

DECEMBER 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **MOU Signed with TANESCO for Grid Power Supply to Mahenge**
- **Front End Engineering Design (FEED) process completed, reconfirming Mahenge as a Tier 1 scale project with attractive forecast returns**
- **Black Rock's Tanzanian joint venture company, Faru Graphite Corporation Limited, held stakeholder presentations in a whole of government forum in Dodoma, Tanzania**
- **Debt financing activities progressing well, Black Rock seeking credit-approved term sheets in Q1 CY23. Lender site visits planned for February 2023**
- **Graphite prices improved during the quarter, back above US\$1,200/t for the Mahenge basket (see Chart 6)**
- **One-off RAP compensation payments of A\$6.5M made during the quarter (only A\$66k outstanding)**
- **A\$11.0M cash at bank as at 31 December 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 Project (**Mahenge** or the **Project**) in Tanzania for the quarter ending 31 December 2022 (**the Quarter**).

MOU Signed with TANESCO for Grid Power Supply to Mahenge

On 5 December 2022, Black Rock announced it had signed a Memorandum of Understanding (**MOU**) with TANESCO, the government-owned Tanzania power supply authority. The enhanced Definitive Feasibility Study (**eDFS**) for Mahenge 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 Project is 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 share of hydroelectricity forecast to grow. As a result, graphite produced 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 forecast first production from Module 1. The Company is currently in discussions with several parties to explore funding options for the power line infrastructure project with TANESCO in parallel and separate to the 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 to the Project site; and
- Any other activity relevant for the implementation of the Project

Front End Engineering Design completed

On 10 October 2022, Black Rock released the results of the FEED work stream and eDFS Update for Mahenge. The Company engaged highly experienced engineering design and construction company, CPC Engineering¹ (CPC) to complete FEED for Mahenge which was designed to ensure the Project is construction ready, subject to finance. Key deliverables of the FEED work included detailed engineering, cost estimation, schedule optimisation, development of Project Execution and Operational Readiness plans, and tenders for long lead equipment items.

The FEED works and supporting Environmental and Social Impact Assessment (ESIA) updates have been subject to an Independent Technical Expert (ITE) review as part of a project debt financing process for Mahenge. The completion of FEED works enables the Company to update the Project metrics and progress the debt finance process prior to a Final Investment Decision.

Table 1 – eDFS Update: Robust Project with Attractive Returns

eDFS Update		Key Project Metrics	Expert Consensus ^{**} price forecast	Fastmarkets price forecast
Initial capex for Module 1	US\$M	182		
Average C1 Cash Costs over first 10 years	US\$/t	466		
Steady state production	ktpa	347		
Graphite Price Forecast for Mahenge Basket	US\$/t		1,709	2,563
NPV post-tax, post 16% Govt free carry	US\$M		1,376	2,837
IRR post-tax, post 16% Govt free carry	%		36	55
Payback Period (post construction)	Years		3.8	2.7

Note: Based on all 4 modules, NPV is unlevered and based on a 10% nominal discount rate. The Executive Summary of the eDFS Update is provided in the Black Rock release dated 10 October 2022. The Reserves & Resources for Mahenge did not change as a result of FEED or the eDFS Update.

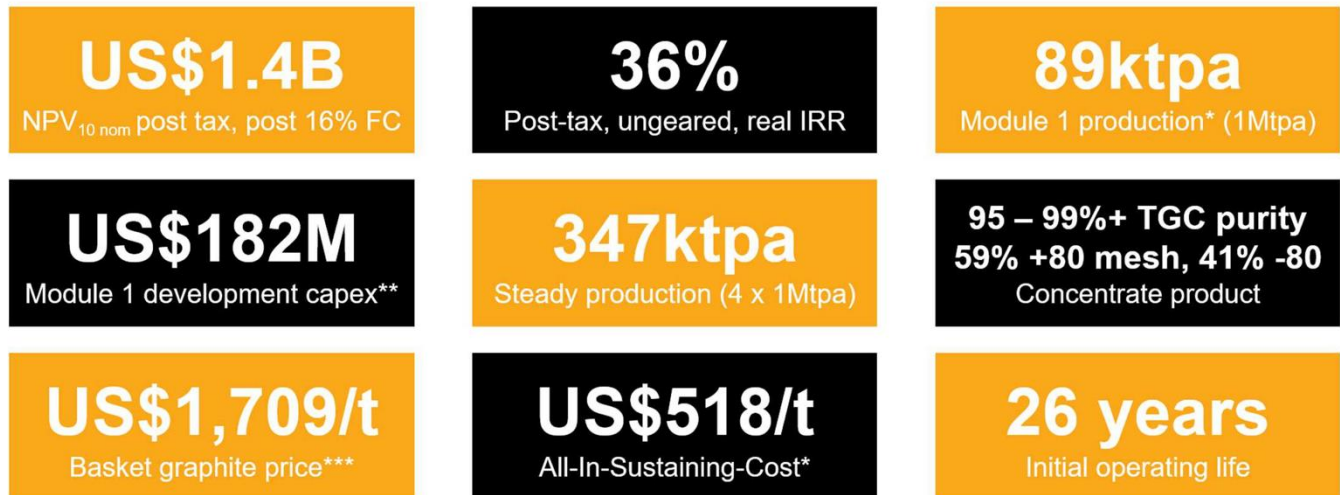
* Forecast Capex has been classified as a Class 3 estimate with accuracy of $\pm 10\%$ as defined by AACE International

** Expert Consensus is the average price forecast for Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie over the first 10 years as outlined in Chart 3 below.

¹ CPC is one of the most experienced engineering companies when it comes to building graphite mines in Africa. CPC has been working with Black Rock on Mahenge since 2018.

A snapshot of the Mahenge Graphite Project

Simple open pit mine development with outstanding forecast returns¹



¹All technical parameters, including in the estimation of Mineral Resources or Ore Reserves, underpinning the estimates continue to apply and have not materially changed. The estimated Ore Reserves and Mineral Resources underpinning the production and financial forecasts were prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC Code). Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE International. *Average over first 10 years. **Excludes US\$33m to bring the power line forward for grid power from year 1. Black Rock is exploring options to fund the power line externally. ***Expert Consensus based on the average graphite price forecast from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie over the first 10 years.



FEED Outcomes

All targeted outcomes were achieved by the FEED work for Module 1 which has been reviewed by an ITE. The ITE was selected from a shortlist of potential candidates based on discussions and feedback with potential project finance lenders. In its report for lenders, the ITE wrote:

"No fatal flaws were identified in any of the areas of the Project with the underlying studies completed by BKT having reached a DFS level of confidence."

Key outcomes of the FEED workstream included:

- Finalisation of Project execution strategy and key technical decisions;
- Optimised plant design;
- Technical documents required for detailed plant design;
- Confirmation of commercial graphite product types to customer specifications;
- Refined budget, scope and schedule for the Project;
- Documented Project procedures and systems; and
- Preparation and progress of tenders for key long lead procurement items.

Findings from the FEED work come against a backdrop of steady increases in the graphite price and an exceptionally strong supply-demand market outlook.

Based on the FEED work, the updated capital cost estimate for the development of the Project is US\$182M, including a contingency allowance of US\$22M or 13.8% (US\$22M/US\$160M). The updated capital cost breakdown by segment is shown in Table 2 below.

Table 2 – Updated Initial Capex for Mahenge Graphite Project

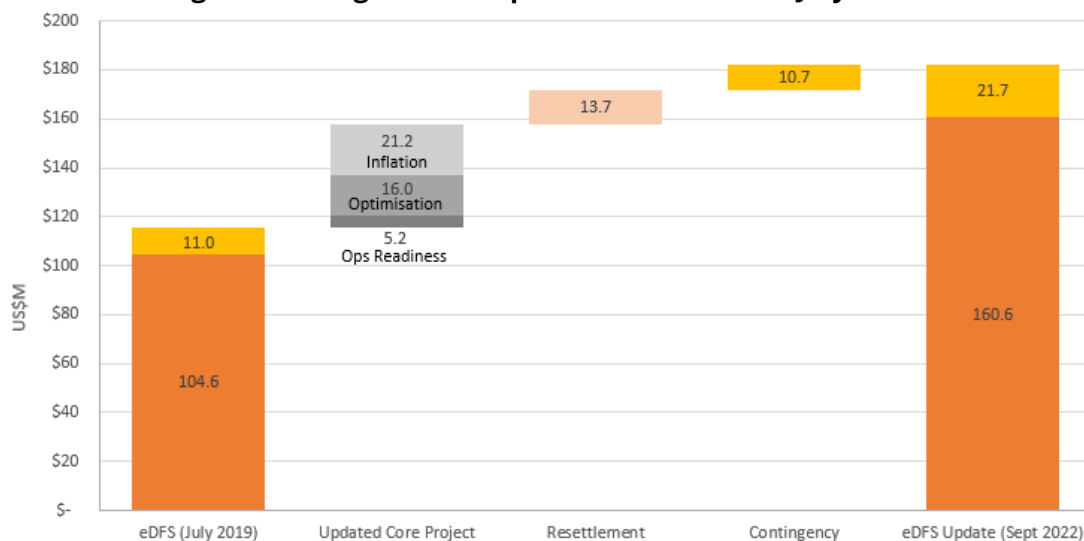
	eDFS, July 2019 US\$M	eDFS Update, Sept 2022 US\$M	Change %
Mining	10	11	3%
Ifakara	1	1	-7%
Process Plant	51	70	38%
Infrastructure	14	29	106%
Site Support	2	1	-29%
Indirect costs	10	6	-39%
Owners Costs	13	25	92%
Village / Resettlement	3	17	466%
Contingency	11	22	97%
Total	116	182	58%

Note: Forecast Capex has been classified as a Class 3 estimate with accuracy of $\pm 10\%$ as defined by AACE International. Percentages based on exact figures including decimal places (not whole numbers).

The increase in capex since the eDFS in July 2019 was driven by:

- Inflation in the cost of building materials, labour, energy and other consumables (32% of the increase);
- Project optimisation and debottlenecking enhancements to improve the flowsheet and to provide additional operational flexibility to de-risk the production of high-purity graphite concentrates (24% of the increase);
- An increase in the cost of relocation and resettlement to ensure the Company adheres to the highest global standards of ESG compliance and community stakeholder engagement (21% of the increase); and
- Additional contingency added (16% of the increase).

The ESIA has been updated to reflect Project evolution and to ensure full compliance with the updated Equator Principles (**EP4**) and the IFC Performance Standards.

Chart 1 – Change in Mahenge Initial Capex Since the eDFS in July 2019


Source: Black Rock Mining FEED Outcomes

Changes to the Mahenge Graphite Project since the eDFS in July 2019

Black Rock released a detailed eDFS for Mahenge in July 2019 and in most respects the Project is largely unchanged since the eDFS. However, the key changes to the project since July 2019 comprise:

- A move to contract mining instead of owner operator mining;
- An increase in throughput for Module 1 to 1.15Mtpa during the first ~5 years while mining oxide;
- Optimised project layout and flow sheet to incorporate lessons learned from 500t pilot plant; and
- A 20-month construction period (previously 15-18 months) reflecting current supply chain disruptions.

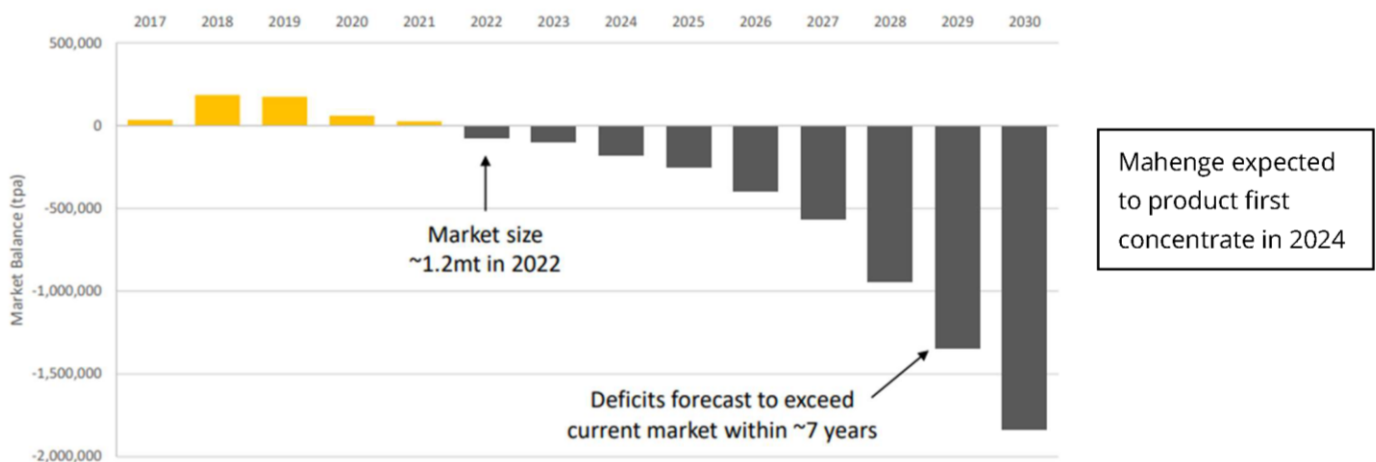
All other material assumptions underpinning the production target, and the forecast financial information derived from the production target set out in the Executive Summary of the eDFS Update in the Black Rock release date 10 October 2022.

Graphite market industry context

Lithium-ion batteries contain 7-10x more graphite than lithium by volume and as the mainstream adoption of electric vehicles gathers pace, several experts are forecasting substantial deficits in graphite markets.

The size of the natural flake graphite market in 2022 is a relatively modest ~1.2Mt and Benchmark Mineral Intelligence expects substantial graphite supply deficits over the next few years which provides a very promising outlook for graphite prices. By 2029, Benchmark expects the market deficits to exceed the entire graphite supply today, as highlights in the chart below:

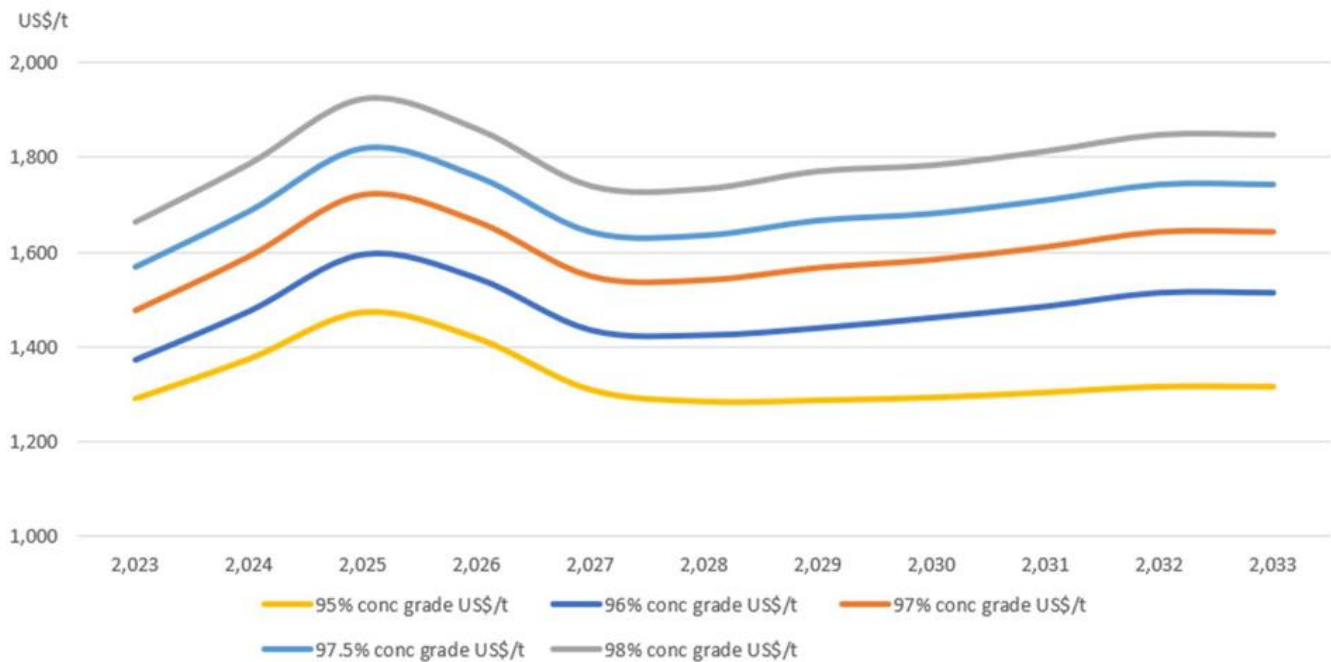
Chart 2 – Structural Deficits in Natural Graphite Predicted from 2022



Sources: Public releases, Benchmark Mineral Intelligence, Black Rock Mining

Fastmarkets is expecting natural graphite demand to outstrip supply and effectively forecasting a basket price for Mahenge’s graphite products of US\$2,563/t over the first 10 years of production, which compares to a current basket price of ~US\$1,200/t.

Black Rock has utilised Expert Consensus graphite price forecasts based on the average graphite price forecasts provided by Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie. The chart below provides a summary of Expert Consensus for Mahenge’s basket of graphite products at a range of concentrate purities. Through the largest volume pilot plant program in the industry which processed over 600t of ore, Black Rock has demonstrated the ability to produce graphite concentrates up to 97-98%.

Chart 3 – Expert Consensus Graphite Price Forecast for Mahenge Basket


Source: Expert Consensus comprises average graphite forecast prices provided by Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

Table 3 – Project Sensitivity to Graphite Prices

Graphite Price US\$/t	Price Change %	NPV* US\$M	NPV Change %	IRR** %	IRR Change %
1,385	(20%)	835	(39%)	27%	(26%)
1,558	(10%)	1,106	(20%)	32%	(13%)
1,731***	-	1,376	-	36%	-
1,904	10%	1,645	20%	41%	12%
2,077	20%	1,914	39%	45%	23%

* Unlevered NPV post-tax, post free carry at 10% nominal discount rate, based on all 4 Modules

** Unlevered IRR post-tax, post free carry

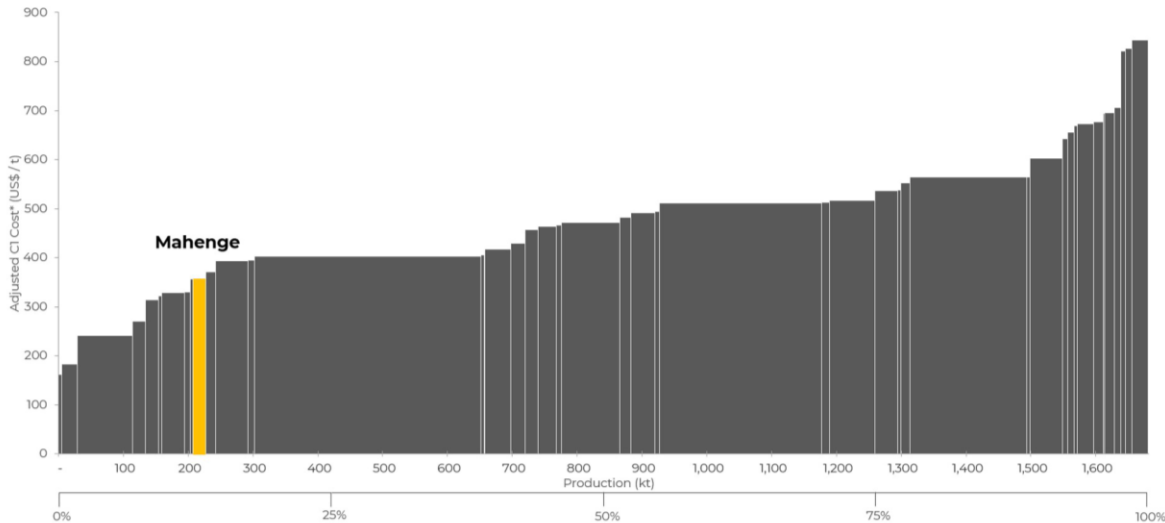
*** Expert Consensus based on the life of mine average forecast prices from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

Mahenge confirmed a 1st quartile graphite project on the global cost curve

Black Rock has prepared the 2024 Adjusted C1 Cost Curve below based on data provided by Benchmark Mineral Intelligence in its Flake Graphite Report Q2 CY22. The analysis confirms that Mahenge is well positioned compared to its global peers and sits comfortably within the first quartile of the cost curve. This analysis is conservative on several fronts:

- This chart ignores the benefit of Mahenge’s much higher purity concentrates than most peers, which could potentially improve Mahenge’s relative position by US\$40-60/t per 1% above 95% pricing;
- Benchmark’s data does not include Black Rock’s highest value +32 mesh product and so the higher revenue expected from this product has also been ignored. The analysis for the chart assumes Black Rock’s +32 mesh product is sold at the lower +50 mesh prices understating Mahenge’s advantage compared to peers;

- Mahenge's costs have been updated to Sept 2022 prices, but some of the peer data is several years old and has not been escalated. Escalating the peer data should potentially improve Mahenge's relative position.

Chart 4 – 2024 Adjusted C1 Cost Curve*


Sources: Benchmark Mineral Intelligence Flake Graphite Report Q2 CY22, Black Rock Mining, Company Data

*C1 Costs adjusted for flake size distribution: Based on forecast pricing for 94-95% in 2024, Mahenge's average price is forecast to be US\$107/t above the peer average due to a higher proportion of large flake. Mahenge's Adjusted C1 Costs of US\$359/t are based on C1 Costs of US\$466/t less the US\$107/t for above average revenue compared to the peer group.

Ignores the benefit of Mahenge's higher purity concentrates of up to 98% which could potentially improve BKT's relative position by up to ~US\$40-60/t per 1% above 95% pricing.

Offtake discussions with Urbix

On 9 September 2022, Black Rock signed a Conditional Framework Agreement with Urbix Inc in relation to selling fines offtake from Module 2 in exchange for a substantial prepayment or equity support. Under the Conditional Framework Agreement, the parties had 150 days to satisfy the conditions precedent, being early February 2023.

Discussions with Urbix are ongoing and on 18 January 2023, Urbix signed a Joint Development Agreement with Korean battery manufacturer SK On providing a strong endorsement of Urbix's graphite processing technology².

Financing Activities

The Company's debt financing activities progressed well during the Quarter and the Company has now received indicative debt terms from a number of lenders. Several lenders are expected to undertake confirmatory site visits to Mahenge in February 2023. The Company is aiming to have credit-approved term sheets from lenders by the end of March 2023 quarter and will then proceed to mandate the lead arrangers.

In parallel, after approval of the Special Mining License in Sept 2022 and updating the capex for Mahenge in October 2022, the Company has had strong interest from parties looking to invest in Mahenge and a number of groups have already signed confidentiality agreements and are undertaking due diligence.

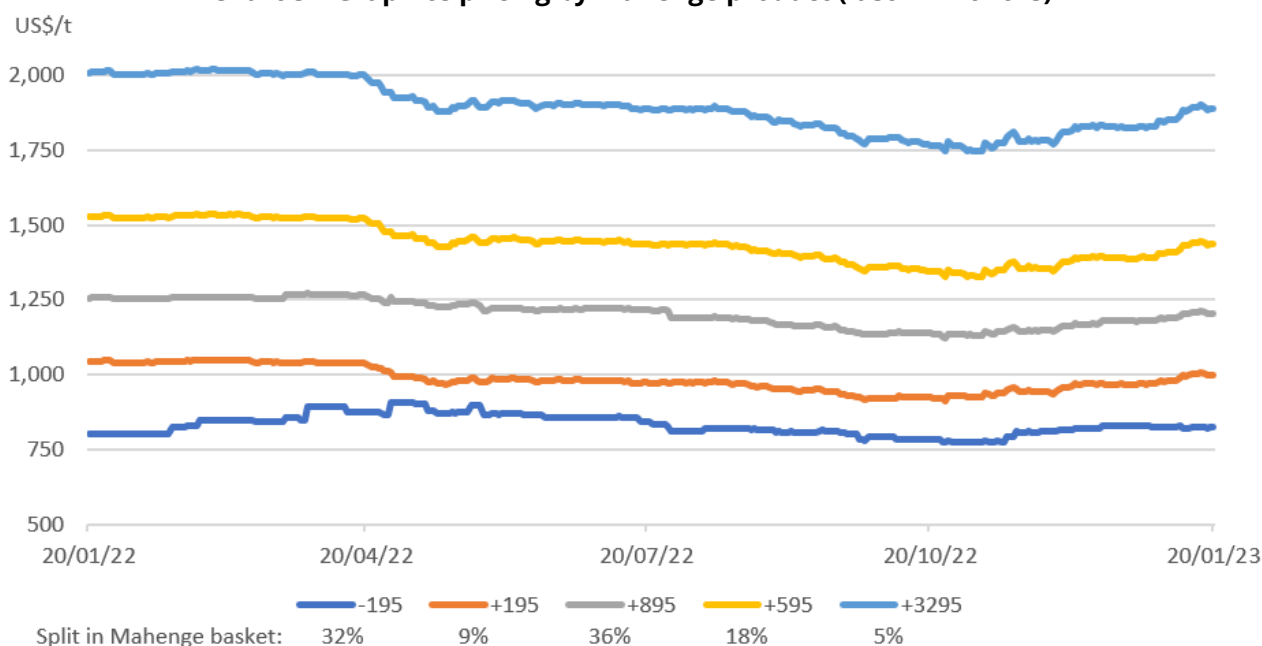
The Company is continuing to explore a range of options to finance Mahenge with a view to securing the best value per share outcome for shareholders and is encouraged by the level of interest to date. These options

² <https://eng.sk.com/news/sk-on-to-work-with-u-s-graphite-processor-to-develop-anode-materials>

include traditional debt and equity, selling offtake rights for Modules 2, 3 and 4, selling a stake at the Project level as well as several other options.

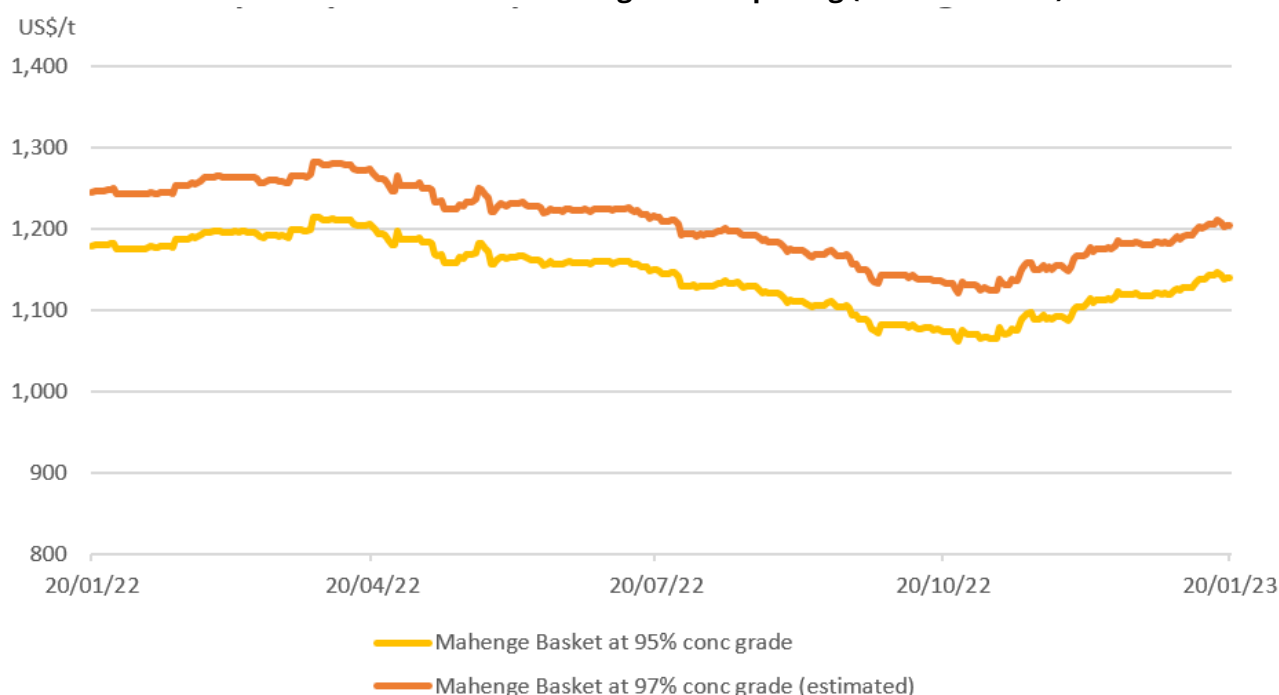
Graphite Prices

Chart 5 – Graphite pricing by Mahenge product (last 12 months)



Source: RefWin, Asian Metals, ICC Sino, Black Rock Mining

Chart 6 – Consolidated Mahenge basket pricing (last 12 months)



Source: RefWin, Asian Metals, ICC Sino, Black Rock Mining

Tanzania local activities

On 17 November 2022, Black Rock Managing Director (**MD**), John de Vries, along with Faru Chief Executive Officer (**CEO**), Alimiya (Ali) Osman, held stakeholder discussions and presentations in Dodoma, Tanzania, in a whole of Government Workshop Forum on the Project. The institutions present included the Ministry of Minerals, Tanzania Revenue Authority, Tanzania-Zambia Railway Authority, Tanzania Ports Authority, TANROADS, TANESCO, Ministry of Finance and several others.



The Board of Directors of Faru with Government officials at the Stakeholder Forum in Dodoma. From left: Maruvuko Msechu (Asst. Commissioner for Minerals), Asa Mwaipopo (Director), Alimiya Osman (CEO), Musa Ali Musa (Regional Administrative Secretary for Morogoro Region), John de Vries (Black Rock MD/CEO), Rose Millo (representative of the Treasury Registrar) and Ted Silkiluwasha (Director).



Black Rock MD/CEO John de Vries (left) with Faru CEO Alimiya Osman at the Stakeholder Forum in Dodoma.



The Asst. Commissioner for Minerals, Maruvuko Msechu making a point to the audience during the discussion session at the Stakeholder Forum in Dodoma



The CEO of Faru, Alimiya Osman presenting the infrastructure and other requirements for the success of the Mahenge Graphite Project to government institutions present at the Stakeholder Forum in Dodoma.

Capital Management

The Company had cash reserves of A\$11.0M as at 31 December 2022.

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

During the quarter A\$359,000 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	901
Site costs	21
Test work	51
Pilot Plant	579
RAP	6,488
Total	8,039

The company made one-off RAP compensation payments of \$6.5m during the quarter (only \$66k outstanding).

Tenement summary

License number	Opening	Additions	Disposals	Closing
PL 10427/2014*	100%	-	-	100%
SML 626/2022*	84%	-	-	84%
PL 21382/2022*	84%	-	-	84%

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

Forward Looking and Cautionary Statements

This announcement contains forward-looking statements. Wherever possible, words such as “intends”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this announcement reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Several factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully, and investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company’s actual costs, results, events, prospects, and opportunities to differ materially from those expressed or implied by such forward looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated, or intended, including those risk factors discussed in the Company’s public filings. Any forward-looking statements are made as of the date of this announcement, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

Mineral Resources and Ore Reserves, Production Target and Forecast Financial Information

The information in this announcement that relates to estimates of Mineral Resources and Ore Reserves has been extracted from the Company's ASX announcement released on 3 February 2022 titled "BKT Confirms 25% increase in Measured Resources." Black Rock confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The results of the eDFS Update including the production target and forecast financial information derived from the production target are summarised in the Executive Summary of the eDFS Update released on the ASX on 10 October 2022 (Initial Public Report). The Company confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target in the Initial Public Report continue to apply and have not materially changed. The Ore Reserve and Mineral Resource estimates underpinning the production target have been prepared by a Competent Person in accordance with the requirements in Appendix 5A of the JORC Code 2012. The production target has been prepared by a Competent Person in accordance with the requirements in Appendix 5A (JORC Code).

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement released on 3 February 2022 titled "BKT Confirms 25% increase in Measured Resources."

This ASX release was authorised by the Board of Black Rock.

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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

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 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(963)	(1,958)
(e) administration and corporate costs	(353)	(696)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	40
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	(245)	(527)
- Marketing	(21)	(132)
- Foreign subsidiary costs	(478)	(929)
1.9 Net cash from / (used in) operating activities	(2,034)	(4,202)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(264)
(c) property, plant and equipment	(95)	(545)
(d) exploration & evaluation	(8,039)	(11,294)
(e) investments	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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	(8,134)	(12,103)
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	755	760
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(4)
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	751	756
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,453	26,234
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,034)	(4,202)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,134)	(12,103)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	751	756

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(10)	341
4.6	Cash and cash equivalents at end of period	11,026	11,026

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	1,790	9,251
5.2	Call deposits	9,094	11,060
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)	11,026	20,453

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	359 ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>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.</i></p> <p>1. <i>Payments relate to executive director salary, non-executive director fees and company secretary fees.</i></p>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,034)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(8,039)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(10,073)
8.4 Cash and cash equivalents at quarter end (item 4.6)	11,026
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	11,026
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: Cash flows for the next quarter are expected to significantly reduce as the majority of the "one off" expenditure relating to Resettlement Action Plan was incurred during the December quarter.	
8.8.2 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: Yes, the Company continues to progress the Mahenge Graphite Project for a Final Investment Decision which necessarily includes initiatives to raise development capital (both debt and equity).	

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

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

Answer:

Yes, refer to Item 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 23 January 2023

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

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.