

## Black Rock signs US\$179m Agreement with DBSA, IDC and CRDB to develop Mahenge

### HIGHLIGHTS

- **Black Rock signs Agreement with**
  - The Development Bank of Southern Africa (DBSA);
  - The Industrial Development Corporation of South Africa (IDC); and
  - Tanzanian lender CRDB Bank (CRDB)
- **The Agreement provides US\$179m in loan and bank guarantee facilities to fund the development of the Mahenge Graphite Project, comprising:**
  - US\$113m Construction Term Loan
  - US\$20m Revolving Credit Facility (working capital)
  - US\$20m Cost Overrun Facility
  - US\$26m Bank Guarantee Facility (rehabilitation bonding)
- **These facilities are in addition to the US\$50m being provided by POSCO, comprising the recently approved US\$40m equity investment in Black Rock and the US\$10m prepayment facility**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX: **BKT**) (**Black Rock, BKT** or the **Company**) is pleased to confirm Black Rock and its 84%-owned Tanzanian subsidiary, Faru Graphite Corporation (**Faru**) have signed a Facilities Agreement (**Agreement**) with DBSA, IDC and CRDB to provide US\$179m in funding to develop the Mahenge Graphite Project (**Mahenge**). The Agreement is subject to satisfaction of customary conditions precedent and approval by the Bank of Tanzania.

The Agreement includes four facilities and contains terms and conditions typical for facilities of this kind. The key commercial terms are summarised in Schedule 1.

The purpose of the US\$113m Construction Term Loan is for the construction of Mahenge Module 1 and associated infrastructure, including the 220kV power line from Ifakara to Mahenge connecting the whole community to 220kV power and opening up a host of new business opportunities for the entire region.

Black Rock was advised on the debt financing by ICA Partners, Ashurst, and Clyde & Co.

#### **Commenting on signing the Facilities Agreement, Black Rock CEO, John de Vries, said:**

*"We are extremely pleased to have concluded our debt financing process for Mahenge and to be signing the Facilities Agreement with a group of such high calibre lenders.*

*Today's announcement represents a major de-risking milestone for Black Rock towards funding the development of the Mahenge Graphite Project.*

*We look forward to working with DBSA, IDC and CRDB to develop Mahenge for the benefit of all our stakeholders."*



**Above: The Facilities Agreement Signing Ceremony with DBSA, IDC and CRDB in Johannesburg after market close on 13 September 2024. Attendees from left to right are Nina Yose, Head of Infrastructure, IDC; Russell Wallace, Manager – Legal Services, IDC; Lungile Tom, Head of Project Finance, DBSA; Abdulmajid Mussa Nsekela, CRDB Group CEO and Managing Director; John de Vries CEO Black Rock Mining; Richard Crookes, Chairman, Black Rock Mining.**

**About The Development Bank of Southern Africa (DBSA)**

The Development Bank of Southern Africa is one of the leading African Development Finance Institutions, wholly owned by the Government of South Africa. The DBSA has a mandate to accelerate sustainable socio-economic development in South Africa, the Southern African Development Community (**SADC**) and the wider Sub-Saharan Africa by driving financial and non-financial investments in the social and economic infrastructure sectors.

**About The Industrial Development Corporation of South Africa (IDC)**

The Industrial Development Corporation of South Africa is a state-owned institution that provides financial support to promote economic growth and development in South Africa. IDC funds viable businesses to enhance industrial capacity and contribute to the economic growth of South Africa and the African continent. IDC emphasizes on labour-intensive industrialization, whether it is created directly through its funding of companies or by enabling downstream activities. IDC supports businesses to drive key development outcomes that ultimately lead to equitable economic growth, creating and sustaining jobs.

**About CRDB Bank (CRDB)**

CRDB Bank Plc is a commercial bank in Tanzania established in 1996. It is licensed by the Bank of Tanzania and was listed on the Dar es Salaam Stock Exchange in June 2009. CRDB is one of East Africa’s leading banks, serving retail, micro, small & middle businesses and large corporates in the markets of Tanzania, Burundi and Democratic Republic of Congo. CRDB Bank is also the largest commercial bank in Tanzania. In 2019, CRDB was accredited by the UN Green Climate Fund and in 2023, CRDB Bank became the first bank in Sub Saharan countries to issue the largest green bond, aimed at raising funds to support projects which are environmentally friendly.

**About POSCO**

POSCO Holdings Inc is a large South Korean steel conglomerate with a market capitalisation of over US\$20bn with a large and growing battery materials business. POSCO Holdings Inc's 60%-owned battery business is called POSCO Future M Co., Ltd (previously known as POSCO Chemical). POSCO Future M Co., Ltd produces both cathodes and anodes and in 2022 was the world's largest anode producer outside China. POSCO Future M Co., Ltd plans to grow its anode business from 82ktpa in 2022 to 347ktpa by 2030. POSCO International Corporation is South Korea's largest trading company, is 71%-owned by POSCO Holdings Inc and is responsible for securing raw materials for the group.

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

John de Vries, Managing Director & CEO

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**Schedule 1 – Key Terms**

<b>Borrower</b>	Faru Graphite Corporation Limited, an 84%-owned subsidiary of Black Rock Mining Limited	
<b>Lead Arrangers</b>	The Development Bank of Southern Africa ( <b>DBSA</b> ) The Industrial Development Corporation of South Africa ( <b>IDC</b> ) CRDB Bank ( <b>CRDB</b> )	
<b>Commitments</b>	US\$179M in facilities comprising:	
	Term Loan Facility	US\$113m
	Revolving Credit Facility	US\$20m
	Cost Overrun Facility	US\$20m
	Bank Guarantee Facility	Tanzanian Shilling equivalent of US\$26m
<b>Purpose</b>	Term Loan Facility	Mahenge construction costs and other eligible costs
	Revolving Credit Facility	Corporate costs and working capital requirements
	Cost Overrun Facility	Project Cost Overruns
	Bank Guarantee Facility	Mine closure and rehabilitation obligations
<b>Conditions precedent</b>	Customary for debt facilities of this nature, including contributing the required project equity prior to first drawdown and implementation of technical, environmental and social actions.	
<b>Interest</b>	The interest on each facility is based on the Secured Overnight Financing Rate ( <b>SOFR</b> ) plus a margin as set out below:	
	Term Loan Facility	Prior to Project Completion: SOFR + 8% Post Project Completion: SOFR + 6.5%
	Revolving Credit Facility	SOFR + 6%
	Cost Overrun Facility	SOFR + 9.25%
<b>Bank Guarantee fees</b>	1.5% of the aggregate outstanding amount of each Bank Guarantee.	
<b>Tenor</b>	All facilities have a tenor of approximately 7.5 years (91 months from Final Investment Decision)	
<b>Term loan repayments</b>	Quarterly repayments starting after 3.5 years. Bullet payment of any amount outstanding at maturity.	
<b>Other Terms</b>	Customary representations, warranties, undertakings, events of default and security for facilities of this nature and certain other obligations including: <ul style="list-style-type: none"> <li>- Beginning at first production the borrower must have equity support in place via a letter of credit or cash reserve (<b>Equity Support</b>) equal to the next 12 months of debt service.</li> <li>- The borrower must also have sufficient offtake agreements in place to provide 1x debt service cover, otherwise the Equity Support requirement</li> </ul>	

	increases to 24 months debt service. Black Rock expects to have sufficient offtake contracted to satisfy this cover requirement at first production.
<b>Governing Law</b>	England

### Forward looking statements disclaimer

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “estimate”, “target”, “outlook”, and other similar expressions and include, but are not limited to, the timing, outcome and effects of the financing process. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this release speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

## 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. In July 2019 (ASX announcement 25 July 2019), the Company released an enhanced Definitive Feasibility Study (**eDFS**) for Mahenge. Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan.

In June 2020 Black Rock announced a Strategic Alliance with POSCO for the development of Mahenge, including an equity investment of US\$7.5m, followed by an offtake agreement for the fines for Module 1 (32% of volume) plus a US\$10m prepayment facility. POSCO has also signed an MOU for 6ktpa of large flake graphite (7% of volume) increasing POSCO's offtake interest to almost 40% of Module 1. In September 2024, POSCO approved its US\$40m equity investment in Black Rock and secured the fines offtake for Mahenge Module 2.

In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming a 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licences into a Special Mining Licence (**SML**). The SML for Mahenge was issued in September 2022.

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 eDFS Update<sup>1</sup>. The eDFS Update 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 2<sup>nd</sup> largest graphite reserve globally
- *Modular development approach:* Initial Capex of US\$231m<sup>2</sup>;
- *1<sup>st</sup> quartile on the global cost curve:* Adjusted C1 Cash cost of US\$359/t<sup>3</sup>
- *Attractive projected returns:* Unlevered IRR post-tax, post free carry of 36%<sup>4</sup>
- *Substantial upside potential:* NPV<sub>10 nominal</sub> post-tax, post free carry of A\$2.1bn or US\$1.4bn<sup>4</sup>

The Company is now construction-ready subject to securing the balance of funding. On 16 September 2024, Black Rock announced that it had signed the Facilities Agreement for US\$179m in facilities with DBSA, IDC and CRDB.

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).

<b>JORC Compliant Mineral Resource Estimate and Ore Reserve<sup>5</sup></b>			
<b>Ore Reserves</b>	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	70.5	8.5	6.0
<b>Total Ore Reserves</b>	<b>70.5</b>	<b>8.5</b>	<b>6.0</b>
<b>Mineral Resources</b>			
- Measured	31.8	8.6	2.7
- Indicated	84.6	7.8	6.6
<b>Total M&amp;I</b>	<b>116.4</b>	<b>8.0</b>	<b>9.3</b>
- Inferred	96.7	7.4	7.2
<b>Total M, I&amp;I</b>	<b>213.1</b>	<b>7.8</b>	<b>16.6</b>



Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit [www.blackrockmining.com.au](http://www.blackrockmining.com.au)

<sup>1</sup> Refer market announcement dated 10 October 2022: Black Rock Completes Front End Engineering Design, Reconfirming Mahenge as Tier 1 scale project with compelling projected returns. The Company confirms that all the material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original market announcement continue to apply and have not materially changed.

<sup>2</sup> Includes US\$182m for Module 1 capex + US\$33m for power line + US\$16m for early works and other costs (not included in the eDFS Update). Power costs expected to be ~US8c/kWh less a meaningful rebate to recoup the costs of the power line. Forecast Capex has been classified as a Class 2 estimate with accuracy of ±10% as defined by AACE.

<sup>3</sup> Adjusted for larger proportion of higher value large flake compared to global peers. Access to low-cost, hydro-dominated grid power is one of BKT's key competitive advantages.

<sup>4</sup> Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

<sup>5</sup> 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. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources or Ore Reserves in the original market announcements continue to apply and have not materially changed.