo), with the line to start from Ifakara and extend to the Mahenge substation;
- Construction of the relevant 33kV distribution network within Ulanga District to supply power in Mahenge town and Ulanga District at large;
- Construction of the 33kV feeder distribution network from the Mahenge substation to site of the Mahenge graphite project; and
- Any other activity relevant for the implementation of the project

Commenting on the MOU with TANESCO, Black Rock CEO, John de Vries, said:

“Grid power will provide Mahenge Graphite Project with a massive multiplier effect through:

- *Low-cost sustainable power which should lock in our position in the lowest quartile of the cost curve;*
- *Low carbon which will differentiate our product in key consumer markets; and*
- *The provision of reliable power for the Ulanga and Mahenge areas, driving the win-win relationship developed under our government Framework Agreement and ratified by the Special Mining Licence.*

This MOU follows recent stakeholder discussions and presentations in Tanzania as part of a whole of Government workshop forum which focused on collaboration to achieve key outcomes for the Mahenge Graphite Mine operation.

Critically, as we navigate the debt and equity finance process, investors should look at this outcome and gain confidence that Black Rock and Faru are focused on our long-term plan to deliver a world-class, sustainable and responsible graphite project at Mahenge.”

This ASX release was authorised on behalf of the Black Rock Board by:

John de Vries, Managing Director & CEO

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About Black Rock

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX:**BKT**). The Company has an 84% interest in the world-class Mahenge Graphite Project (**Mahenge**) located in Tanzania. Mahenge 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 Resource Estimate.

In October 2018, the Company released a Definitive Feasibility Study (**DFS**) for Mahenge, which was based on strong customer demand. This was enhanced (**eDFS**) in July 2019 (ASX Announcement 25 July 2019). Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan with clear title to the eDFS project area.

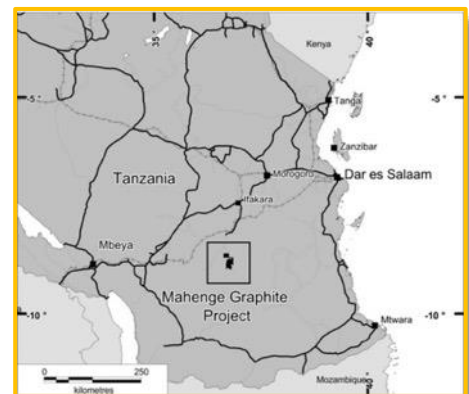
In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of Mahenge. This included an equity investment of US\$7.5M, signed in February 2021, followed by an offtake agreement, with a US\$10M prepayment facility. In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming their 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licences into a Special Mining Licence (SML) and committed to jointly develop Mahenge. The Company is construction-ready subject to financing and issue of the SML.

Black Rock completed a FEED process (Front End Engineering Design) in September 2022, re-estimating the capital and operating costs for Mahenge as part of the debt financing process. The FEED work confirmed Mahenge as a robust project with attractive returns. Key project metrics comprise:

- *Tier 1 Scale:* Mahenge has a resource of over 200mt and the 2nd largest graphite reserve globally
- *Modular development approach:* Module 1 Capex of US\$182m*;
- *1st quartile on the global cost curve:* Adjusted C1 Cash cost of US\$359/t**
- *Attractive projected returns:* Unlevered IRR post-tax, post free carry of 36%***
- *Substantial upside potential:* NPV_{10 nominal} post-tax, post free carry of A\$2.1bn or US\$1.4bn***

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 2 estimate with accuracy of ±10% as defined by AACE

** Adjusted for larger proportion of higher value large flake compared to global peers

*** Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

**** Resource Estimate as released to ASX on 3 February 2022: BKT Confirms 25% increase in Measured Resources and Ore Reserve Estimates as released to ASX on 8 August 2017: BKT delivers Exceptional Optimised PFS