

Managing Director's Contract



25 November 2016

Black Rock Mining Limited (ASX.BKT) ("Black Rock Mining" or "the Company") is pleased to advise that it has entered into a new Executive Services Agreement with Managing Director Mr Steven Tambanis. The Board of Black Rock Mining has resolved to adopt a new remuneration package for the Managing Director following progress and development of its Graphite Assets in Tanzania and based on peer group comparatives.

Key terms of Executive Services Agreement

The key terms and conditions of the Executive Services Agreement are as follows:

- (a) The agreement runs for an indefinite term until terminated in accordance with its terms.
- (b) The agreement may be terminated:
 - (i) by Mr Tambanis without cause with 6 months' notice;
 - (ii) by the Company without cause with 6 months' notice; or
 - (iii) immediately without payment or notice for any serious breaches including bankruptcy, material breaches of the employment contract, dishonesty and unlawful behaviour and other significant adverse events
- (c) A base salary of \$330,000 per annum plus 10% superannuation effective from 1 September 2016.
- (d) Subject to Shareholder approval at the AGM scheduled for 30 November 2016, the Company has agreed to issue the following Performance Rights to Mr Tambanis under the Company's Performance Rights Plan:
 - (i) 800,000 Class A Performance Rights which automatically convert into fully paid ordinary shares in the Company ("Shares") upon the Company signing a binding offtake agreement or aggregate binding offtake agreements totalling 50% or more of the current targeted production as outlined in the Company's scoping study, as announced on 22 March 2016, on or before 31 December 2016 (Milestone 1);
 - (ii) 800,000 Class B Performance Rights which automatically convert into Shares upon the Company delivering a positive definitive feasibility study by the Company on its Mahenge project in Tanzania that matches or exceeds the economic model as disclosed in the scoping study released on 22 March 2016 (Milestone 2); and
 - (iii) 800,000 Class C Performance Rights automatically convert into Shares upon the Company achieving a 10 day VWAP of \$0.30 per Share.
- (e) Other industry standard provisions for a senior executive of a public listed company and provisions of Corporations Act for any termination payments.

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