Black Rock Mining Limited

Half year report

for the half-year ended 31 December 2018

CORPORATE DIRECTORY

ABN: 59 094 551 336

DIRECTORS	Richard Crookes Chairman Non-Executive John de Vries *Chief Executive Officer, Executive Director* Gabriel Chiappini *Non-Executive Director*
COMPANY SECRETARY	Gabriel Chiappini
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	45 Ventnor Avenue West Perth Western Australia, 6005 Telephone: (+61 8) 9389 4415 Fax: (+61 8) 9389 4400 Website: www.blackrockmining.com.au
AUDITOR	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 123 St Georges Terrace Perth Western Australia, 6000 Telephone: (08) 9365 7000 Fax: (08) 9365 7001
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth Western Australia, 6000 Telephone: 1300 787 272 Facsimile: (08) 9323 2033 Email: web.queries@computershare.com.au
STOCK EXCHANGE LISTING	The Company's shares are quoted on the Australian Securities Exchange (ASX) The Home Exchange is Perth.
ASX CODE	BKT - ordinary shares

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The directors of Black Rock Mining Limited submit herewith the financial report of Black Rock Mining Limited and its subsidiaries (the Group) for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001,* the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Name

Mr Richard Crookes
Mr John de Vries
Mr Gabriel Chiappini

The above named directors all held office during and since the end of the half-year except for:

- Mr Stephen Copulos – resigned 7 November 2018

REVIEW OF OPERATIONS

During the half year period ending 31 December 2018, the company achieved a number of key milestones including:

- DFS completed with exceptional and best in class financial metrics
- Successful 90 tonne pilot plant producing 8 tonnes of refined product sent to over 20 global customers
- Scaled pilot plant produced 99%+ TGC without use of acid, the only current project capable of delivering this outcome
- Substantive Offtake Agreements signed totalling up to 205,000 tonnes per annum
- Strategic Cooperation Agreement signed with Yantai Jinyuan Mining Machinery Ltd, to supply process plant machinery and related infrastructure
- Granting of Mining Licences for the Development of Mahenge Graphite Mine
- Environmental Impact Assessment granted for the Development of Mahenge Graphite Mine

The company was also able to finalise a placement of $3m including $0.5m from directors to assist with working capital and achieving its strategic objectives.

Corporate and Financial Position

Consolidated net assets at the half year-end were $20,815,642 against $18,283,485 at the close of the prior year. Total cash held at the half year-end was $1,282,744 (2018: $1,788,150).

The auditor's independence declaration is included on page 4 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001.*

On behalf of the Directors

Gabriel Chiappini

GABRIEL CHIAPPINI

Director

Perth, 14 March 2019

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Black Rock Mining Limited
45 Ventnor Avenue
West Perth Western Australia, 6005

14 March 2019

Dear Board Members

Black Rock Mining Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Black Rock Mining Limited.

As lead audit partner for the review of the financial statements of Black Rock Mining Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of Black Rock Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Black Rock Mining Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Black Rock Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Black Rock Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Black Rock Mining Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the consolidated entity incurred net losses of $1,317,071, net cash outflows from operating activities of $1,184,682 and net cash outflows from investing activities of $2,129,830 for the period ended 31 December 2018. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 14 March 2019

The directors declare that:

a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001.*

On behalf of the directors:

Gabriel Chiappini

GABRIEL CHIAPPINI

Director

Perth, 14 March 2019

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2018

	Note	Consolidated 31 December 2018 $	31 December 2017 $
Continuing operations			
Interest income		3,783	3,129
Administration expenses		(239,651)	(151,000)
Employee benefit expense		(292,488)	(238,517)
Consulting expense		(558,144)	(365,150)
Depreciation and amortisation expense		(3,708)	(4,201)
Net foreign currency exchange losses		(1,741)	(19,434)
Other expenses from ordinary activities		(225,122)	(100,410)
Gain/(Loss) on sale of shares in listed entities		-	(52,000)
Loss before tax		**(1,317,071)**	(927,583)
Income tax benefit		-	-
LOSS FOR THE PERIOD		**(1,317,071)**	(927,583)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Gain/(Loss) on revaluation of shares		(17,068)	58,476
Gain/(Loss) on sale of shares in listed entities		12,061	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		848,355	(57,968)
Other comprehensive income for the period (net of tax)		**843,348**	508
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF BLACK ROCK MINING LIMITED		**(473,723)**	(927,075)
Loss for the period attributable to owners of the company		(1,317,071)	(927,583)
Total comprehensive income attributable to the owners of the company		843,348	508
Loss per share			
From continuing operations			
Basic and diluted loss per share (cents per share)		(0.28)	(0.28)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position as at 31 December 2018

	Note	Consolidated 31 December 2018 $	30 June 2018 $
Assets			
Current assets			
Cash and bank balances		1,282,744	1,788,150
Trade and other receivables		339,090	141,059
Total current assets		1,621,834	1,929,209
Non-current assets			
Exploration & evaluation asset	4	19,374,058	16,574,559
Property, plant and equipment		22,153	19,077
Other financial assets	8	280,064	285,071
Total non-current assets		19,676,275	16,878,707
Total assets		**21,298,109**	18,807,916
Liabilities			
Current liabilities			
Trade and other payables	5	460,907	502,877
Provisions		21,560	21,554
Total current liabilities		482,467	524,431
Total liabilities		**482,467**	524,431
Net assets		**20,815,642**	18,283,485
Equity			
Issued capital	3	55,218,825	52,371,878
Reserves		1,965,228	2,372,792
Accumulated losses		(36,368,411)	(36,461,185)
Total equity		**20,815,642**	18,283,485

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2018

	Issued Capital $	Accumulated Losses $	Asset Revaluation Reserve $	Share Based Payment Reserve $	Foreign Currency Reserve $	Total Equity $
Balance as at 1 July 2017	47,925,610	(34,763,222)	-	2,510,848	(132,135)	15,541,101
Loss for the period	-	(927,583)	-	-	-	(927,583)
Other comprehensive income for the period, net of tax	-	58,476	-	-	(57,968)	508
Total comprehensive income for the period	-	(869,107)	-	-	(57,968)	(927,075)
Issue of ordinary shares	4,200,000	-	-	-	-	4,200,000
Cost of share capital issued	(277,992)	-	-	-	-	(277,992)
Cost of share based payments	-	-	-	277,080	-	277,080
Performance rights expired not vested during the period	-	-	-	(169,998)	-	(169,998)
Options cancelled during the period	-	331,667	-	(331,667)	-	-
Balance as at 31 December 2017	51,847,618	(35,300,662)	-	2,286,263	(190,103)	18,643,116
Balance as at 1 July 2018	**52,371,878**	**(36,461,185)**	**87,714**	**2,400,333**	**(115,255)**	**18,283,485**
Loss for the period	-	(1,317,071)	-	-	-	**(1,317,071)**
Other comprehensive income for the period, net of tax	-	-	(5,007)	-	848,355	**843,348**
Total comprehensive income for the period	-	(1,317,071)	(5,007)	-	848,355	**(473,723)**
Issue of ordinary shares	3,038,460	-	-	-	-	**3,038,460**
Cost of share capital issued	(191,513)	-	-	-	-	**(191,513)**
Cost of share based payments	-	-	-	158,933	-	**158,933**
Performance rights expired not vested during the period	-	199,850	-	(199,850)	-	**-**
Options cancelled during the period	-	1,209,995	-	(1,209,995)	-	**-**
Balance as at 31 December 2018	**55,218,825**	**(36,368,411)**	**82,707**	**1,149,421**	**733,100**	**20,815,642**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Consolidated	
	31 December 2018 $	31 December 2017 $
Cash flow from operating activities		
Payments to suppliers and employees	(1,184,682)	(861,814)
Net cash flows used in operating activities	(1,184,682)	(861,814)
Cash flow from investing activities		
Exploration expenditure	(2,126,829)	(1,224,127)
Interest received	3,783	3,129
Payments for property, plant and equipment	(6,784)	(7,691)
Proceeds on sale of investment	-	228,000
Net cash flows used in investing activities	(2,129,830)	(1,000,689)
Cash flows from financing activities		
Proceeds from issue of shares and options	3,000,000	4,200,000
Payment of share issue costs	(189,153)	(277,992)
Net cash flows provided by financing activities	2,810,847	3,922,008
Net (decrease)/increase in cash held	(503,665)	2,059,505
Cash at the beginning of the financial period	1,788,150	2,139,780
Exchange movement	(1,741)	(77,403)
Cash and cash equivalents at the end of the period	**1,282,744**	4,121,882

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 ‘Interim Financial Reporting’. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the Company’s 2018 annual financial report for the financial year ended 30 June 2018, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The adoption of these new standards and interpretations did not result in any significant changes to the Group’s accounting policies, with the exception of the adoption of AASB 9 *Financial Instruments.* The Group has reviewed the new Accounting Standards and Interpretations which became effective on 1 July 2018 and assessed their impact as follows:

AASB 9 Financial Instruments (effective 1 July 2018)

The standard revises the classification and measurement of financial assets and financial liabilities, introduces a forward looking ‘expected credit loss’ impairment model and modifies the approach to hedge accounting. The transitional provisions of the standard allow an entity not to restate comparatives, with the Group has adopted. Upon the adoption of the new standard on 1 July 2018, the Group has adjusted the opening balance sheet, with no restatement of comparatives. AASB 9 allows a company to make an irrevocable election at initial recognition to recognise equity instruments at fair value in other comprehensive income (“FVOCI”) which the company has elected.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated entity has incurred net losses of $1,317,071 (31 December 2017: $927,583) and experienced net cash outflows from operating activities of $1,184,682 (31 December 2017: $861,814) and cash outflows from exploration and evaluation expenditure of $2,126,829 (31 December 2017: $1,224,127) for the period ended 31 December 2018.

During the financial period the consolidated entity deployed its working capital into its graphite prospects in Mahenge, Tanzania in order to finalise its Definitive Feasibility Study. The consolidated entity has stated that its strategic objectives are progress towards development of the project including completing Front End Engineering Design work, conducting a 2nd Pilot Plant trial for 20 tonnes in China and securing funding for the construction of the Mahenge Processing Plant. In addition, the consolidated entity is planning to grow its organisation and recruit key executives and workforce to manage its strategic objectives. The Directors have prepared a cash flow forecast reflecting to consolidated entity’s key objectives, which indicates the consolidated entity needs to raise additional capital to invest in the Company’s stated strategic objectives.

In August 2018 the company completed a placement of 78.125 million ordinary shares at $0.032 per share to raise $2.5 million, with a further 15.625 million shares issued in November 2018 to directors and advisors that were subject to shareholder approval, raising a further $500,000. On 11 March 2019, the company announced the completion of a placement of 46,153 million shares at $0.065 per share to raise a further $3 million, which has been agreed with settlement due Friday 15 March 2019.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The cash flow forecast for the period ending 31 March 2020 indicates that the consolidated entity is required to raise additional capital through equity raisings by October 2019 of at least $2 million in order to continue its planned corporate & strategic objectives and to fund working capital. This assumes no slowing down or deferment of costs.

Based on the company's history of raising capital and subject to the general market conditions, the Directors are confident of the company's ability to raise additional capital as required. Based on this and on the cash flow forecasts, the Directors believe that the going concern basis of preparation is appropriate.

Should the consolidated entity be unable to obtain funding through capital raising or alternative sources, or otherwise reduce its operational spending in line with available cash resources, a material uncertainty would exist that may cast significant doubt as to whether the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities as and when they fall due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- *AASB 9 Financial Instruments;*
- *AASB 15 Revenue from Contracts with Customers;*
- *AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions;*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

2. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location of resources being explored and evaluated for. The principal categories of geographical location for the Group is Graphite in Tanzania. Its hydrocarbon activities in Hungary continue to be discontinued operations.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

For the six months ended 31 December 2018

	Australia Corporate	**Tanzania Graphite**	**From Discontinuing Operations**	**Consolidated**
Segment revenue	3,783	-	-	3,783
Segment results	(1,278,782)	(38,289)	-	(1,317,071)
Segment assets	7,150,380	14,142,774	4,955	21,298,109

For the six months ended 31 December 2017

Segment revenue	3,129	-	-	3,129
Segment results	(870,520)	(57,063)	-	(927,583)

For the year ended 30 June 2018

Segment assets	6,097,263	12,705,698	4,955	18,807,916

3. ISSUED CAPITAL

	31 December 2018	30 June 2018
	$	$
538,504,701 ordinary shares issued and fully paid (30 June 2018: 443,734,701)	55,218,825	52,371,878

3.1 Fully paid ordinary shares

	Number of shares	Share capital
		$
Balance at 1 July 2018	443,734,701	52,371,878
Shares issued 6 September 2018 ($0.032 cents per share)	78,125,000	2,500,000
Shares issued 5 November 2018 ($0.033 cents per share)	220,000	7,260
Shares issued 20 November 2018 ($0.032 cents per share)	15,625,000	500,000
Shares issued 13 December 2018 ($0.039 cents per share) [(i)]	800,000	31,200
Less: capital raising costs	-	(191,513)
	538,504,701	55,218,825

(i) Shares were issued on conversion of performance rights.

3.2 Options

As at 31 December 2018, there were 44,000,000 unlisted options (30 June 2018: 30,000,000) and no listed unissued options (30 June 2018: 33,966,655).

Listed Options	Opening balance	Exercised in period	Granted in period	Expired in period	Closing balance
Expiring 30 November 2018 at $0.075	33,966,655	-	-	(33,966,655)	-
	33,966,655	-	-	(33,966,655)	-
Unlisted options					
Expiring 12 April 2020 at $0.20	5,000,000	-	-	-	5,000,000
Expiring 31 August 2020 at $0.10	6,250,000	-	-	-	6,250,000
Expiring 31 August 2020 at $0.10	6,250,000	-	-	-	6,250,000
Expiring 31 August 2020 at $0.10	6,250,000	-	-	-	6,250,000
Expiring 31 August 2020 at $0.10	6,250,000	-	-	-	6,250,000
Expiring 31 October 2021 at $0.10	-	-	1,000,000	-	1,000,000
Expiring 7 November 2021 at $0.10	-	-	13,000,000	-	13,000,000
	30,000,000	-	14,000,000	-	44,000,000

	Intuitive Pty Ltd	*Messrs de Vries, Crookes, Chiappini, Hall*
Grant date	5 November 2018	20 November 2018
Number of options	1,000,000	13,000,000
Method	Binomial	Binomial
Grant date share price (cents)	3.3 cents	3.6 cents
Expected volatility	100%	100%
Option life	3 years	3 years
Dividend yield	Nil	Nil
Risk-free interest rate	1.5%	1.5%

3. ISSUED CAPITAL (continued)

3.3 Performance Rights

Performance Rights	Opening balance	Exercised in period	Granted in period	Expired in period	Cancelled in period	Closing balance
Expiring 31 December 2018	1,800,000	(800,000)	-	(1,000,000)	-	-
	1,800,000	(800,000)	-	(1,000,000)	-	-

4. EXPLORATION AND EVALUATION ASSET

	31 December 2018	30 June 2018
	$	$
Balance at beginning of the period	16,574,559	13,540,833
Expenditure incurred during the period (at cost)	1,958,448	3,245,186
Foreign exchange difference	841,051	(211,460)
Balance at end of period	19,374,058	16,574,559

The ultimate recoupment of capitalised exploration expenditure is dependent on the successful development and/or commercial exploitation or, alternatively through the sale of the respective underlying licences. The balance of $19,374,058 (2018: $16,574,559) at reporting date represents the carrying value of its Graphite assets in Tanzania.

5. TRADE AND OTHER PAYABLES

	31 December 2018	30 June 2018
	$	$
Trade creditors	298,087	246,140
Accruals	141,368	230,176
Other liabilities	21,452	26,561
	460,907	502,877

Included in trade creditors and accruals is an amount of $59,576 (2018: $235,262) relating to exploration expenditure.

6. FINANCIAL INSTRUMENTS

The Group holds the following financial instruments:

	31 December 2018 $	30 June 2018 $
Financial assets		
Cash and cash equivalents	1,282,744	1,788,150
Trade and other receivables	339,090	141,059
Financial liabilities		
Trade and other payables	(460,907)	(502,877)
	1,160,927	1,426,332

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

7. EXPENDITURE COMMITMENTS

a. *Exploration*

As part of the Company's license conditions with the Tanzanian Energy and Minerals Department, the Company is obliged to pay USD$150 per square kilometer to maintain the 13752/2019 licence and USD$150 per square kilometer for the remaining tenements to keep them in good standing. Additional obligations exist for the new mining licences held of USD$2,000 per square meter for mining licence 612/019 and 611/2019.

The license costs per annum are as follows:

Project Name	*License Type*	*License Number*	*Area km²*	*Rate per km²*	*Total*
Mahenge North Project	Graphite	PL 13752/2019	118.37	USD$150	USD$11,837
Mahenge North Project	Graphite	ML 612/2019	9.79	USD$2,000	USD$19,580
Mahenge North Project	Graphite	ML 611/2019	9.94	USD$2,000	USD$19,880
Makonde Project	Graphite	PL 10111/2014	12.55	USD$150	USD$1,883
Mahenge East Project	Graphite	PL 10426/2014	77.46	USD$150	USD$11,619
Mahenge Southwest Project	Graphite	PL 10427/2014	111.6	USD$150	USD$16,740

As part of the original conditions to acquire the exploration licences there were minimum exploration expenditure commitments. These had all been met by 31 December 2018. As part of the contract to acquire the graphite exploration licences, under certain milestone conditions the Company will be obliged to make additional payments. These payments are subject to the following conditions:

Exploration licence PL7802/2012 (Now PL13752/2019)

There are no milestone vendor payments or commitments remaining with PL7802/2012 (now PL1752/2019).

Exploration licence PL10111/2014, PL10426/2014 and PL10427/2014

- $250,000 cash or equivalent number of fully paid Black Rock Mining shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >9% TGC is announced. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and
- $375,000 cash and the equivalent value ($375,000) in Black Rock Mining Shares to be paid when a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at any of the Projects is announced by Black Rock Mining on the ASX. The issue price of BKT Shares is to be calculated based on the VWAP of Black Rock Mining Shares in the 5 days prior to the release of the announcement.

Exploration Programme

There are no commitments to exploration as at the date of this report.

b. *Capital Commitments*

The Group has no capital commitments (2018: Nil).

c. *Operating Lease Commitments*

The Group has no operating lease commitments (2018: Nil).

d. Contractual Commitments

The Group has no contractual commitments (2018: Definitive Feasibility Study: $787,520; Pilot Programme: CAD $1,273,567).

8. OTHER FINANCIAL ASSETS

	31 December 2018	30 June 2018
	$	$
Shares in UIL Energy Limited (at fair value)	-	285,071
Shares in Strike Energy Limited (at fair value through equity)	280,064	-
	280,064	285,071

During the half year Strike Energy Limited made a successful compulsory takeover of the shares in UIL Energy Limited.

9. SUBSEQUENT EVENTS

The Group completed a $3 million capital raising on 11 March 2019 to professional and institutional investors. 46,153,846 new fully paid ordinary shares of $0.065 per share were issued as part of the placement. Settlement of the placement is expected to be completed 15 March 2019.

Other than the above, the Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of these operations, or the state of affairs of the Company in subsequent financial years.