



BLACK ROCK

MINING LIMITED

MAHENGE GRAPHITE PROJECT BEST OF CLASS GRAPHITE PROJECT

Naturally Better Graphite

August 2018 Investor Update



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COMPETENT PERSONS

The information in this report that relates to Exploration Results and Mineral Resource Statements is based on information compiled by John de Vries, who is a member of the AusIMM. He is an employee of Black Rock. John de Vries has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Aidan Patel (Consultant with Patel Consulting Pty Ltd). Mr Barnes and Mr Patel are members of the Australian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes, Mr Patel and Mr de Vries consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The Ore Reserves have been compiled by Oreology Consulting Pty Ltd, under the direction of Mr John de Vries, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr de Vries is a full-time employee of Black Rock Mining and holds performance rights in the company as part of his total remuneration package. Mr de Vries has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

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1. Summary

- **100% Project Ownership** – Black Rock Mining (ASX:BKT) has a 100% interest in the Mahenge Graphite Project located in Tanzania
- **Exceptional PFS** – Optimised PFS completed in Aug 2017 with the following key metrics
 - **Long life and meaningful scale** – Three stage construction to deliver 250k tonnes per annum for 31 years
 - **Low capex** – Pre production capex only US\$90m for 83k tonnes per annum
 - **Cash flow funding** – Stages two and three funded from cash flow
 - **Low opex** – Steady state opex of US\$378 per tonne (likely to be lower with train)
 - **Brilliant financial metrics** – Post tax unlevered NPV₁₀ of US\$905m with IRR of 45.1% inclusive of 16% Government free carry
- **Industry leading graphite** – Industry leading product attributes (concentrate grade and flake size distribution) confirmed by pilot plant
- **Simple processing** – Arguably the most simple process flow sheet in the industry
- **Strong management capability** – Proven management team focused on project execution
- **Path to market established** – Real partners in place
- **Graphite market improving** – Graphite market dynamics becoming increasingly positive

2. Black Rock Overview – Corporate

ASX Ticker	BKT
Share Price	A\$0.044
Shares on Issue	443.7m
Options	64m
Performance Rights	3.4m
Fully Diluted Market Capitalisation	A\$22.5m
Cash on hand as at 30 June 2018	\$1.79m
Top 20 Shareholders	c.50%
Major shareholders	
Copulos Group	21.58%



Key Management



JOHN DE VRIES

CEO and Managing Director

Mining Engineer with over 35 years-experience in mine development and operations. Previously, General Manager Technical Services with St Barbara and integral in the 2014 turnaround. John has held positions at BHP Ni West, and was Global Business Manager, Advanced Mining Solutions with Orica Mining Services. John's geographic experience includes Africa, the Pacific, the FSU, North America and South America.



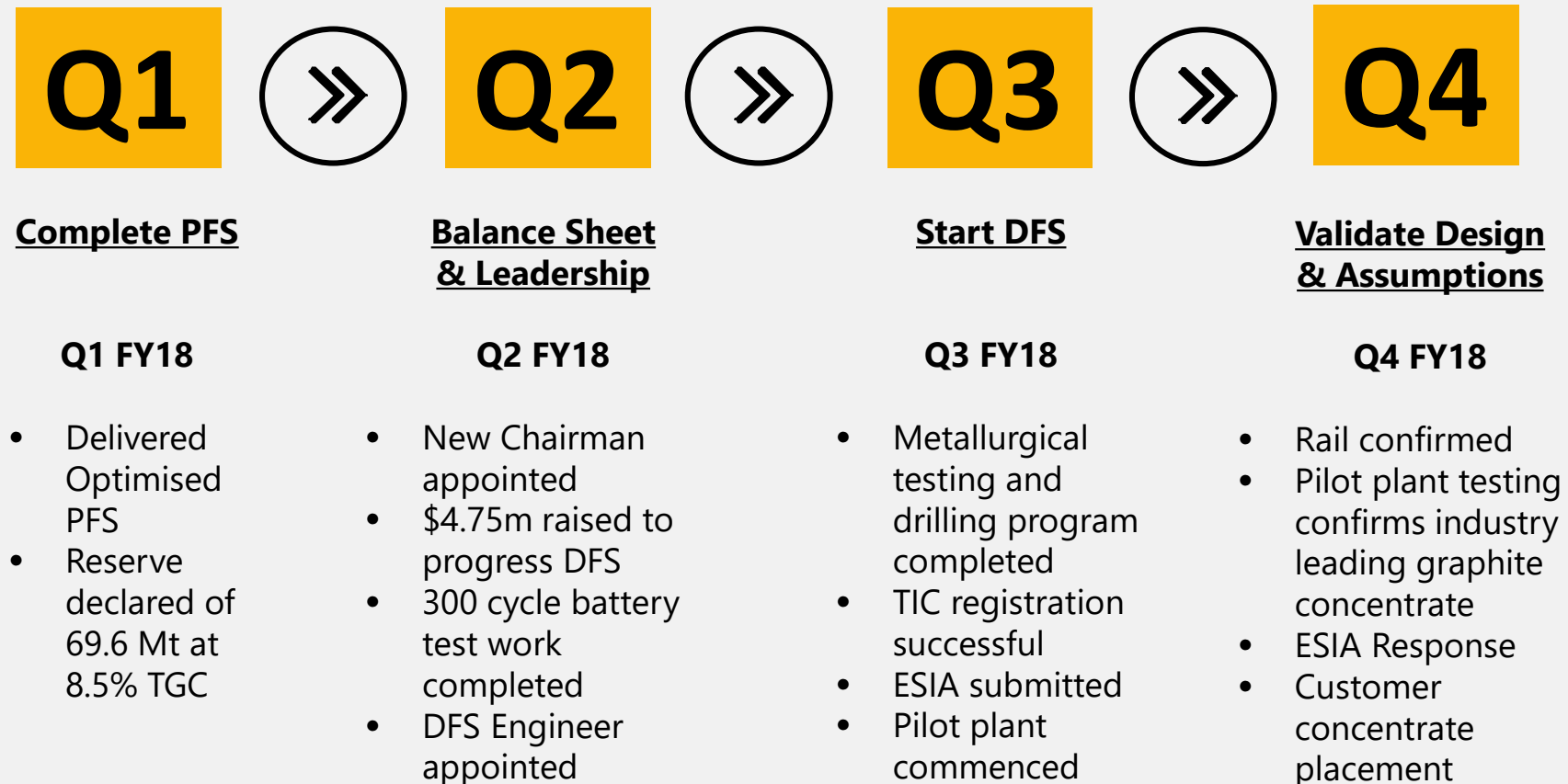
RICHARD CROOKES

Non-Executive Chairman

A geologist with over 28 years executive experience in the resources and investments industry. He is currently an Investment Director of EMR Capital and was formerly a Director of Macquarie Bank's Metals Energy Capital Division and was Chief Geologist with Ernest Henry Mining.

3. Execution – Focused on Delivery

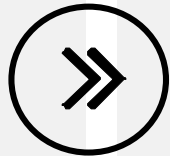
Consistent delivery on promises



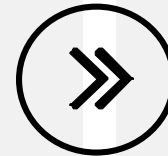
3. Execution – Timeline on track for first product in late CY2019*

Focus on construction ready / FY 19 Targets

Q1



Q2



2H

Study Completion

- ESIA approval
- Resettlement framework approved
- DFS Completed
- Continued offtake conversations
- Commence commercials – Rail, Power, Ports
- Commence financing

Permitting & Contracts

- Mining Licence submitted
- China procurement resolved
- BOT contracts tendered and awarded
- Pilot Plant II completed
- Design Optimization completed

Finance & Construction

- Mining Licence in place
- Offtake in place
- Finance in place
- Construction commenced with commissioning targeted for late CY19

* Timeline is subject to relevant Tanzanian regulatory approval and financing



4. Overview – Mahenge Graphite Project (Location + PFS* metrics)

- **Crawl, Walk, Run Strategy**
- Three stage construction to deliver a maximum of **250k tonnes per annum of 98.5% graphite concentrate for 31 years**. Stages two and three to be funded from free cash flow
- Pre-production capex of **US\$90.1m***
- Steady state opex of **US\$378 per tonne**
- Realistic basket price assumption of **US\$1,241 per tonne delivering an operating margin of US\$863 per tonne**
- Assumed feed grade of **8.5% TGC**
- Life of mine strip ratio of **0.8:1 (early years are 0.5:1)**
- Post-tax unlevered project **NPV₁₀ of US\$905m**
- Post-tax, unlevered **IRR of 45.1%**
- EBITDA in first full year of production **US\$220 million (EBITDA margin of 66%)**

* All material assumptions used in PFS announcement of 8 August 2017 included in this presentation have not materially changed and that the material assumptions continue to apply per that PFS announcement



Basket Price Assumption (US\$ per tonne)	Price Assumption (US\$ per tonne)	NPV ₁₀ (nominal) US\$ m	IRR %
+400	1,641	1,421	62.8
+200	1,441	1,163	54.0
BASE	1,241	905	45.1
-200	1,041	648	36.0
-400	841	390	26.6

Sensitivity Table showing how changes in basket price effect NPV₁₀ and IRR

5. DFS – Pilot Plant Confirms Unique Ore and Product Quality

Purity and size matter

- Approximately 70% of the primary cleaning circuit for the Ulanzi ore product contained flake sizes over 80 mesh (180 microns)
- Primary cleaning delivered a 95% concentrate and a secondary cleaning circuit increased this to 97.5%
- Repolishing delivered world first Ultra +99% concentrate from flotation

97.5% Premium run			
Size		% Retained Individual	Grade C (t) %
Mesh	um		
32	500	1.6	97.3
48	300	25.9	97.5
65	212	32.1	98.2
80	180	16.3	97.3
100	150	9.3	97.5
150	106	7.3	96.9
200	75	3.0	97.6
-200	-75	4.5	96.4
Total (calc)		100	
Total (direct)			
K ₈₀		354	

99% Ultra Run			
Size		% Retained Individual	Grade C (t) %
Mesh	um		
32	500	0.2	99.1
48	300	12.9	99.8
65	212	25.3	99.7
80	180	16.6	98.4
100	150	16.4	99.6
150	106	11.1	99.1
200	75	7.1	99.3
-200	-75	10.4	99
Total (calc)		100	
Total (direct)			
K ₈₀		276	

Tables showing results from initial pilot plant run on Ulanzi ore

5. DFS – Study Executing to Plan

DFS remains on budget and on schedule

- On track for release in September 2018
- High quality study supported by rigorous test work

Engineering

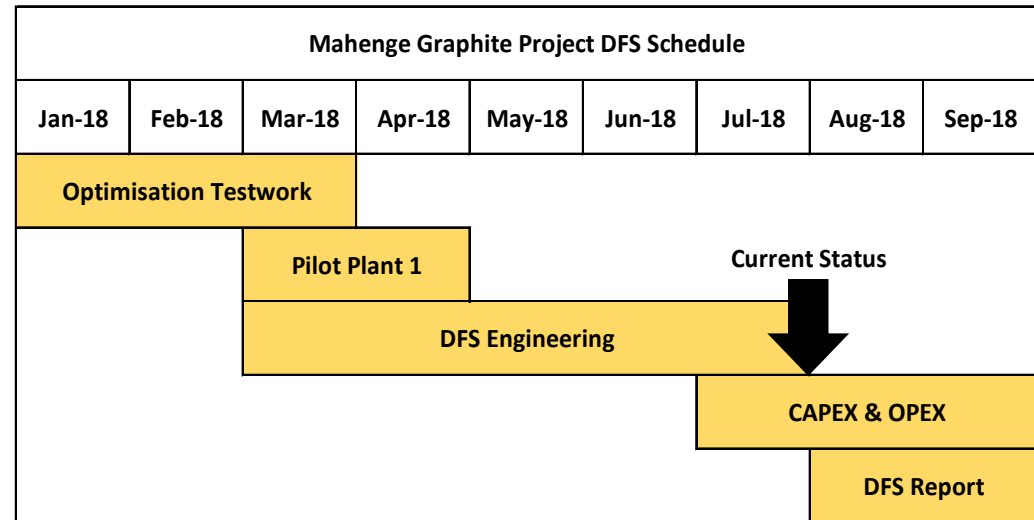
- *Flowsheet complete*
- Vendor testwork and, mechanical selection complete, material off takes commenced

Capex & Opex

- Opex leverage to early grid power & rail
- Capex leverage to global procurement and single sourcing

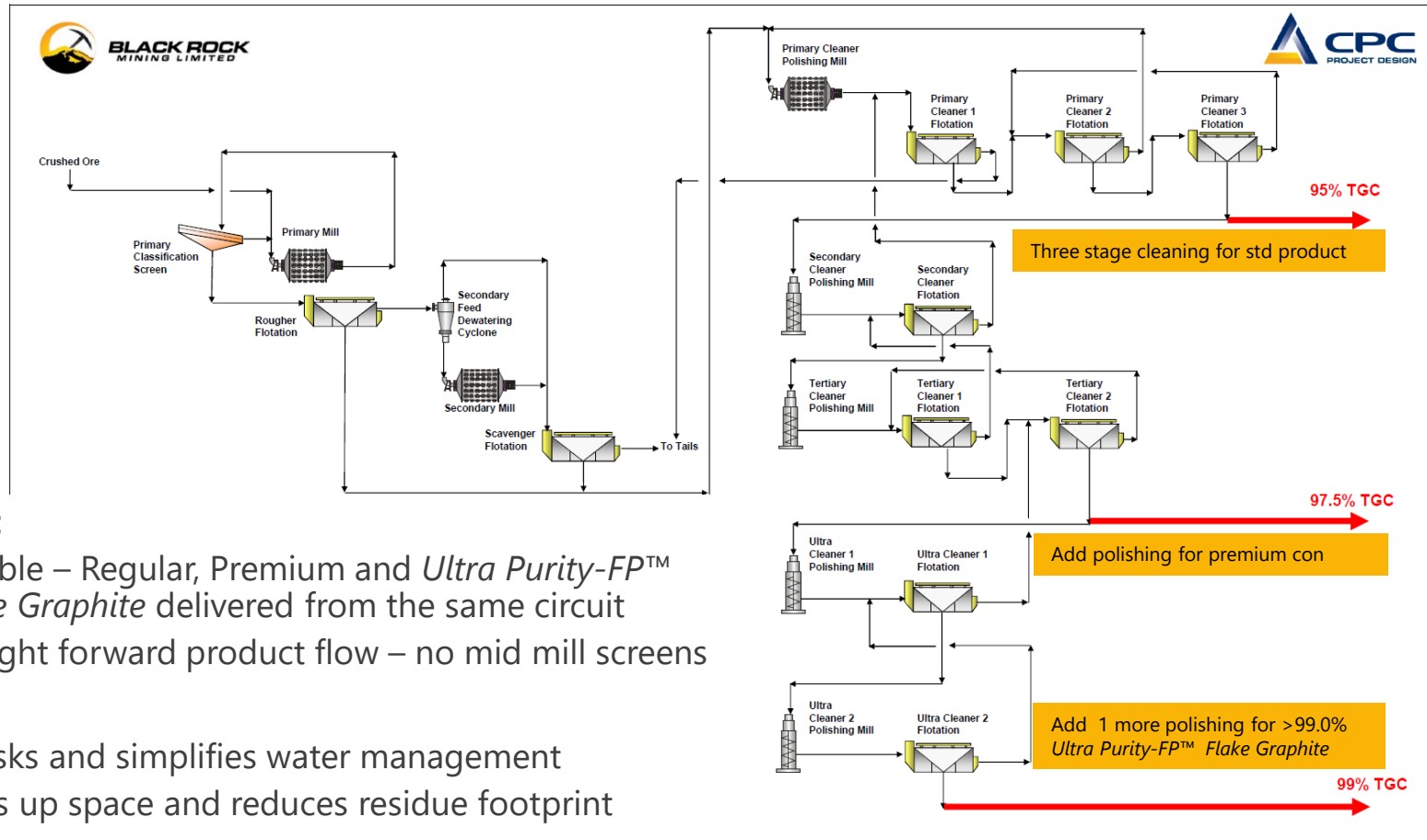
Reporting

- Engineering complete by Sept
- Reporting will continue into Oct
- Many common sections with Mining Licence





5. DFS – Simple Reliable Flexible mill



Single Circuit

- Flexible – Regular, Premium and *Ultra Purity-*FP*™ Flake Graphite* delivered from the same circuit
- Straight forward product flow – no mid mill screens

Dry Stacking

- Derisks and simplifies water management
- Frees up space and reduces residue footprint

Strong recovery rates and grades

- Base case 93% recovering delivering 97.5% TGC (graphite)

5. DFS – Opex Infrastructure Leverage

Rail haulage demonstrates superior logistics solution

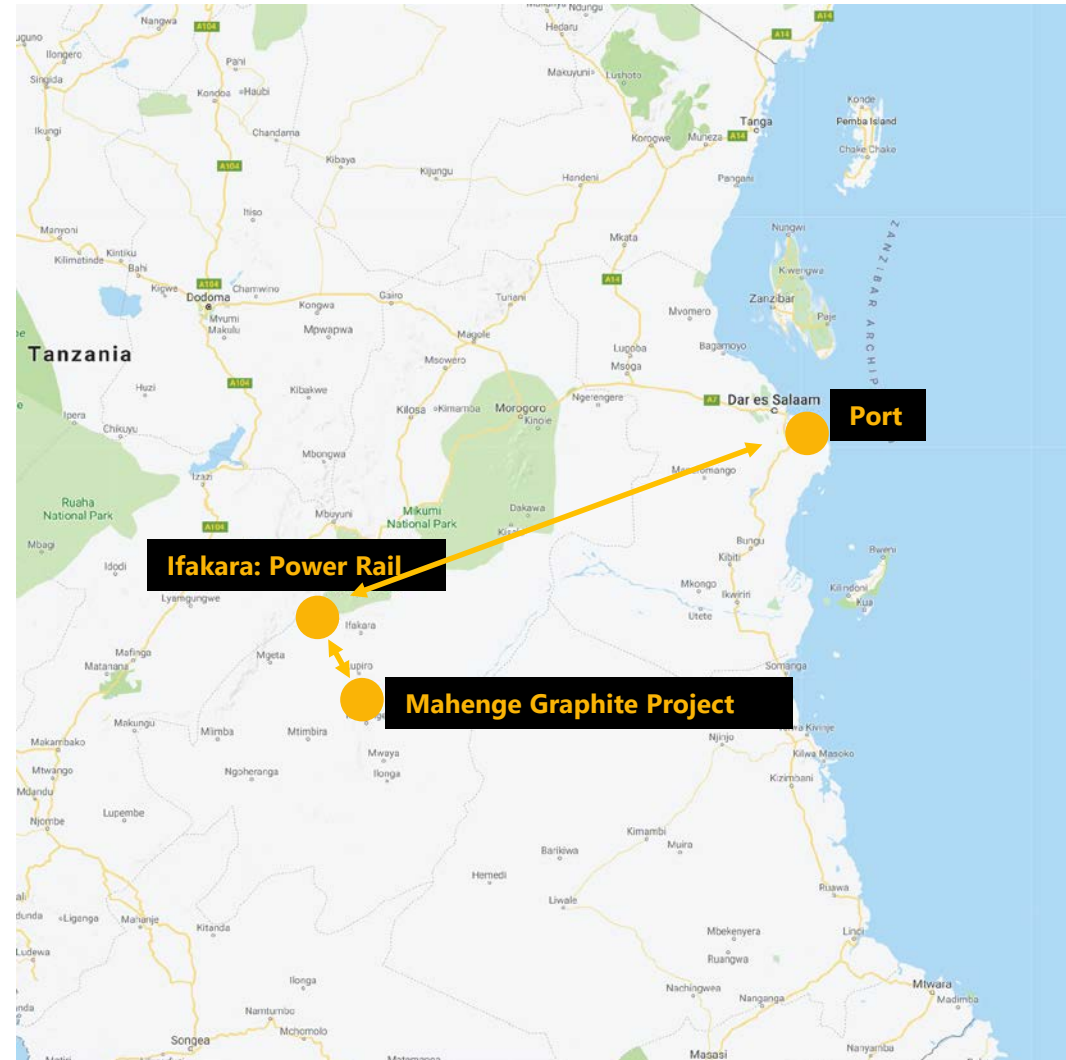
- Second bulk sample rail hauled to Port of Dar es Salaam validates logistical viability for Mahenge production
- Rail haulage simplifies logistics and materially lowers cost by an estimated USD\$40/tonne

Reliable Grid Power

- Tanesco provides reliable power across Tanzania and to the Mahenge project
- Significant cost advantage relative to diesel

Port of Dar es Salaam

- 4th largest port Indian Ocean port in Africa, 12 million tonnes shipped annually
- Provides a pool of empty containers for back hauls to Asia



6. Execution – Financing discussions progressing in parallel with DFS completion

Continued engagement with China

- Serious discussions with Chinese engineering, procurement, construction and management (EPCM) firm

Potential reduction in CAPEX

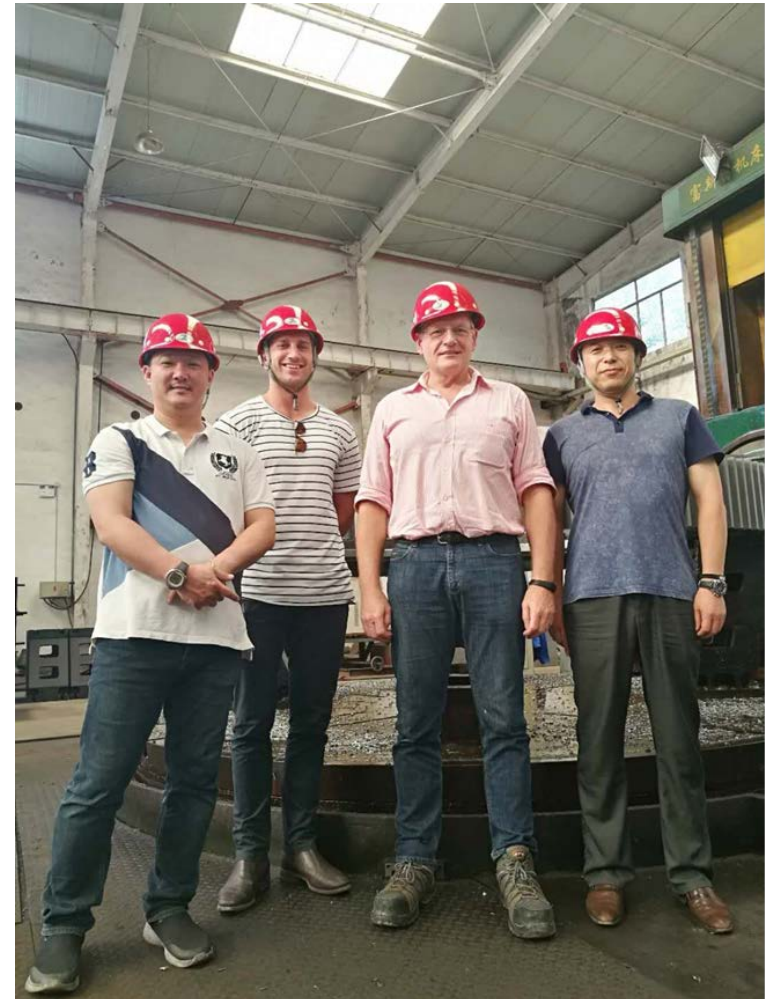
- A single-source mining infrastructure procurement process would be expected to lower capital expenditure requirements and be consistent with local content obligations

Funding pathway

- Successful negotiations with ECPM firm may enable Black Rock to secure future funding

Tanzania Banking

- Encouraging conversations indicate capacity for meaningful contribution to overall project financing



6. Execution – Customer acceptance and product quality

Large flake is key point of differentiation

- Industry leading large, pure flake graphite distinguishes Mahenge

Strong demand for ultra-high grade graphite

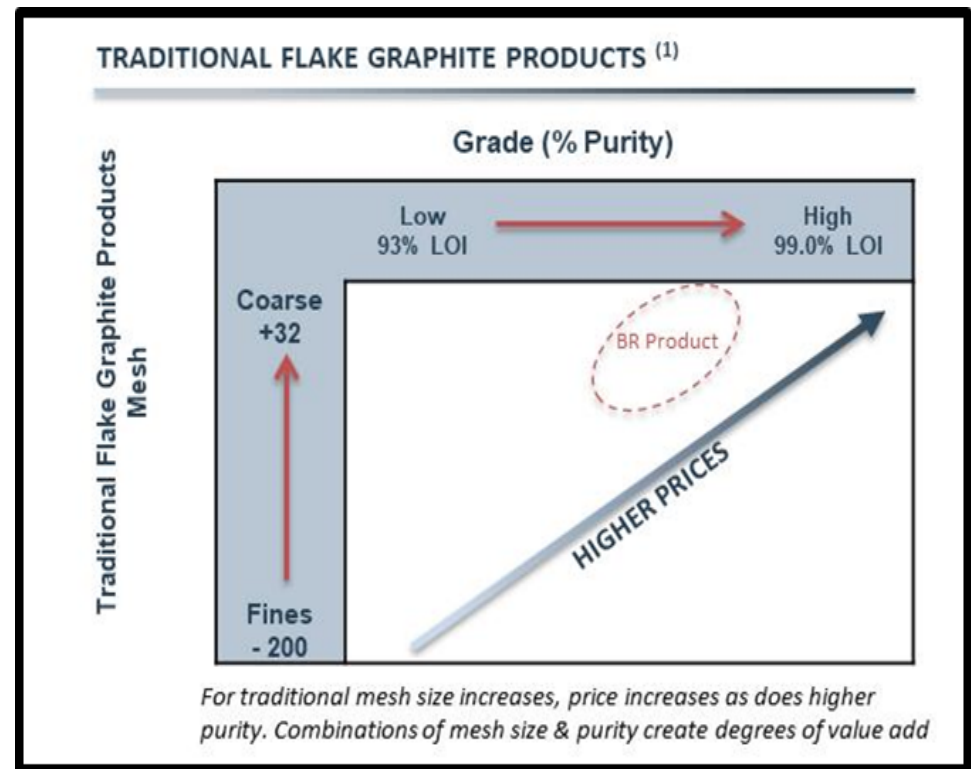
- Ultra Purity-FP™ Flake Graphite* is a superior product with impressive demand
- Applications including batteries, fire retardants and graphene products

Positive feedback from potential Mahenge customers

- Ultra Purity-FP™ Flake Graphite* was well received by potential customers
- Sample delivery has generated a lot of interest in Mahenge graphite products

USA Vs China Tariffs

- Likely to be advantageous for both African sourced as well as higher specification products



6. Execution – Permitting process near completion

Environmental and Social Impact Assessment

- Final submitted in May – expect advice near term
- Resettlement Policy Framework – complete and well supported within community

DFS provides a number of important documents required for Mining Licence

- Environmental and Social Impact Assessment (ESIA) – submitted
- Feasibility report – DFS summary
- Environmental Management Plan
- Employment and training program
- Resettlement Action Plan – partially completed as Resettlement strategy completed
- Program of mining operations
- Infrastructure requirements plan
- Local content plan



7. Graphite Market – More than just batteries!



THERMAL MANAGEMENT

Geothermal
 Refractories
 Crucibles
 Hot Metal Toppings
 Foundry
 HMF- Dispersions
 Glass



ENGINEERED PRODUCTS

Friction
 Powder Metallurgy
**Graphite Foils*
 Agriculture
 Ceramics
 SiC Optics
 MIL-SPEC
 Carbon Brush
 Pencil



LUBRICANTS

**Grease*
 Dry Powders
 Seed Lubes
 Rail Lubes
 Dispersions
 MIL-SPEC
**Drilling Fluids*



ENERGY STORAGE

Alkaline Batteries
 Lead Acid Batteries
**Li-Ion Batteries*
 Primary Lithium
 Super-Caps
 Fuel Cells
 DOD & DOE
 E-Bikes



PLASTIC, POLYMERS, RUBBER

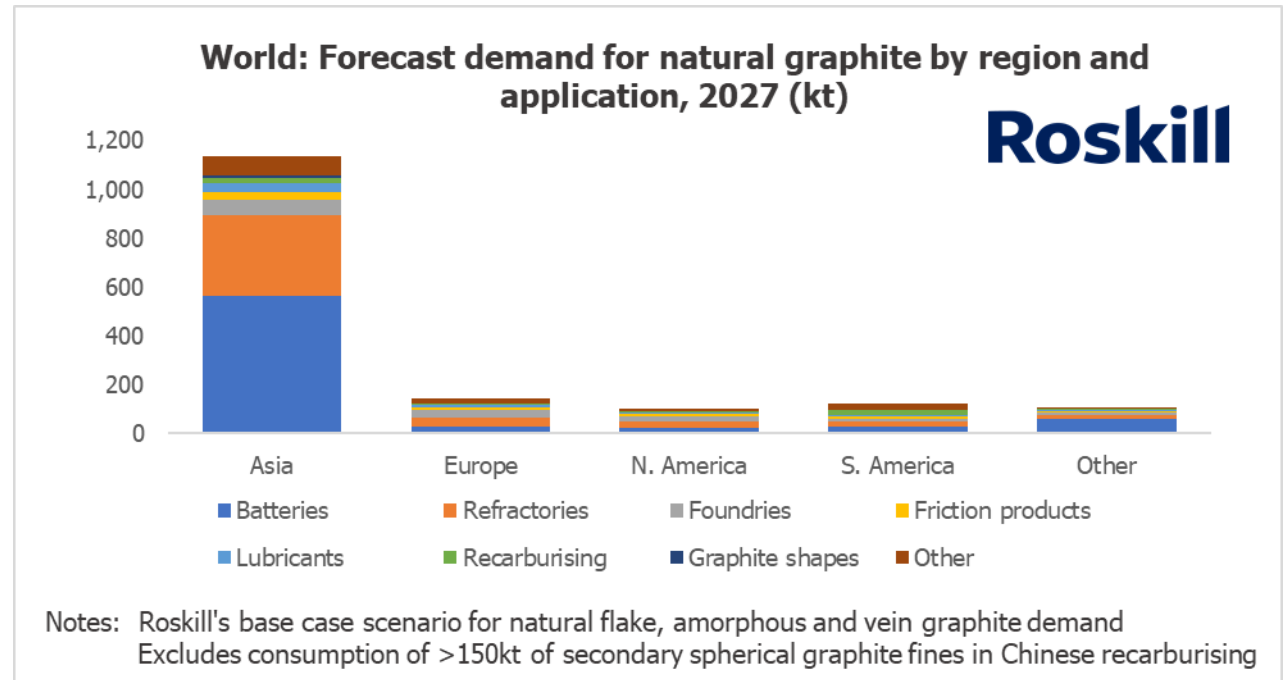
Conductive Plastics
 Conductive Coatings & Paints
**Fire Retardants*
 Antistatic Flooring
 PEEK
 PTFE
 Rubber
 Electronics Packaging

** Applications that are initial targets, are testing, or qualifying lab samples; next step commercial bulk samples (customer paid).*

Having products that are desirable in diverse markets is a critical risk mitigator

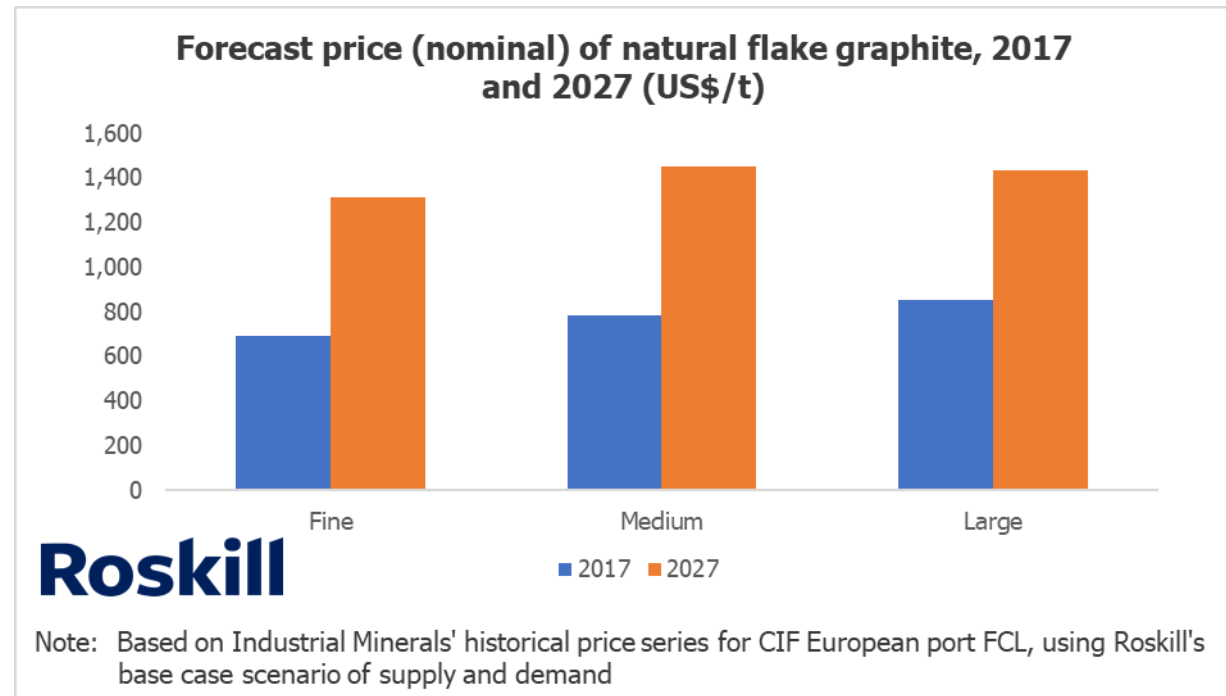
7. Graphite Market – Volume to double over next decade

- Demand doubles over next decade driven by batteries
- Increased demand in speciality applications
- Expanded demand drives large flake and purity demand
- Increased volumes needs to replace mines closing due to environmental compliance and declining grades



7. Graphite Market – Supply constraints leading to higher prices

- Chinese supply constraints (environmental and reserve depletion)
- Global shift from China to Africa to drive supply side
- Growth in expanded application drives large flake and purity demand



8. Why Black Rock?

Track record of delivering to promise

- Demonstrated engagement with government and community derisks project

Pilot plant critically de-risks the project

- Pilot plant **proves** that at significant scale the project can deliver premium size high grade concentrate

Definitive Feasibility Study

- High quality detailed study supported by real pilot plant data de-risks capex, and opex estimates, and increases deliverability – “measure twice cut once”

Infrastructure Advantage

- Power, Rail and Port – long term competitive advantage

Products and Partners

- Real product, in credible volumes, in the hands of customers = real market engagement



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