

MARCH 2023 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **MOU signed with Tanzania Zambia Railway Authority (TAZARA) for the transportation of graphite from the Mahenge Graphite Project**
- **Black Rock welcomed to its Australian office H.E. Baraka H. Luvanda, Ambassador Extraordinary & Plenipotentiary (Ambassador to Japan, Australia & New Zealand), and Mr Greyson J. Ishengoma, Counsellor & Head of Chancery, from the Embassy of the United Republic of Tanzania**
- **Lenders hosted by Black Rock management at the Mahenge Graphite Project site**
- **Debt financing process well advanced with management seeking credit-approved term sheets from lenders in Q2, CY23**
- **Other financing options being considered in parallel, including potentially bringing in a partner at the Project level as a less dilutive option than equity. Interest received from industry participants, OEMs, mining companies, mining private equity funds and sovereign wealth funds**
- **ESG and Sustainability Principles developed to support the Company's focus on transitioning the Mahenge Graphite Project through to production**
- **A\$7.6M cash at bank as at 31 March 2023**

Tanzanian graphite developer Black Rock Mining Limited (ASX: BKT) (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 March 2023 (the **Quarter**).

MOU Signed with Tanzania Zambia Railway Authority (TAZARA)

An MOU was executed between Faru Graphite Corporation Limited (**Faru**) (Black Rock's Tanzanian subsidiary) and TAZARA. The agreement establishes a framework for a binding agreement to transport graphite produced by Black Rock at Mahenge to the Port of Dar es Salaam, via an existing railway siding and rail lines owned by TAZARA. The agreement includes provision for track rights as well freight haulage.

The objectives of the MOU are designed to support cost-effective key logistics requirements for Black Rock's planned operations at Mahenge, with key terms including:

- Ability for TAZARA to transport 89,000 metric tons of graphite produced from Module One, ramping up to 344,000 metric tons in full production from Module Four;
- Rail transportation and access for graphite products to the high-volume container port of Dar es Salaam via the existing railway and sidings;
- Determine an appropriate operating regime (run-when-ready or dedicated train path) that will best support Black Rock's intended operation at Mahenge;
- Provide secure storage facilities; and
- Provide Customers pre-clearance to facilitate smooth transit of cargos.

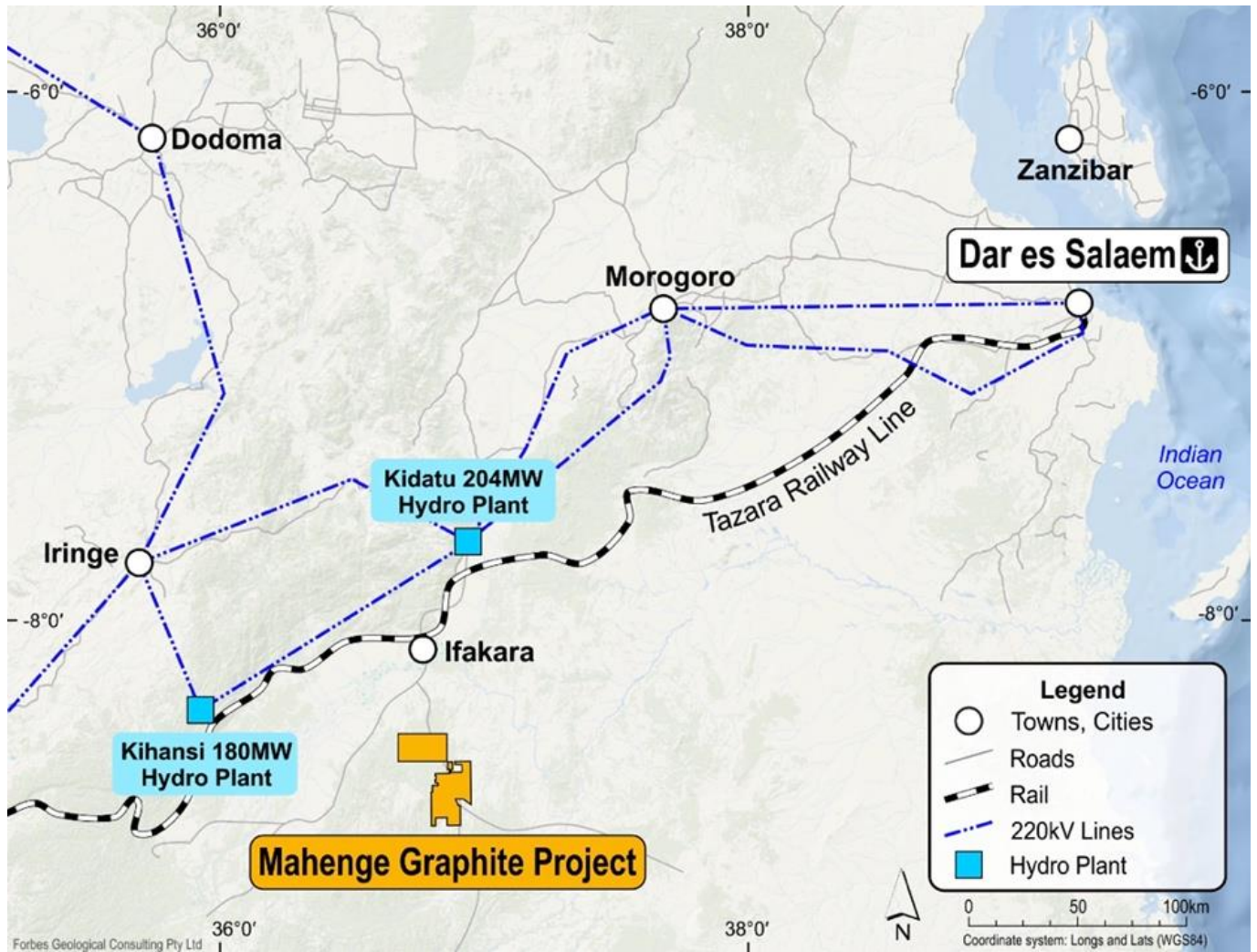


Figure 1: The location of Black Rock’s Mahenge Graphite Project adjacent to the TAZARA railway line with direct access to the deep water port of Dar es Salaam

Black Rock Office Visit by Embassy of the United Republic of Tanzania

The Company welcomed, post quarter end, H.E. Baraka H. Luvanda, Ambassador Extraordinary & Plenipotentiary, and Mr Greyson J. Ishengoma, Counsellor & Head of Chancery, from the Embassy of the United Republic of Tanzania to the Black Rock office in Perth.

Black Rock is proud of the strong relationships built in Tanzania as part of its whole of Government approach. The team discussed the importance of Mahenge as part of the broader growth trajectory for Tanzania becoming a major graphite and critical minerals hub.

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Directors
 Richard Crookes
 John de Vries
 Ian Murray

Chairman
 Managing Director & CEO
 Non-Executive Director



Figure 2: Black Rock welcomed to its Australian office H.E. Baraka H. Luvanda, Ambassador Extraordinary & Plenipotentiary, and Mr Greyson J. Ishengoma, Counsellor & Head of Chancery, from the Embassy of the United Republic of Tanzania.

Financing Activities

Debt financing activities progressed during the quarter with Black Rock management pleased to host several lenders for confirmatory site visits with positive feedback received. Debt financing activities are now well advanced with the Company assisting several lenders through the final stage due diligence and approval with a view to seeking credit-approved term sheets in the second quarter CY2023.

In addition, the Company is also advancing other financing options in parallel, including potentially bringing in a partner at the project level as a less dilutive option than equity. Black Rock has been encouraged by the level of interest received from industry participants, OEMs, mining companies, mining private equity funds and sovereign wealth funds. Macquarie Bank was appointed post quarter end to manage the partner process.

Tanzania Local Activities

Faru Appointment

Mr David Griffiths was appointed as GM, Mahenge. Mr Griffiths has over 20 years’ experience within the mining and mineral processing sector, leading large operational teams in Australia and Africa working across a broad range of commodities including graphite, iron ore, and mineral sands.

His experience extends across a broad range of overall site operations roles including safety, personnel management, budgeting, asset management, productivity, and work management.

Mr Griffiths is well credentialed heading into the Mahenge Graphite Project having been the General Manager for Syrah Resources’ Balama Graphite Operations in Mozambique, as well as Operations Manager at Strandline Resources/Jacana Resources in Tanzania. He brings significant mining operations experience in both green-field and brown-field large scale projects.

Resettlement

Resettlement compensation to Project Affected Persons (**PAPs**) at Mahenge is largely completed. Some minor inconsistencies are being resolved, and critically, the initial Project area is now available for commencement of construction.

Graphite Market Outlook and Prices

Fastmarkets published graphite market commentary on 13 March 2023² the highlights of which are summarised below:

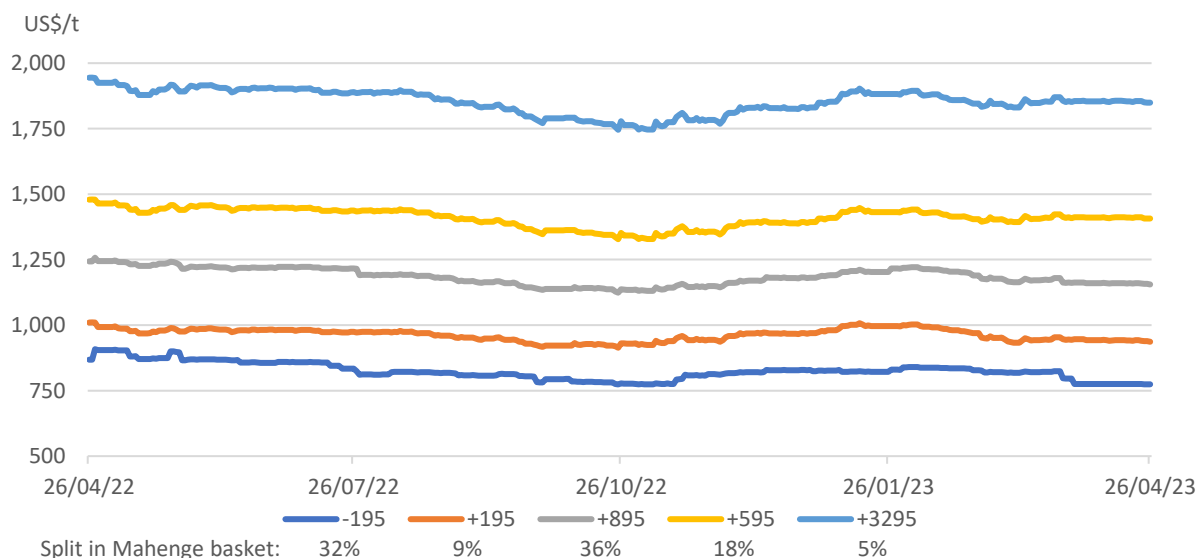
- Natural graphite conc prices for -194 softened 8% YTD to 2 March to US\$770-770/t FOB China due to an end in Chinese EV subsidies in January 2023 and other factors
- A few key quotes from the article include:

But Fastmarkets research expects stronger demand and that restocking activity will propel prices higher in the second half of the year.

"With demand for graphite from the battery sector forecast to rise by 37% year-on-year in 2023, we expect the current pricing lull to prove temporary. We see demand growth outpacing supply in the second half of 2023,"

And the market is expected to tighten further in 2024, with continuing growth in demand exceeding the likely increases in supply.

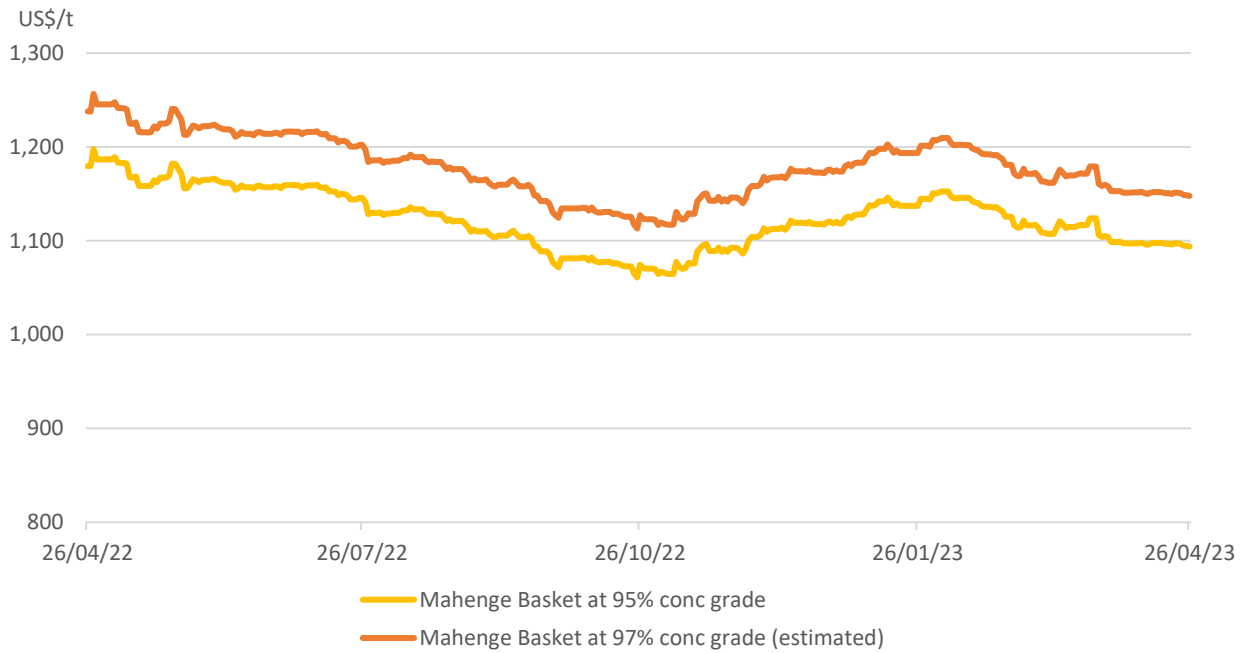
"Deficit conditions will worsen in 2024, with demand for graphite from the battery sector forecast to rise by a further 29%, while delays to new natural graphite projects persist, propelling prices higher through 2024."



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

Figure 3: Graphite Prices over last 12-months for Mahenge's 5 products

² <https://www.fastmarkets.com/insights/graphite-anode-market-a-rocky-road-ahead>



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

Figure 4: Graphite Prices over last 12-months for Mahenge's basket

Black Rock Sustainability and ESG Principles

As Black Rock advances through the final stages of developing and transitioning the Mahenge Graphite Project through to production, the Company has developed its ESG and Sustainability Principles to be shared with all stakeholders. These Principles are designed to:

- Provide visibility on Black Rock's blueprint for confidence in the Project in both investment and offtake markets;
- Outline the Company's unique advantages that provide a competitive position and underpin Black Rock's ability to deliver a real and sustainable operation; and
- Confirm its commitment to the sustainable economic transition of Tanzania through support for community and social development.

The ESG and Sustainability Principles document and letter from the CEO can be found on the Black Rock website in the Corporate Governance section.



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Capital Management

The Company had cash reserves of A\$7.6M as at 31 March 2023.

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

During the quarter A\$164,000 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	828
Site costs	33
ESIA	470
RAP	12
Total	1,343

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.

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

John de Vries, Managing Director & CEO

For more information:

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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 SML for Mahenge was issued in September 2022. The Company is now construction-ready subject to financing.

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

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 John de Vries Managing Director & CEO
 Ian Murray Non-Executive Director

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 March 2023

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	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,110)	(3,068)
(e) administration and corporate costs	(465)	(1,161)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	63
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	(242)	(769)
- Marketing	(39)	(171)
- Foreign subsidiary costs	(413)	(1,342)
1.9 Net cash from / (used in) operating activities	(2,246)	(6,448)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(264)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	(75)	(620)
	(d) exploration & evaluation	(1,343)	(12,637)
	(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	(1,418)	(13,521)

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	264	1,024
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(7)
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	761	1,017



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,026	26,234
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,246)	(6,448)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,418)	(13,521)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	261	1,017
4.5	Effect of movement in exchange rates on cash held	5	346
4.6	Cash and cash equivalents at end of period	7,628	7,628

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	1,214	1,790
5.2	Call deposits	6,172	9,094
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Cash backing credit cards	145	45
	- Cash backing lease	97	97
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,628	11,026

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	164 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.*



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. 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)	(2,246)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,343)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,589)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,628
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,628
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.1
	<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: n/a	
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: n/a	

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:

n/a.

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: 28 April 2023

Authorised 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.