

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

**Black Rock Mining Limited**

ABN

**59 094 551 336**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (i) Unlisted Options<br>(ii) Performance Shares            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (i) 5,000,000 options<br>(ii) 1,000,000 Performance Rights |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Refer Appendix 1   |

+ See chapter 19 for defined terms.

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(i) only once vesting conditions have been met and shares issued</p>
<p>5 Issue price or consideration</p>	<p>(i) Nil  (ii) Nil</p>
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(i) Consultant incentive plan  (ii) as part of incentive equity plan</p>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the <sup>+</sup>securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2016</p>
<p>6c Number of <sup>+</sup>securities issued without security holder approval under rule 7.1</p>	<p>Not Applicable</p>
<p>6d Number of <sup>+</sup>securities issued with security holder approval under rule 7.1A</p>	<p>Not Applicable</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not Applicable
6f	Number of +securities issued under an exception in rule 7.2	Not Applicable
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not Applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1

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7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	3 February 2017									
8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>315,971,433</td> <td>Ordinary fully paid shares</td> </tr> <tr> <td>39,715,000</td> <td>Options \$0.05 25 March 2017</td> </tr> <tr> <td>33,966,656</td> <td>Options \$0.075, 30 November 2018</td> </tr> </tbody> </table>	Number	+Class	315,971,433	Ordinary fully paid shares	39,715,000	Options \$0.05 25 March 2017	33,966,656	Options \$0.075, 30 November 2018	
Number	+Class										
315,971,433	Ordinary fully paid shares										
39,715,000	Options \$0.05 25 March 2017										
33,966,656	Options \$0.075, 30 November 2018										

9	<p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,221,598</td> <td rowspan="3">Escrowed Shares 26-March -2017</td> </tr> <tr> <td>833,334</td> </tr> <tr> <td>333,333</td> </tr> <tr> <td>6,700,000</td> <td>Escrowed Shares 31 March 2017</td> </tr> <tr> <td>3,300,003</td> <td>Options exercisable at \$0.20 expiring on 19 January 2018</td> </tr> <tr> <td>6,000,000</td> <td>Performance Rights 31 December 2018</td> </tr> <tr> <td>5,000,000</td> <td>Options \$0.20</td> </tr> <tr> <td>1,000,000</td> <td>Performance Rights</td> </tr> </tbody> </table>	Number	+Class	1,221,598	Escrowed Shares 26-March -2017	833,334	333,333	6,700,000	Escrowed Shares 31 March 2017	3,300,003	Options exercisable at \$0.20 expiring on 19 January 2018	6,000,000	Performance Rights 31 December 2018	5,000,000	Options \$0.20	1,000,000	Performance Rights	
Number	+Class																		
1,221,598	Escrowed Shares 26-March -2017																		
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5,000,000	Options \$0.20																		
1,000,000	Performance Rights																		

10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	Not applicable
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**Part 2 - Pro rata issue**

11	<p>Is security holder approval required?</p>	Not applicable
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12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable

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27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	Not applicable

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

NOT APPLICABLE

(a) +Securities described in Part 1

NOT APPLICABLE

Entities that have ticked box 34(a)

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

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NOT APPLICABLE

**Entities that have ticked box 34(b)**

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 60px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

***Mr Gabriel Chiappini***  
Director  
3 February 2017

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## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	228,952,506
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>Nil</p> <p>95,054,758</p> <p>Nil</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	324,007,265

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<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	48,601,090
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	6,552,433
“C”	6,552,433
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	48,601,090
<b>Subtract</b> “C” <i>Note: number must be same as shown in Step 3</i>	6,552,433
<b>Total</b> [“A” x 0.15] – “C”	42,048,657  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	324,007,265
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	32,400,726
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
<b>“E”</b>	Nil

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
<b>"A" x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	32,400,726
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> ["A" x 0.10] – "E"	32,400,726 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

## Appendix 1

### Terms & Conditions of the securities issued pursuant to this Appendix 3B

#### *Terms & Conditions of Options*

2,500,000 unlisted options entitling the optionholder to convert one option to one ordinary share in BKT at any time between 1 March 2017 and 30 November 2019 by paying BKT 20c subject to the options vesting on 1 March 2017 if the Contractor has not been terminated before 28 February 2017; and

2,500,000 unlisted options entitling the optionholder to convert one option to one ordinary share in BKT at any time between 1 March 2017 and 30 November 2019 by paying BKT 20c subject to the options vesting on 1 March 2017 if the Contractor has not been terminated before 28 February 2017 and one third vesting at each of the share price milestones below:

- o BKT shares trading at 40c or above for 10 days (833,333 shares)
- o BKT shares trading at 60c or above for 10 days (833,333 shares)
- o BKT shares trading at 80c or above for 10 days (833,334 shares)

#### *Terms & Conditions of Performance Rights*

1,000,000 performance rights convertible into fully paid ordinary shares of the company comprising of and subject to achieving the following milestones:

- **333,333 Class A Performance Rights:** 50% of Class A performance rights to vest upon The Company signing a binding graphite offtake agreement or aggregate binding offtake agreements totalling 10,000 tonnes per annum for a 3 year period on or before 30 June 2017. The remaining 50% to vest upon physical delivery against the binding graphite offtake agreement(s).
- **333,333 Class B Performance Rights:** 50% of Class B performance rights to vest upon The Company in addition to the Class A milestone signing a binding graphite offtake agreement or aggregate binding offtake agreements totalling a further 10,000 tonnes per annum for a 3 year period on or before 30 June 2017. The remaining 50% to vest upon physical delivery against the binding graphite offtake agreement(s). For the avoidance of doubt the total cumulative binding graphite offtake agreements at this stage will total 20,000 tonnes per annum.
- **333,334 Class C Performance Rights:** 50% of Class C performance rights to vest upon The Company in addition to the Class A & Class B milestones, signing a binding graphite offtake agreement or aggregate binding offtake agreements totalling a further 10,000 tonnes per annum for a 3 year period on or before 30 June 2017. The remaining 50% to vest upon physical delivery against the binding graphite offtake agreement(s). For the avoidance of doubt the total cumulative binding graphite offtake agreements at this stage will total 30,000 tonnes per annum.

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