BLACK ROCK
MINING LIMITED

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

BLACK ROCK MINING LIMITED
ABN: 59 094 551 336

CORPORATE DIRECTORY

DIRECTORS	**Richard Crookes** Non-Executive Chairman **John de Vries** Chief Executive Officer, Managing Director **Ian Murray** Non- 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 T: +61 (0)8 9389 4415 F: +61 (0)8 9389 4400 www.blackrockmining.com.au
AUDITOR	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 123 St Georges Terrace Perth Western Australia, 6000 T: (08) 9365 7000 F: (08) 9365 7001
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth Western Australia, 6000 T: 1300 787 272 F: (08) 9323 2033 E: 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

MAHENGE

THE RATINGS	
ECONOMICS	9.3
JURISDICTION	4.2
CONFIDENCE	7.9
FINANCEABILITY	7.0
GEOLOGY	8.5
ENGINEERING	10.0
SCORE OUT OF 100	**78**

Sourced from the Project Pipeline Handbook 2019 edition

THE NUMBERS *(AS AT 30 JUNE 2019)*	
OP/UG	**OP**
LIFE *(YEARS)*	**32**
COMPANY	**BLACK ROCK MINING**
EXISITING PRODUCER	**NO**
MARKET CAPITALISTION	**34.5m USD / 49.2m AUD**
PRIMARY LISTING	**ASX**
CEO/MD	**JOHN DE VRIES**
JURISDICTION	**TANZANIA**
COMMODITY	**GRAPHITE**
ANNUAL PRODUCTION *(TONNES)*	**250,000**
CASH AND EQUIVALENTS	**1.341m USD / 1.907m AUD**
COMMODITY PRICE ASSUMPTION *($/TONNE)*	**1,301**
BY-PRODUCT	**N/A**
CAPEX *(USD MILLIONS)*	**115**
OPEX *($/TONNE)*	**401**
POST-TAX NPV *(USD MILLIONS)*	**895**
POST-TAX IRR *(%)*	**42.8**
DISCOUNT RATE *(%)*	**10**
MATURITY *(PFS/BFS; OR EUIVALENT)*	**DFS**
STUDY AGE	**2018**
PROVEN TECHNOLOGY	**YES**
RESOURCE *(CONTAINED; M&I) (MT)*	**9.1**
RESOURCE GRADE *(%)*	**8.1**
OWNERSHIP *(%)*	**100**

Black Rock Mining's Mahenge graphite development is in Tanzania's Ulanga district, some 250km north of the border with Mozambique, 250km west of a coastal port, and 300km southwest of Tanzania's largest city, Dar es Salaam.

The definitive feasibility study from last year outlined a three-stage construction schedule to ultimately deliver up to 250,000 tonnes per annum of 98.5% graphite concentrate for 32 years.

Black Rock chief executive John de Vries has described the operation in full flight as a "stunning business" and the headlining economics certainly back that up. The NPV is just short of $900 million with up-front capital requirements of just $115 million. The IRR comes back at more than 40%.

Some may be hesitant around Tanzania as a jurisdiction, though much of the angst appears restricted to the gold sector.

Chief Executive Officer's Report

Black Rock Mining Limited (ASX: BKT) delivered against its milestones this past year in advancing the development of our Mahenge graphite project in Tanzania. Our team including staff, management, advisors and partners continued to work diligently to transition the Company into a strong position for our next phase in moving toward construction.

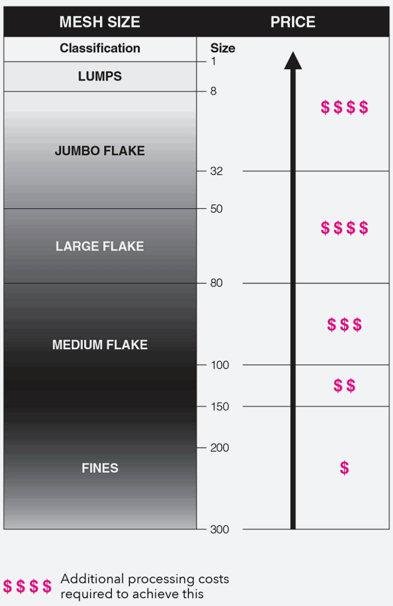
Black Rock's development strategy is based on differentiating Mahenge as superior source of graphite, and having done sufficient work, to prove our asset to be attractive for inbound finance. To this end we have completed a Definitive Feasibility Study (DFS) work program that establishes robust and credible performance metrics, and supporting market data. Ultimately this approach provides the shortest development pathway.

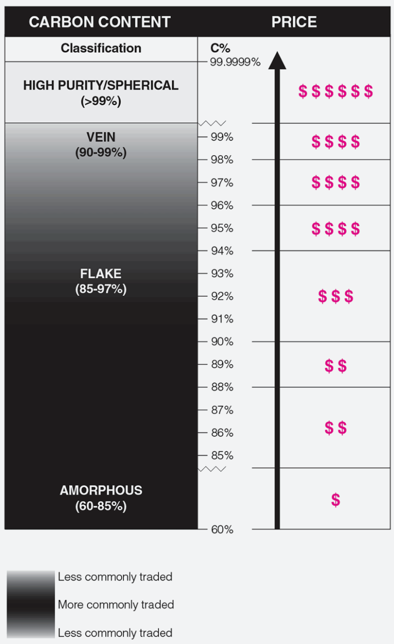
The release early in the year of the DFS, following the Environmental Permit, delivered stunning economics for the Mahenge Graphite project and this was underpinned by our "Crawl, Walk, Run" strategy. Financial metrics of NPV10 US$895m, IRR 42.8%, (after tax and Free Carried Interest) and capex for module one of US$115m, coupled with high purity flake and our logistical advantages, sees Mahenge in our view as the best undeveloped graphite project globally. These economics are driven by geology and geography, which are unique to Mahenge.

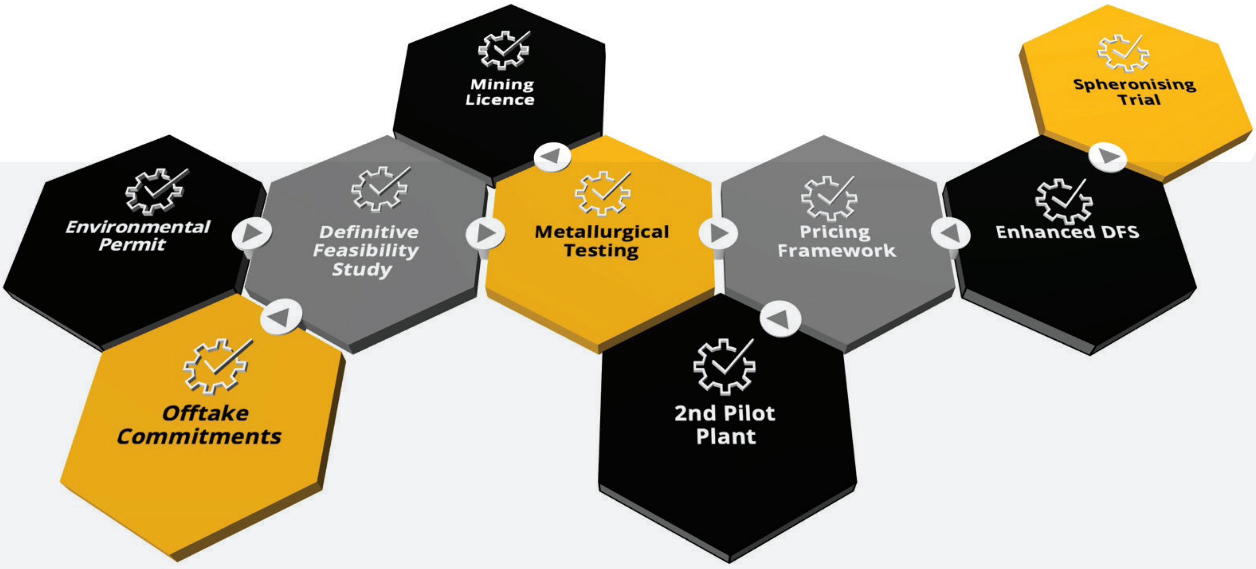
Mahenge offers a unique product suitable for multiple market segments and is uncontested in the high grade and large flake sectors.

Over the year, the Company set and delivered against a number of milestones and has continued to demonstrate industry leading results. Previous work producing high grade graphite concentrate made available directly to potential customers to sample and test led to a number of Offtake commitments secured. By January, strong market demand saw Pricing and Volume Framework commitments secured with three customers, representing 85% of proposed steady state annual production of 240,000 tonnes of the Definitive Feasibility Study volume.

Continued market interest in our large, high purity, Premium and Ultra flake products supported the Board decision to commence work to enhance the DFS production plan by compressing the development schedule and working on a fourth







self-funding module to take proposed annual production to over 300k tonnes per annum. This ranks Mahenge as one of the world's largest potential graphite projects, and places us in a unique position to capitalise on the global migration to increased electrification of transport and demand for fire retardant building cladding.

In February, the Mining Commission of the Tanzanian Ministry of Minerals granted us two contiguous mining licences over the Mahenge Graphite Mine development area, complimenting the Environmental Permit awarded last year. Licencing effectively signalled to all stakeholders that Tanzania wants this project to be developed.

After running the largest pilot plant in the sector last year of 90 tonnes at SGS's Lakefield research Facility in Canada, we followed up with a second pilot plant operation of 18 tonnes in a dedicated facility in Laiyang province China. This second pilot plant was operated by our EPC partner Yantai Jinyuan Mining Machinery Ltd. Test work placed real product in the hands of potential customers and allowed them to observe and review the optimised plant circuit design as well as complete due diligence on the likely plant performance and expected products. Our focus on de-risking operations is paramount by demonstrating with customers and financiers that we can consistently achieve the high recovery, grade and flake size performance at scale using a simple and repeatable process without the need for chemical intervention. Metallurgical testing further validated the performance of our Mahenge graphite concentrate and importantly we delivered a higher specification material of +98% TGC, while maintaining our target of +60% greater than #100 mesh. We also increased our recovery rate to 95.5%. And again, all of this was delivered transparently in front of our customers, partners and potential investors.

We believe Mahenge is the best natural flake graphite in the world, and we have proven it through our research, testing and demonstrations of product and operations to potential customers. This culminated in agreeing a reference pricing framework with offtake partners consistent with DFS basket pricing. Delivering the price framework was a fundamental step in moving through to the financing process as this provides financiers with confidence in the price assumptions that support our strong project financial metrics.

With that, we were buoyed by the interest from potential financiers and as a result, we appointed Ironstone Capital as our Financial Advisor to co-ordinate and accelerate our engagement with the market on financing the Mahenge Graphite project. Ironstone has consolidated existing and established new financing pathways with banks and other potential sources of debt and industry finance. A number of options are currently being pursued and assessed, including project level equity, conventional African-domiciled debt financing, convertible/hybrid structures and offtake-related financing proposals. Our focus continues to remain on identifying the least dilutive, risk adjusted option for our Shareholders.

Aside from our offtake and potential financing partners recognising the unique advantages of Mahenge graphite, prestigious industry publication Mining Journal recently ranked Black Rock's Mahenge Graphite Project in the top five development stage projects globally. Mining Journal used a robust ranking methodology that included assessment of project economics, geology, engineering, confidence and jurisdiction. This independent recognition of Mahenge's geological and geographical advantages is an outstanding acknowledgement and essentially mirrored a commissioned report by Orior Capital in January and ongoing coverage by our corporate broker Patersons Securities.

As we progressed the financing phase, the DFS was enhanced in July, producing a fourth module and improved financial metrics. This was a customer and financial market driven outcome for product and a more aggressive production schedule ramp up. With the enhanced DFS (eDFS), our strategy became "Crawl, Walk, Run, Sprint". We were the first to introduce a modular and staged development program, and this is an absolute differentiator and key strength of our business model, which is scalability. Being able to add capacity incrementally ensures we do not over capitalise the asset with excessive redundant capacity. Importantly, we can respond to changes in market demand and this approach ensures the asset is not developed unless market demand is present. The planned fourth module will produce an additional 85,000 tonnes of graphite concentrate per year, increasing total steady state planned production to 340,000 tonnes per year.

Chief Executive Officer's Report

The addition of a fourth production module has no material change to the forecast capex for the first three modules, however will lift the life of mine project revenues to a revised project NPV10 of US$1.16Bn (A$1.65Bn) (after tax and after Free Carried Interest), which is a substantial increase of 30% over the original three-module DFS. The capex required to fund modules two, three and four can be funded from internal cash flow.

In another positive step, we released the results of our battery anode pre-cursor production trial. 400 kilograms of sub 80 mesh concentrate generated during the March Pilot Plant run was processed through to Spherical Purified Graphite (SPG) using commercial scale equipment in commercial processing facilities. To put the scale of the trial into context, this was 100 times larger than our previous trials completed by Dornfer Anzaplan in Germany in 2017. Inner Mongolia Ruisheng New Material Co Ltd (a commercial producer) and Wuhan University of Technology (a Chinese research facility) were chosen to conduct the trial. The reason we used both a commercial producer and a Chinese research facility was to ensure comparability between previous Western and this trial's Chinese laboratory results. In addition, we also wanted to understand how the product would perform when scaled up in a commercial facility typical of Black Rock's potential customer base.

Spheronising yields of up to 53%, and 99.98% TGC purity were achieved, far exceeding industry standards for battery anode materials. Importantly, the proposed Mahenge concentrator flowsheet demonstrated no damage to the flake. This is important as it demonstrates that our flowsheet design preserves the integrity of the flake and does not impair spheronising performance.

I'm proud to share that our Corporate Social Responsibility (CSR) program activities remain ongoing with continued engagement with and support of our local communities. In May, we partnered with the community in Ulanga District to support school children by providing 6.5 tons of maize and 1.1 tons of beans to primary and secondary schools in the District. This was in addition to the third year of Black Rock providing support of food and other essentials for the Mahenge Orphanage.

We have supported the National Torch Relay for the second year running by proving tracksuits to local school children participating in the parade. Our CSR focus remains locally orientated and is directed at ensuring our host communities share a better future as an outcome of project development.

We have a strong Company culture and maintain a healthy and positive engagement with the national government, local Authorities and potentially affected communities. This will continue and be part of our ongoing operations as we progress to a development decision.

During the year, Black Rock Mining raised capital completing A$6 million in placements taken up by the Board, Institutional and Sophisticated Investors. We are appreciative for our new and existing shareholders who supported us in these placements, as well as Black Rock directors, management and advisors who also invested about $1 million through these placements. The Company is at critical stage of developing Mahenge and this funding is integral in advancing the project to construction.

We saw a change to our Board of Directors during the year with respected mining industry veteran Ian Murray appointed Non-Executive Director. I would like to thank the Board of Directors for their support over the past year and thank our staff and management for their contributions during what was an extremely busy and critical year.

I look forward to the outcome of our financing discussions and moving into construction for our Mahenge project in 2020.

John de Vries

MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

DIRECTORS' REPORT

The Directors of Black Rock Mining Limited ("Company" or "Black Rock Mining") submit herewith the annual report of the Company and its subsidiary entities ("Consolidated Entity") for the financial year ended 30 June 2019. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

INFORMATION ABOUT THE DIRECTORS

The names and details of the Directors of Black Rock Mining Limited during the financial year are:

NAME	PARTICULARS
Richard Crookes NON-EXECUTIVE CHAIRMAN	Mr Crookes has over 30 years' experience in the resources and investments industries. He is a geologist by training having worked in the industry most recently as the Chief Geologist and Mining Manager of Ernest Henry Mining in Australia (now Glencore). Mr Crookes was most recently an Investment Director at EMR Capital and prior to that he was an Executive Director in Macquarie Bank's Metals Energy Capital (MEC) division where he managed all aspects of the Bank's principal investments in mining and metals companies as well as the origination of numerous project finance transactions. Mr Crookes has extensive experience in deal origination, evaluation, structuring, and completing investment entry and exits for both private and public resource companies in Australia and overseas, as well as execution of Project Finance transactions in Africa. Mr Crookes held directorships with the following listed companies in the 3 years immediately prior to the date of this report.

NAME	DATE APPOINTED	DATE RESIGNED
Highfield Resources Limited	April 2013	Current
Lithium Power International Ltd	November 2018	Current

NAME	PARTICULARS
John de Vries MANAGING DIRECTOR AND CEO	Mr de Vries has over 30 years' experience in the mining industry. He started his career in 1984 working for WMC Resources and held operational roles such as Underground Manager, Senior Mining Engineer and Manager Mining. In 1998, he moved to AMC Consultants to become a Principal Mining Engineer responsible for Mine Optimisation. In 2003, he joined Orica Mining Services as Global Business Manager, Advanced Mining Solutions, before moving to BHP Billiton in 2007 as the Manager Strategic Mine Planning. Most recently from 2011 to 2015, he was General Manager Technical Services for St Barbara. After his success with St Barbara, Mr de Vries took an 18-month sabbatical before joining Black Rock Mining. Mr de Vries holds a Bachelor of Engineering, Mining, a Master of Science in Mineral Economics, a Graduate Diploma in Economic Geology, a Graduate Diploma in Financial Markets and is Advisory Committee Member-Mining of MRIWA. Mr de Vries holds a WA First Class Mine Managers Certificate of Competency. He is a member of the AusIMM, a fellow of FINSIA and a member of SME.
Ian Murray NON-EXECUTIVE DIRECTOR	Mr Murray is a Non-Executive Director of Black Rock Mining. Mr Murray graduated with a Bachelor of Commerce (BCom) in 1987 from the University of Cape Town, a member of both the South African Institute of Chartered Accountants and the Institute of Chartered Accountants of Australia and New Zealand, and is a member of the Australian Institute of Company Directors. He has held senior management positions for companies such as KPMG, Price Waterhouse, Bioclones, DRDGold Ltd, and Gold Road Resources. More recently, as Chief Executive Officer and Managing Director, he successfully delivered Gold Road Resources' (ASX:GOR) Gruyere Project, and has significant African experience through DRDGold. Mr Murray held directorships with the following listed companies in the 3 years immediately prior to the date of this report.

NAME	DATE APPOINTED	DATE RESIGNED
Gold Road Resources Ltd	October 1997	January 2019
Gascoyne Resources Ltd	October 2018	October 2018

INFORMATION ABOUT THE DIRECTORS - *CONTINUED*

NAME	PARTICULARS
Gabriel Chiappini NON-EXECUTIVE DIRECTOR AND COMPANY SECRETARY	Mr Chiappini is an experienced ASX director and has been active in the capital markets for 17 years. Mr Chiappini has assisted in raising in excess of AUD $400m in funding and has provided investment and divestment guidance to a number of companies. Mr Chiappini specialises in start-up companies and assists companies with their growth and strategic direction. Mr Chiappini is a member of the Australian Institute of Company Directors and Chartered Accountants Australia & New Zealand. Mr Chiappini held directorships with the following listed companies in the 3 year immediately prior to the date of this report.

NAME	DATE APPOINTED	DATE RESIGNED
Invictus Energy Limited	12 August 2015	Current
Eneabba Gas Limited	26 September 2016	Current
Fastbrick Robotics Limited:		
- Non-Executive Director	15 December 2011	9 August 2018
- Non-Executive Chairman	21 March 2012	18 November 2015
Scotgold Resources Limited	27 May 2016	20 May 2017
Global Geoscience Limited	3 November 2015	23 May 2017

NAME	PARTICULARS
Stephen Copulos NON-EXECUTIVE DIRECTOR	Mr Copulos is a Non-Executive Director of Black Rock Mining and is the Company's major shareholder and financial supporter. Mr Copulos has over thirty-five years' experience in a variety of businesses and investments across a wide range of industries including mining, manufacturing, property development, food and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997 and has extensive experience as a company director of both listed and unlisted public companies in Australia, the UK and USA. Mr Copulos held directorships with the following listed companies in the 3 years immediately prior to the date of this report.

NAME	DATE APPOINTED	DATE RESIGNED
Big River Gold Limited	March 2013	Current
Consolidated Zinc Limited	June 2015	Current
Restaurant Brands Limited	April 2016	Current

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

NAME	RESIGNATION/APPOINTMENT DATE
Stephen Copulos	Resigned: 7 November 2018
Ian Murray	Appointed: 2 May 2019

INFORMATION ABOUT COMPANY SECRETARY

Gabriel Chiappini Refer to page 6 for an overview of Mr Chiappini's experience and expertise.

PRINCIPAL ACTIVITIES

Black Rock Mining Limited is an Australian-based company listed on the Australian Securities Exchange. The Company owns graphite tenure in the Mahenge region of Tanzania.

The Company reports a JORC compliant Mineral Resource Estimate of 211.9m tonnes at 7.8% TGC for 16.6m tonnes of contained Graphite, making this one of the largest JORC compliant flake graphite Mineral Resource Estimates globally. Over 50% of the Mineral Resource is in the Measured and Indicated categories. In October 2017, Black Rock announced results of a Definitive Feasibility Study (PFS). The study confirms Mahenge's potential as a long-life, low capex, high margin operation.

The company has proceeded with permitting and was granted Environmental Impact Assessment Certificate, Reg No. EC/EIA/2018/0352 on the 29th of August 2018. Mining licenses ML 611/2019 and ML612/2019 were granted on 25th of February 2019.

The Definitive Feasibility Study estimated a post-tax, unlevered, internal rate of return ("IRR") for the Project of 42.8%; and a net present value (NPV) using a discount rate of 10% (NPV10) of US$895m. Black Rock confirms, the key assumptions used in the DFS have not materially changed and that the material assumptions continue to apply for the optimised study released in August 2019.

Black Rock confirms that it's DFS has allowed for the proposed Tanzanian legislative changes relating to 16% free carry position of the Tanzanian Government and the royalty fee increasing to 4.3%. Black Rock has commenced a structured financing process to identify and deploy funds for development the Mahenge Graphite Project.

For further information on the company's development pathway, please refer to the company's website at the following link: http://www.blackrockmining.com.au and the corporate video presentation at http://www.blackrockmining.com.au/#video

REVIEW AND RESULTS OF OPERATIONS AND ACTIVITIES

Results of Operations

The consolidated loss after tax for the year ended 30 June 2019 was $2,864,024 (2018: $2,053,080). During 2019, the Company focused its objectives on a Definitive Feasibility Study, permitting, and completion of pilot plant to validate pricing and volume assumptions used in the Definitive Feasibility Study, The Company is also dealing with new Tanzanian mining legislation introduced in July 2017 that allows for 16% Government free carry and increased royalty rate.
In FY19 the company's main objective was to move into a development and strategic pathway to allow the company to look to the establishment of the mine. Some of the milestones achieved in FY19 and to the date of this report include:

- Raised $3.0 million (before costs) through an oversubscribed placement comprising 78,125,000 new fully paid ordinary shares at $0.032 per share (refer to ASX announcement 23 August 2018).
- Received an Environmental Impact Assessment Certificate from the National Environment Management Council of Tanzania ("NEMC") (refer to ASX announcement 5 September 2018).
- Signed a Strategic Cooperation Agreement with Yantai Jinyuan Mining Machinery Ltd.
- Signed 5 offtake agreements for natural flake graphite from its Mahenge Graphite Mine with the following customers:
  - Heilongjiang Bohao Graphite (refer to ASX announcement 22 October 2018),
  - Qingdao Fujin Graphite Company (refer to ASX announcement 29 October 2018),
  - Taihe Soar of Dalian (refer to ASX announcement 7 January 2019)
  - Qingdao Yujinxi (refer to ASX announcement 8 May 2019).
  - Yantai Jinyuan (refer to ASX announcement 8 May 2019).

  Total committed volumes under the 5 off takes is approximately 255,000 tonnes per annum.
- Completed a Definitive Feasibility Study (refer to ASX announcement 24 October 2018).
- Granted two contiguous mining licences, ML 00668/2018 and ML 00669/2018, over the Mahenge Graphite Mine development area (refer to ASX announcement 26 February 2019).
- Raised $3.0 million (before costs) through a placement comprising 46,153,846 new fully paid ordinary shares at $0.065 per share (refer to ASX announcement 11 March 2019).

REVIEW AND RESULTS OF OPERATIONS AND ACTIVITIES - *CONTINUED*

- Completed pilot plant testworks processing 18.5 dry tonnes of ore in a dedicated pilot plant facility in China operated by Black Rock's EPC partner Yantai Jinyuan Mining Machinery (refer to ASX announcement 3 April 2019).
- Announced final metallurgical performance results from steady state operations from its 18 tonne Chinese pilot plant testworks (refer to ASX announcement 23 April 2019).
- Appointed Mr Ian Murray as Non- executive Director to the Company (refer to ASX announcement 2 May 2019).
- Agreed a framework for the determination of pricing in its offtake agreements, which are now only dependent on the type and quality of the graphite product to be supplied to each offtaker (refer to ASX announcement 8 May 2019).
- Enhanced the Mahenge Graphite Project DFS released on 24 October 2018 to include a fourth production module, and a compressed development schedule (refer to ASX announcement 24 July 2019).
- Completed a large-scale spheronising and purification trial using 400kg of sub 80 mesh concentrate generated during the March 2019 Pilot Plant run (refer to ASX announcement 12 August 2019).
- Completed a placement to raise $3.0 million by issuing 42,857,143 shares at $0.07 per share (refer to ASX announcement 16 August 2019)
- Appointed the current Chief Executive Officer & Executive Director, Mr John de Vries, to the position of Managing Director & Chief Executive Officer of the Company (refer to ASX announcement 10 September 2019).

Corporate and Financial Position

Consolidated net assets at year-end were $22,406,840 against $18,283,485 at the close of the prior year.
Total cash held at year-end was $1,907,467 (2018: $1,788,150).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

CHANGES IN THE STATE OF AFFAIRS

There have not been any significant changes in the State of Affairs of the Company. Black Rock Mining remains focused on developing its Graphite Mahenge Project in Tanzania. The Company is now moving into its development phase and looks forward to executing on its strategy to develop and bring Mahenge into production and in parallel, penetrate the battery materials supply chain.

SUBSEQUENT EVENTS

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

- On 24 July 2019 the Company announced it had enhanced the 100% owned Mahenge Graphite Project DFS released on 24 October 2018 to include a fourth production module, and a compressed development schedule.
- On 14 August 2019 the Company announced it had completed a large-scale spheronising and purification trial using 400kg of sub 80 mesh concentrate generated during the March 2019 Pilot Plant run (refer ASX release 3 April 2019).
- On 16 August 2019 the Company announced it had completed a placement to raise $3.0 million (before costs) by issuing 42,857,143 shares at $0.07 per share.
- On 10 September 2019 the Company appointed the current Chief Executive Officer & Executive Director, Mr John de Vries, to Managing Director and Chief Executive Officer of the Company.

FUTURE DEVELOPMENTS

Black Rock Mining remains focused on developing its Graphite Mahenge Project in Tanzania. The Company is now moving into its development phase and looks forward to executing on its strategy to develop and bring Mahenge into production and in parallel, penetrate the battery materials supply chain.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The exploration activities of entities in the Consolidated Entity are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna.

Entities in the Consolidated Entity have complied with all environmental requirements up to the date of this report.

SHARE OPTIONS

Share options granted to directors

During the year 13,000,000 million share options were granted to the directors of the Company. Refer to table on page to 14.

Share options on issue

The details of the options as at the date of this report are as follows:

ISSUING ENTITY	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
Black Rock Mining Ltd	13,000,000	Ordinary	$0.10	7 November 2021
Black Rock Mining Ltd	5,000,000	Ordinary	$0.07	9 July 2021
Black Rock Mining Ltd	5,000,000	Ordinary	$0.20	14 March 2021
Black Rock Mining Ltd	3,000,000	Ordinary	$0.10	18 December 2021
Black Rock Mining Ltd	5,000,000	Ordinary	$0.20	19 April 2020
Black Rock Mining Ltd	25,000,000	Ordinary	$0.10	31 August 2020
Black Rock Mining Ltd	1,000,000	Ordinary	$0.10	31 October 2021

Option holders do not have any right by virtue of the option to participate in any share issue of the Company or any related body corporate.

PERFORMANCE RIGHTS

Performance rights granted to directors

During and since the end of the financial year, no new performance rights were granted to directors of the Company.

Performance rights on issue

As at the date of this report, no performance rights are on issue.

INFORMATION ABOUT THE DIRECTORS

The following table sets out each Director's relevant interest in shares or options over shares of the Company as at the date of this report:

DIRECTOR		NUMBER	GRANT DATE	EXPIRY DATE	EXERCISE PRICE
Richard Crookes	- Ordinary shares	2,062,500			
	- Unlisted Options	5,000,000	17-Oct-17	31-Aug-20	$0.10
	- Unlisted Options	2,500,000	7-Nov-18	7-Nov-21	$0.10
John de Vries	- Ordinary shares	3,212,500			
	- Unlisted Options	5,000,000	28-Nov-17	31-Aug-20	$0.10
	- Unlisted Options	5,000,000	7-Nov-18	7-Nov-21	$0.10
Ian Murray	- Ordinary shares	1,508,706			
Gabriel Chiappini	- Ordinary shares	6,250,000			
	- Unlisted Options	5,000,000	28-Nov-17	31-Aug-20	$0.10
	- Unlisted Options	2,500,000	7-Nov-18	7-Nov-21	$0.10

INDEMNIFICATION OF OFFICERS AND AUDITOR

The Company gave indemnity and held the following liability cover in place during the course of the financial year:

1. Agreements to indemnify Mr Richard Crookes (Non-Executive Chairman), Mr John de Vries (Executive Director), Mr Gabriel Chiappini (Non-Executive Director) and Mr Ian Murray (Non-Executive Director), in respect of any liabilities incurred by them while acting in the normal course of business as a director of the entity and to insure them against certain risks they are exposed to as directors of the Company.
2. Pursuant to the above, the Company has paid premiums to insure the directors and executive management against liabilities incurred in the conduct of the business of the Company and has provided right of access to the Company records.
3. In accordance with common commercial practice, the insurance policy prohibits disclosure of the premium and the nature of the liability insured against.

The Company has not provided any insurance for an auditor of the Company.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each Director (while they were director or committee member). During the financial year 11 Board meetings were held:

DIRECTOR	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Richard Crookes	11	11
Ian Murray	2	2
John de Vries	11	11
Stephen Copulos	5	5
Gabriel Chiappini	11	11

NON-AUDIT SERVICES

During the year no non- audit services were provided by the Auditor (or by another person or firm on the Auditors behalf).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included after this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

REMUNERATION REPORT (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Black Rock Mining Limited's key management personnel for the financial year ended 30 June 2019. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Consolidated Entity. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of key management personnel
- key terms of employment contracts
- other information

Key management personnel

The key management personnel of the Consolidated Entity during or since the end of the financial year were:

Richard Crookes	Non-Executive Chairman	Appointed 16 October 2017
Ian Murray	Non-Executive Director	Appointed 2 May 2019
John de Vries	Chief Executive Officer & Executive Director	Appointed 16 March 2017
Stephen Copulos	Non-Executive Director	Appointed 22 January 2015 Resigned 7 November 2018
Gabriel Chiappini	Non-Executive Director & Company Secretary	Appointed 21 March 2012 Appointed 12 July 2013

Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year.

Remuneration policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for directors and the executive team. The Board assesses the appropriateness of the nature of the amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive team and that each staff member's remuneration package properly reflects that person's duties and responsibilities.

The Board may, however, exercise its discretion in relation to approving incentive bonuses, options and performance rights.

REMUNERATION REPORT (audited) *- CONTINUED*

Elements of director and executive remuneration

Remuneration packages contain the following key elements:

- Short term benefits – salaries / fees
- Annual leave benefits
- Post-employment benefits – superannuation
- Share based payments

No non-monetary short-term benefits, prescribed retirement benefits or other post-employment benefits were paid. The following table discloses the remuneration of the Directors and executives of the Company:

2019	SHORT TERM EMPLOYEE BENEFITS - SALARY AND FEES	Other (iii)	BONUS (iv)	POST EMPLOYMENT BENEFITS - SUPERANNUATION	SHARE BASED PAYMENT (OPTIONS AND RIGHTS)	TOTAL	% LINKED TO PERFORMANCE
	$			$	$	$	
Richard Crookes	**108,333**	**-**	**-**	**10,292**	**50,808**	**169,433**	**30%**
Ian Murray (i)	**11,000**	**-**	**-**	**1,045**	**8,647**	**20,692**	**42%**
John de Vries	**302,645**	**23,088**	**75,000**	**25,000**	**86,383**	**512,116**	**17%**
Stephen Copulos (ii)	**20,833**	**-**	**-**	**-**	**32,350**	**53,183**	**61%**
Gabriel Chiappini	**49,000**	**-**	**-**	**-**	**59,366**	**108,366**	**55%**
	491,811	**23,088**	**75,000**	**36,337**	**237,554**	**863,790**	

(i) Appointed 2 May 2019

(ii) Resigned 7 November 2018

(iii) Other relates to accrual of annual leave benefits

(iv) On 10 September 2019 the Company announced that the board had agreed to award John de Vries a $75,000 short term incentive for his performance during the 2019 financial year to be paid 50% cash and 50% in BKT ordinary shares (shares subject to shareholder approval)

2018	SHORT TERM EMPLOYEE BENEFITS - SALARY AND FEES	OTHER (iii)	POST EMPLOYMENT BENEFITS - SUPERANNUATION	SHARE BASED PAYMENT (OPTIONS AND RIGHTS)	TOTAL	% LINKED TO PERFORMANCE
	$		$	$	$	
Richard Crookes (i)	62,634	-	6,359	68,375	137,368	50%
John de Vries (ii)	300,000	23,089	20,040	89,250	432,379	21%
Stephen Copulos	58,333	-	-	89,250	147,583	61%
Gabriel Chiappini	39,000	-	-	89,250	128,250	70%
	459,967	23,089	26,399	336,125	845,580	

(i) Mr Richard Crookes remuneration package consists of an annual salary of $100,000 plus statutory superannuation.

(ii) Mr John de Vries remuneration package consists of an annual salary of $300,000 plus statutory superannuation.

(iii) Other relates to accrual of annual leave benefits.

REMUNERATION REPORT (audited) *- CONTINUED*

Key Terms of Employment Contracts

The Directors and executive are employed under contracts, which have no fixed term.

The contract binding the Executive Director may be terminated by the individual or the Board by giving three months' notice in writing to terminate the Employment Agreement under which his services are contracted.

The Non-Executive Directors are bound by letter of appointments. The contract of the Non-Executive Director may be terminated at any time by him by notice in writing or by shareholders acting by majority vote.

Managing Director and Chief Executive Officer Employment Contract

Effective 10 September 2019, Mr John de Vries was promoted to the position of the Managing Director and Chief Executive Officer and was employed under an Executive Services Agreement with the material terms and conditions being:

Status	Full time
Term	Rolling contract
Notice period	6 months' notice by either party, notice period extends to 12 months under certain circumstances
Salary	$300,000 per annum (same as current salary)
Superannuation	Statutory Rate
Leave	20 days annual leave
Short Term Incentive (STI)	Ability to earn up to 50% of base salary as an STI per annum. For the FY19 period the board has agreed to award John de Vries a $75,000 STI for his performance during FY19 to be paid 50% cash and 50% in BKT ordinary shares (shares subject to shareholder approval).
Long Term Incentives (LTI)	Ability to earn up to 50% of base salary as an LTI. For the FY20 year, 3,600,000 unlisted options issued at nil consideration that will vest in three equal tranches over 12, 18 & 24 months and be exercisable at $0.15 each and expire three years from date of grant. These options are subject to shareholder approval. LTI to be reviewed annually.
Other Benefits	Indemnity & Access Deed D&O Insurance

REMUNERATION REPORT (audited) - CONTINUED

Share based payment arrangements

Options

The following options were granted during the year, affecting key management personnel remuneration:

	NUMBER OF SHARE OPTIONS - TRANCHE A (i)	NUMBER OF SHARE OPTIONS - TRANCHE B (ii)	TOTAL
Richard Crookes	2,500,000	-	2,500,000
Ian Murray	-	3,000,000	3,000,000
John de Vries	5,000,000	-	5,000,000
Gabriel Chiappini	2,500,000	-	2,500,000
	10,000,000	3,000,000	13,000,000

(i) *Tranche A – Expiry: 7 November 2021, Exercise price: $0.10, Vesting conditions: 100% on 30 September 2019 subject to remaining as a director, executive or consultant of the Company. Fair value per share option was $0.0132 computed using a Black Scholes model.*

(ii) *Tranche B – Expiry: 2 May 2022, Exercise price: $0.15, Vesting conditions: 50% on 2 May 2020, 50% on 2 May 2021 subject to remaining as a director, executive or consultant of the Company. At the date of this report these options are yet to be issued and remain subject to shareholder approval. Fair value per share option was $0.0408 computed using a Black Scholes model.*

The options above (13 million) pertain only to those issued to key management personnel during the year and represent only a portion of the total options issued during the year which are disclosed above.

Details of unissued shares or interests under option held by key management personnel at the date of this report, excluding those subject to shareholder approval, are:

ISSUING ENTITY	NUMBER OF SHARES UNDER OPTION	CLASS OF SHARES	EXERCISE PRICE OF OPTION	EXPIRY DATE OF OPTIONS
Black Rock Mining Ltd	10,000,000	Ordinary	$0.10	7 November 2021
Black Rock Mining Ltd	15,000,000	Ordinary	$0.10	31 August 2020

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company.

Performance rights

No new performance rights were issued during the reporting period.

Other information

FINANCIAL TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the financial year the following amounts were paid to Key Management Personnel for services in addition to those shown elsewhere in this note:

DIRECTOR	VALUE $	DESCRIPTION
Gabriel Chiappini	66,000	Payments to Laurus Corporate Services for financial services provided during the reporting period includes but not limited to management of the Company Secretarial function, Company's Corporate and Administration function, Accounting and Finance function, Capital Markets & Investor Relations, Compliance & Corporate Governance and ASX and ASIC requirements.

RELATIONSHIP BETWEEN COMPANY PERFORMANCE AND REMUNERATION POLICY

Remunerations levels are not dependent upon any performance criteria as the nature of the Consolidated Entity's operations is exploration and they are not generating profit.

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the 5 years to 30 June 2019:

	2019	2018	2017	2016	2015
Revenue ($'s)	**7,939**	24,183	187,548	11,602	80,616
Net loss before tax ($'s)	**(2,864,024)**	(2,053,080)	(2,590,371)	(1,349,305)	(995,121)
Net loss after tax ($'s)	**(2,864,024)**	(2,053,080)	(2,590,371)	(1,349,305)	(995,121)
Share Price at start of year	**$0.037**	$0.066	$0.066	$0.028	$0.02
Share Price at year end	**$0.084**	$0.04	$0.066	$0.066	$0.03
Loss per share	**$0.00539**	$0.00547	$0.1176	$0.005	$0.007

Movement in shares

The aggregate number of shares of the Company held directly, indirectly or beneficially by Directors and other Key Management Personnel of the Company or their personally related entities are as follows:

2019	1 JULY 2018	PURCHASES	RECEIVED ON EXERCISE OF OPTIONS/ PERFORMANCE RIGHTS	SALES	OTHER CHANGES	30 JUNE 2019
Richard Crookes	**500,000**	**1,562,500**	-	-	-	**2,062,500**
Ian Murray	-	**1,291,842**	-	-	**216,864** (i)	**1,508,706**
John de Vries	**1,650,000**	**1,562,500**	-	-	-	**3,212,500**
Stephen Copulos	**97,379,336**	**33,333,333**	-	**(33,333,333)**	**(97,379,336)** (ii)	-
Gabriel Chiappini	**5,625,000**	**625,000**	-	-	-	**6,250,000**

(i) Shares held by Ian Murray at the date of his appointment

(ii) Shares held by Stephen Copulos at the date of his resignation 7 November 2018

Movement in unlisted options

The aggregate numbers of unlisted options of the Company held directly, indirectly or beneficially by specified Directors and other Key Management Personnel of the Company or their personally related entities are as follows:

2019	1 JULY 2018	OPTIONS GRANTED FREE ATTACHING	OPTIONS GRANTED AS REMUNERATION	OPTIONS LAPSED	OTHER CHANGES	30 JUNE 2019	VESTED AND EXERCISABLE AT 30 JUNE 2019	VESTED DURING THE YEAR
Richard Crookes	**5,000,000**	-	**2,500,000**	-	-	**7,500,000**	-	-
Ian Murray	-	-	**3,000,000** (i)	-	-	**3,000,000**	-	-
John de Vries	**5,000,000**	-	**5,000,000**	-	-	**10,000,000**	-	-
Stephen Copulos	**5,000,000**	-	-	-	**(5,000,000)** (ii)	-	-	-
Gabriel Chiappini	**5,000,000**	-	**2,500,000**	-	-	**7,500,000**	-	-

(i) At the date of this report these options are yet to be issued and remain subject to shareholder approval.

(ii) Options held by Stephen Copulos at the date of his resignation

RELATIONSHIP BETWEEN COMPANY PERFORMANCE AND REMUNERATION POLICY *- CONTINUED*

Movement in listed options

The aggregate number of listed options of the Company held directly, indirectly or beneficially by specified Directors and other Key Management Personnel of the Company or their personally related entities are as follows:

2019	1 JULY 2018	OPTIONS GRANTED FREE ATTACHING	OPTIONS EXERCISED	SALES	OTHER CHANGES (i)	30 JUNE 2019
Richard Crookes	-	-	-	-	-	-
Ian Murray	-	-	-	-	-	-
John de Vries	-	-	-	-	-	-
Stephen Copulos	**6,666,666**	-	-	-	**(6,666,666)**	-
Gabriel Chiappini	**266,666**	-	-	-	**(266,666)**	-

(i) List options expired on 7 November 2018

Movement in performance rights

There were no movements in performance rights of the Company held directly, indirectly or beneficially by specified Directors and other Key Management Personnel of the Company or their personally related entities during the financial year.

END OF REMUNERATION REPORT

The director's report is signed in accordance with a resolution of directors made pursuant to s. 298(2) of the *Corporations Act 2001*.

On behalf of the Directors.

Richard Crookes

Richard Crookes
NON-EXECUTIVE CHAIRMAN

25 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
Black Rock Mining Limited
45 Ventnor Avenue
West Perth WA 6005

25 September 2019

Dear Board Members

Auditor's Independence Declaration to 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 audit of the financial report of Black Rock Mining Limited for the year ended 30 June 2019, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Interest income		**7,939**	11,111
Other revenue		**-**	13,073
Administrative expenses		**(317,152)**	(579,468)
Employee benefit expense		**(707,158)**	(160,196)
Share based payment expense		**(431,311)**	(244,603)
Exploration expenditure		**-**	(374)
Consulting expense		**(1,014,579)**	(715,239)
Depreciation and amortisation expense		**(10,675)**	(9,845)
Net foreign currency exchange differences		**(5,071)**	(23,998)
Other expenses from ordinary activities		**(368,949)**	(291,541)
Impairment of investments		**(17,068)**	-
Loss on disposal of investment		**-**	(52,000)
Loss before tax		**(2,864,024)**	(2,053,080)
Income tax benefit	6	**-**	-
LOSS FOR THE YEAR		**(2,864,024)**	(2,053,080)
Other comprehensive income, net of income tax			
Items not reclassified through profit or loss:			
Foreign currency translation differences for foreign operations		**912,109**	16,880
Fair value movement		**26,807**	87,714
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF BLACK ROCK MINING LIMITED		**(1,925,108)**	(1,948,486)
Loss for the year attributable to owners of the Company		**(2,864,024)**	(2,053,080)
Total comprehensive loss attributable to the owners of the Company		**(1,925,108)**	(1,948,486)
Loss per share			
Basic and diluted loss per share	20	**(0.00539)**	(0.00547)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Assets			
Current assets			
Cash and bank balances	7	**1,907,467**	1,788,150
Trade and other receivables		**170,361**	141,059
Total current assets		**2,077,828**	1,929,209
Non-current assets			
Exploration & evaluation asset	9	**20,978,368**	16,574,559
Property, plant and equipment		**43,379**	19,077
Other financial assets	10	**-**	285,071
Total non-current assets		**21,021,747**	16,878,707
Total assets		**23,099,575**	18,807,916
Liabilities			
Current liabilities			
Trade and other payables	11	**658,011**	502,877
Provisions		**34,724**	21,554
Total current liabilities		**692,735**	524,431
Total liabilities		**692,735**	524,431
Net assets		**22,406,840**	18,283,485
Equity			
Issued capital	12	**58,086,890**	52,371,878
Reserves	13	**1,592,979**	2,372,792
Accumulated losses	14	**(37,273,029)**	(36,461,185)
Total equity		**22,406,840**	18,283,485

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	ISSUED CAPITAL $	ACCUMULATED LOSSES $	ASSET REVALUATION RESERVE $	SHARE BASED PAYMENT RESERVE $	FOREIGN CURRENCY RESERVE $	**TOTAL EQUITY $**
Balance at 30 June 2017	12, 13, 14,	**47,925,610**	**(34,763,222)**	**-**	**2,510,848**	**(132,135)**	**15,541,101**
Loss for the year		-	(2,053,081)	-	-	-	**(2,053,081)**
Other comprehensive income for the year, net of tax		-	-	87,714	-	16,880	**104,594**
Total comprehensive income for the year		-	(2,053,081)	87,714	-	16,880	**(1,948,487)**
Issue of ordinary shares		4,740,000	-	-	-	-	**4,740,000**
Cost of share capital issued		(293,732)	-	-	-	-	**(293,732)**
Costs of share based payments		-	-	-	414,601	-	**414,601**
Performance rights expired not vested during the period		-	-	-	(169,998)	-	**(169,998)**
Options cancelled during the year		-	355,118	-	(355,118)	-	**-**
Balance at 30 June 2018	12, 13, 14,	**52,371,878**	**(36,461,185)**	**87,714**	**2,400,333**	**(115,255)**	**18,283,485**
Loss for the year		-	(2,864,024)	-	-	-	**(2,864,024)**
Other comprehensive income for the year, net of tax		-	-	-	-	912,109	**912,109**
Fair value movement		-	-	26,807	-	-	**26,807**
Total comprehensive income for the year		-	(2,864,024)	26,807	-	912,109	**(1,925,108)**
Issue of ordinary shares		5,999,500	-	-	-	-	**5,999,500**
Cost of share capital issued		(382,348)	-	-	-	-	**(382,348)**
Costs of share based payments		66,660	-	-	364,651	-	**431,311**
Performance rights converted to ordinary shares		31,200	-	-	(31,200)	-	**-**
Options expired not vested during the period		-	1,737,809	-	(1,737,809)	-	**-**
Performance rights expired not vested during the period		-	199,850	-	(199,850)	-	**-**
Asset revaluation reserve attributable to investments disposed of		-	114,521	(114,521)	-	-	**-**
Balance at 30 June 2019	12, 13, 14,	**58,086,890**	**(37,273,029)**	**-**	**796,125**	**796,854**	**22,406,840**

The above consolidated statement of changes in equity should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Cash flow from operating activities			
Payments to suppliers and employees		**(2,272,737)**	(1,740,077)
Net cash flows used in operating activities	7.1	**(2,272,737)**	(1,740,077)
Cash flow from investing activities			
Capitalised exploration expenditure		**(3,487,680)**	(3,584,304)
Interest received		**7,939**	11,111
Payments for property, plant and equipment		**(34,425)**	(7,288)
Proceeds on disposal of investment		**294,810**	228,000
Government grants received		**-**	359,505
Payments for security deposits		**(6,620)**	-
Net cash flows used in investing activities		**(3,225,976)**	(2,992,976)
Cash flows from financing activities			
Proceeds from issue of shares and options		**5,999,500**	4,740,000
Payment of share issue costs		**(382,348)**	(293,732)
Net cash flows provided by financing activities		**5,617,152**	4,446,268
Net increase/(decrease) in cash held		**118,439**	(286,785)
Cash at the beginning of the financial year		**1,788,150**	2,139,779
Effect of exchange movement on cash balances		**878**	(64,844)
Cash and cash equivalents at the end of the year	7	**1,907,467**	1,788,150

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 GENERAL INFORMATION

Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 25 September 2019.

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 $2,864,024 (30 June 2018: $2,053,080), experienced net cash outflows from operating activities of $2,272,737 (30 June 2018: $1,740,077) and cash outflows from exploration and evaluation expenditure of $3,487,680 (30 June 2018: $3,584,304) for the year ended 30 June 2019.

During August 2019, the consolidated entity completed a share placement with institutional and sophisticated investors of 37,000,001 shares at $0.07 per share raising $2,590,000 (before capital raising cost). In addition, Directors of the Company have agreed to participate in the placement and, subject to shareholder approval, a further 5,918,556 shares will be issued in November 2019 at a price of $0.07 per share raising $414,300 (before capital raising cost).

Based on the consolidated entity's history of raising capital as and when required, and subject to the general market conditions, the Directors are confident in the consolidated entity's ability to raise additional capital. Therefore, the financial report is prepared on the going concern basis.

2 APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

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

The adoption of the aforementioned standards has resulted in an immaterial impact on the financial statements of the Group as at June 30, 2019. A discussion on the impact of the adoption of AASB 9 and AASB 15 is included below.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 9 – Financial Instruments

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has adopted AASB 9 from July 1, 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the consolidated financial statements. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the balance sheet as at June 30, 2018 but recognised in the opening balance sheet as at July 1, 2018. The Group has not recognised a loss allowance on trade and other receivables following an assessment of the impact of the new impairment model introduced by AASB 9.

2 APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS - *CONTINUED*

2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period - *CONTINUED*

CLASSIFICATION AND MEASUREMENT

On July 1, 2018, the Group has assessed financial instruments held by the Group and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Group classified financial assets and liabilities measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Group's financial instruments other than the Financial Assets where the Group made an irrevocable election at initial recognition to recognise equity instruments at fair value in other comprehensive income ("FVOCI").

There was no material impact on the statement of profit or loss or other comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Group's financial instruments at July 1, 2018:

PRESENTED IN STATEMENT OF FINANCIAL POSITION	FINANCIAL INSTRUMENT	AASB 139	AASB 9	REPORTED	RESTATED
				$	$
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised cost	No change	No change
Other Financial Assets	Available for Sale	FVOCI	FVOCI	No change	No change
Trade and other payables	Loans and receivables	Amortised cost	Amortised cost	No change	No change

The Group does not currently engage in any hedging activities and accordingly any changes to hedge accounting rules under AASB 9 do not impact on the Group.

IMPAIRMENT

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Group to adopt an ECL position across the Group's financial assets from July 1, 2018. The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates as opposed to the previously applied incurred loss model. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group has assessed that the risk of default is minimal for trade receivables, and as such, no material impairment loss has been recognised against these receivables as at June 30, 2019.

AASB 15 – Revenue from Contract with Customers

ADOPTION STATEMENT

The adoption of AASB 15 has not had an impact on the Group's financial statements. During the year, the Group generated no revenue from sale of goods or rendering of services. The group recorded interest revenue which is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

AASB 16 Leases

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The exceptions are short-term and low-value leases.

The Group has reviewed the Group's leasing arrangements in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of $7,260 (refer Note 19). Of these commitments, 100% relate to short-term and low value leases which will both be recognised on a straight-line basis as expense in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *CONTINUED*

3.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

3.3.1 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non- monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *- CONTINUED*

3.5 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

Liabilities recognised in respect of long term benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

3.6 Share-based payment transactions

The Company provides benefits to employees and others (i.e. consultants) of the Company in the form of share-based payment transactions, whereby employees and others render services in exchange for shares or rights over shares ("Equity–settled transactions").

There is currently one plan in place to provide these benefits being an Employee Share Option Plan ("ESOP"), which provides benefits to Directors, senior executives and staff. The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. An external valuer using an appropriate valuation model determines the fair value.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Black Rock Mining Limited ("market conditions").

The cost of equity settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3.7 Taxation - CONTINUED

3.7.2 Deferred Tax - CONTINUED

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Black Rock Mining Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Black Rock Mining Limited, and the controlled entities in the tax-consolidation group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax-consolidation group continues to be a stand-alone entity in its own right.

In addition to its own current and deferred tax amounts, Black Rock Mining Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidation group.

3.8 Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets are depreciated over their expected economic life using the straight-line method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

Plant and equipment: 7.5% - 67%

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *CONTINUED*

3.9 Exploration Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, otherwise costs are expensed.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

3.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *- CONTINUED*

3.11 Financial Instruments

Trade and Other Receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

If collection of amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. As the majority of trade and other receivables are short term in nature, their carrying value is assumed to be the same as their fair value. Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition is this category.

Cash and Cash Equivalent

Cash and cash equivalents includes cash on hand and deposits held at call which are subject to insignificant risk of changes in value.

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

3.12 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

4 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES - CONTINUED

4.2 Key sources of estimation uncertainty - CONTINUED

4.2.1 Impairment

The consolidated entities assess impairment at each reporting date by evaluating conditions specific to the consolidated entities that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The Group's policy on the capitalisation of exploration and evaluation expenditure is detailed in note 3.9 and Impairment at note 3.10. In considering if an impairment event has been triggered the Company took into account positive results from its exploration programme and successful completion of the recent Optimisation Study and a JORC compliant resource.

4.2.2 Share based payments

The Consolidated Entities measure the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate model. One of the inputs into the option valuation model is volatility of the underlying share price, which is estimated on the one-year history of the share price and has been estimated as approximately 80% to 122%.

5 SEGMENT REPORTING

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the geographical location of resources being explored for and evaluated. The Group's principal activity and focus is that of Graphite in Tanzania.

5.1 Segment revenues and results

2019	GRAPHITE	CORPORATE	CONSOLIDATED
	$	$	$
Interest	**-**	**7,939**	**7,939**
Total revenue	**-**	**7,939**	**7,939**
Loss before tax	**(214,771)**	**(2,649,253)**	**(2,864,024)**
Fixed asset additions	**17,835**	**16,589**	**34,424**
Depreciation	**4,445**	**6,181**	**10,626**

2019	GRAPHITE	CORPORATE	CONSOLIDATED
Total segment assets	**14,590,461**	**8,509,114**	**23,099,575**
Total segment liabilities	**78,714**	**614,021**	**692,735**

2018	GRAPHITE	CORPORATE	CONSOLIDATED
	$	$	$
Total revenue	-	24,184	24,184
Loss before tax	(178,197)	(1,874,883)	(2,053,080)
Fixed asset additions	-	8,832	8,832
Depreciation	2,598	7,247	9,845
Impairment	-	-	-

2018	GRAPHITE	CORPORATE	CONSOLIDATED
Total segment assets	12,705,698	6,102,218	18,807,916
Total segment liabilities	107,708	416,723	524,431

6 INCOME TAXES

		FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
(a)	**Income tax (benefit)/expense**		
	Current tax	**-**	-
	Deferred tax	**-**	-
		-	-
(b)	**Numerical reconciliation of income tax expense to prima facie tax payable**		
	Loss for the year	**(2,864,024)**	(2,053,080)
	Loss from operations	**(2,864,024)**	(2,053,080)
	Prima facia tax benefit at 27.5% (2018: 30%)	**(787,607)**	(564,597)
	Share based payments	**100,279**	230,640
	Non-deductible expenditure	**69,566**	65,990
	Movement in unrecognised temporary differences	**(59,127)**	(76,441)
	Unused tax losses for which no deferred tax asset has been recognised	**676,889**	344,408
	Income tax benefit	**-**	-
(c)	**Recognised deferred tax assets and liabilities**		
	Recognised deferred tax assets comprise:		
	Other temporary differences	**184,450**	106,028
	Tax losses available for offset against future taxable income	**1,586,989**	997,634
		1,771,439	1,103,662
	Recognised deferred tax liabilities comprise:		
	Exploration and evaluation	**1,769,357**	1,079,541
	Unrealised foreign exchange movements	**2,082**	-
	Other financial assets	**-**	24,121
		1,771,439	1,103,662

Unrecognised deferred tax assets

Unused tax losses for which no deferred tax asset has been recognised are $16,622,065 (2018: $15,878,433) all of which originate within Australia. Potential tax benefit is $4,571,068 (2018: $4,366,569). The Company is still in the process of reviewing the continuity of ownership test and same business test in determining whether these unrecognised tax losses can be utilised in future financial reporting periods.

(d) Franking credits

The Company has no franking credits available as at 30 June 2019 (2018: Nil).

(e) Tax Consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2004 and are therefore taxed as a single entity from that date. The head Company of the consolidated group is Black Rock Mining Limited.

7 CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Cash and bank balances	**1,907,467**	1,788,150
	1,907,467	1,788,150

7.1 Reconciliation of loss for the year to net cash flows from operating activities

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Loss after income tax	**(2,864,024)**	(2,053,081)
Depreciation and amortisation of non-current assets	**10,675**	9,845
Share based payments to key management personnel	**431,311**	263,208
Net foreign exchange gain/(loss)	**5,071**	32,243
Investment revenue recognised in profit or loss	**-**	(11,111)
Exploration expenditure paid in shares	**-**	31,250
Loss/(gain) on disposal of investment	**-**	52,000
(Reversal)/impairment of investments	**17,068**	-
Interest revenue transferred to investing activity	**(7,939)**	-
	(2,407,838)	(1,675,646)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	**(22,682)**	(103,179)
Increase/(decrease) in trade and other payables	**144,613**	69,767
Increase/(decrease) in employee entitlements provision	**13,170**	(31,019)
Net cash used in operating activities	**(2,272,737)**	(1,740,077)

7.2 Non Cash transactions

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Financing activity		
Performance rights exercised into shares	**31,200**	-

8 SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

NAME OF SUBSIDIARY	PLACE OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD BY THE GROUP	
		FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
Green Rock Energy International Pty Ltd	Australia	**100%**	100%
Green Rock (Vulcan) Energy Kft	Hungary	**100%**	100%
Mahenge Resources Limited	Tanzania	**100%**	100%

9 EXPLORATION AND EVALUATION ASSET

In the exploration phase

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Balance at beginning of year	**16,574,559**	13,540,833
Expenditure incurred during the year (at cost)	**3,487,680**	3,245,186
Foreign exchange effect	**916,128**	(211,459)
Balance at end of year	**20,978,368**	16,574,559

Reconciliation of Expenditure incurred during the year (at cost):

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Cash paid for exploration and evaluation	**3,686,379**	3,584,305
Accruals in prior year	**(235,262)**	(214,501)
Accruals in current year	**36,563**	235,262
Research and development offset received	**-**	(359,880)
Total expenditure incurred during the year (at cost)	**3,487,680**	3,245,186

The ultimate recoupment of capitalised exploration expenditure is dependent upon the successful development and/or commercial exploitation or, alternatively through the sale of the respective underlying licenses.

The balance of $20,978,368 (2018: $16,574,559) at reporting date represents the carrying value of its Graphite assets in Tanzania.

10 OTHER FINANCIAL ASSETS (NON-CURRENT)

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Shares in UIL Energy Limited (at fair value)	**-**	285,071
	-	285,071

During the year Strike Energy Limited (ASX: STX) made a compulsory takeover of the shares in UIL Energy Limited. The Company subsequently disposed of the STX shares receiving gross proceeds of $294,810. As STX was not a core asset of the business, the Company disposed of the shares with the funds used to continue advancing its Mahenge Graphite Project and for general working capital purposes.

11 TRADE AND OTHER PAYABLES

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Trade creditors	**284,159**	246,140
Accruals	**310,650**	230,176
Other liabilities	**63,202**	26,561
	658,011	502,877

Included in trade creditors and accruals is an amount of $36,563 (2018: $235,262) relating to exploration expenditure.

12 ISSUED CAPITAL

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
585,550,851 ordinary shares issued and fully paid (30 June 2018: 443,734,701)	**58,086,890**	52,371,878
	58,086,890	52,371,878

12 ISSUED CAPITAL - *CONTINUED*

12.1 Fully paid ordinary shares

	NUMBER OF SHARES	SHARE CAPITAL $
Balance at 30 June 2017	364,734,701	47,925,610
Shares issued 13 November 2017 ($0.06 per share) – Cash	70,000,000	4,200,000
Shares issued 11 January 2018 ($0.06 per share) – Cash	9,000,000	540,000
Less: capital raising costs	-	(293,732)
Balance at 30 June 2018	443,734,701	52,371,878
Shares issued 6 September 2018 ($0.032 per share) – Cash	78,125,000	2,500,000
Shares issued 5 November 2018 ($0.033 per share) – Non-cash	220,000	7,260
Shares issued 22 November 2018 ($0.032 per share) – Cash	15,625,000	500,000
Shares issued 14 December 2018 ($0.039 per share) – Non-cash	800,000	31,200
Shares issued 18 March 2018 ($0.065 per share) – Cash	46,146,150	2,999,500
Shares issued 18 March 2018 ($0.066 per share) – Non-cash	900,000	59,400
Less: capital raising costs	-	(382,348)
Balance at 30 June 2019	585,550,851	58,086,890

12.2 Options

LISTED OPTIONS	OPENING BALANCE NO.	EXERCISED IN YEAR NO.	GRANTED IN YEAR NO.	EXPIRED IN YEAR NO.	CLOSING BALANCE NO.
Expiring 30 November 2018 at $0.075	33,966,655	-	-	33,966,655	-

UNLISTED OPTIONS	OPENING BALANCE NO.	EXERCISED IN YEAR NO.	GRANTED IN YEAR NO.	EXPIRED IN YEAR NO.	CLOSING BALANCE NO.
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 7 Nov 2021 at $0.10	-	-	13,000,000	-	13,000,000
Expiring 18 Dec 2021 at $0.10	-	-	3,000,000	-	3,000,000
Expiring 14 Mar 2021 at $0.20	-	-	5,000,000	-	5,000,000
Expiring 9 Jul 2021 at $0.07	-	-	5,000,000	-	5,000,000
Expiring 31 Oct 2021 at $0.10	-	-	1,000,000	-	1,000,000
Expiring 2 May 2022 at $0.10 (1)	-	-	3,000,000	-	3,000,000
	30,000,000	-	30,000,000	-	60,000,000

(1) *Granted but not issued in the June 2019 financial year*

The weighted average exercise price of options at 30 June 2019 is $0.12

The weighted average remaining contractual life of options as at 30 June 2019 is 634 days (2018: 723 days).

13 RESERVES (NET OF INCOME TAX)

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Reserves		
Share based payments reserve (i)	**796,125**	2,400,333
Foreign translation reserve (ii)	**796,854**	(115,255)
Asset revaluation reserve (iii)	**-**	87,714
	1,592,979	2,372,792

(i) ***Share Based Payments Reserve***

The share based payments reserve comprises any equity settled share based payment transactions and other options transactions. The reserve will be reversed against share capital when the underlying rights are exercised.

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Balance at the beginning of the year	**2,400,333**	2,510,849
Add: Share based payments to consultants	**13,224**	-
Add: Amounts expensed in the current year	**351,427**	414,601
Less: Options expired in the current year	**(1,737,809)**	(355,118)
Less: Performance rights expired not vested during the year	**(199,850)**	(169,999)
Less: Performance rights vested and exercised	**(31,200)**	-
	796,126	2,400,333

(ii) ***Foreign Translation Reserve***

The foreign translation reserve arises on the consolidation of the Group's overseas subsidiary companies, Green Rock (Vulcan) Energy Kft and Mahenge Resources Limited.

(iii) ***Asset Revaluation Reserve***

The asset revaluation reserve arises from the revaluation of the Group's listed equity investment in UIL Energy Limited and subsequently Strike Energy Limited (ASX: STX).

During the year Strike Energy Limited (ASX: STX) made a successful compulsory takeover of the shares in UIL Energy Limited and the Company disposed of the STX shares receiving gross proceeds of $294,810. As such the Asset revaluation reserve has been transferred to Accumulated losses.

14 ACCUMULATED LOSSES

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Balance at beginning of the year	**36,461,185**	34,763,222
Net loss attributable to members	**2,864,024**	2,053,081
Transfer from share option reserve	**(1,937,659)**	(355,118)
Transfer from asset revaluation reserve	**(114,521)**	-
Balance at end of year	**37,273,029**	36,461,185

15 SHARE BASED PAYMENTS

(a) Employee Share Incentive Scheme

The establishment of the Black Rock Mining Limited Employee Share Incentive Option Plan ("the Plan") was initially approved by special resolution at a General Meeting of shareholders of the Company held on 21 November 2006 and approval renewed by shareholders on 18 November 2009 and 28 November 2013. All eligible Directors, executive officers and employees of Black Rock Mining Limited are eligible to participate in the Plan.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

The fair value of the equity-settled share options granted is estimated as at the date of grant using a binomial/trinomial lattice model taking into account the terms and conditions upon which the options were granted.

The share based payment arrangements that were in existence during current and prior-reporting periods is detailed in note 13 (i). During the year, the shared based payment expense recognised in the consolidated statement of profit and loss totaled $364,651 (2018: $256,125).

Share based payment arrangements relating to Directors and employees:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS AT THE BEGINNING OF THE YEAR	OPTIONS GRANTED THIS YEAR	OPTIONS EXERCISED THIS YEAR	OPTIONS LAPSED, EXPIRED THIS YEAR	NUMBER OF OPTIONS AT THE END OF THE YEAR	OPTIONS EXERCISABLE AT THE END OF THE YEAR	FAIR VALUE AT GRANT DATE
17-10-17	31-08-20	$0.10	1,250,000	-	-	-	1,250,000	1,250,000	$0.0019
17-10-17	31-08-20	$0.10	1,250,000	-	-	-	1,250,000	1,250,000	$0.0040
17-10-17	31-08-20	$0.10	1,250,000	-	-	-	1,250,000	1,250,000	$0.0112
17-10-17	31-08-20	$0.10	1,250,000	-	-	-	1,250,000	1,250,000	$0.0376
28-10-17	31-08-20	$0.10	3,750,000	-	-	-	3,750,000	3,750,000	$0.0122
28-11-17	31-08-20	$0.10	3,750,000	-	-	-	3,750,000	3,750,000	$0.0140
28-11-17	31-08-20	$0.10	3,750,000	-	-	-	3,750,000	3,750,000	$0.0193
28-11-17	31-08-20	$0.10	3,750,000	-	-	-	3,750,000	3,750,000	$0.0259
08-11-18	31-10-21	$0.10	-	1,000,000	-	-	1,000,000	1,000,000	$0.0094
07-11-18	07-11-21	$0.10	-	10,000,000	-	-	10,000,000	-	$0.0132
02-05-19	02-05-22	$0.15	-	1,500,000	-	-	1,500,000	-	$0.0408
02-05-19	02-05-22	$0.15	-	1,500,000	-	-	1,500,000	-	$0.04076

Mr Crookes

TRANCHE	TRANCHE A	TRANCHE B	TRANCHE C	TRANCHE D
Grant date	17-Oct-17	17-Oct-17	17-Oct-17	17-Oct-17
Number of options	1,250,000	1,250,000	1,250,000	1,250,000
Method	Trinomial	Trinomial	Trinomial	Trinomial
Grant date share price (cents)	6	6	6	6
Exercise price (cents)	10	20	30	40
Expected volatility	100%	100%	100%	100%
Option life	2.83 years	2.83 years	2.83 years	2.83 years
Dividend yield	Nil	Nil	Nil	Nil
Risk-free interest rate	1.92%	1.92%	1.92%	1.92%

15 SHARE BASED PAYMENTS - CONTINUED

(a) Employee Share Incentive Scheme - CONTINUED

Messrs de Vries, Copulos & Chiappini

TRANCHE	TRANCHE A	TRANCHE B	TRANCHE C	TRANCHE D
Grant date	28-Nov-17	28-Nov-17	28-Nov-17	28-Nov-17
Number of options	3,750,000	3,750,000	3,750,000	3,750,000
Method	Trinomial	Trinomial	Trinomial	Trinomial
Grant date share price (cents)	7.4	7.4	7.4	7.4
Exercise price (cents)	10	20	30	40
Expected volatility	100%	100%	100%	100%
Option life	2.75 years	2.75 years	2.75 years	2.75 years
Dividend yield	Nil	Nil	Nil	Nil
Risk-free interest rate	1.89%	1.89%	1.89%	1.89%

Messrs de Vries, Crookes & Chiappini

TRANCHE	TRANCHE A
Grant date	7-Nov-18
Number of options	10,000,000
Method	Trinomial
Grant date share price (cents)	3.8
Exercise price (cents)	10
Expected volatility	79%
Option life (years)	3.00
Dividend yield	Nil
Risk-free interest rate	1.25%

Mr Murray

TRANCHE	TRANCHE A	TRANCHE B
Grant date	2-May-19	2-May-19
Number of options	1,500,000	1,500,000
Method	Black scholes	Black scholes
Grant date share price (cents)	7.1	7.1
Exercise price (cents)	15	15
Expected volatility	118%	118%
Option life (years)	3.01	3.01
Dividend yield	Nil	Nil
Risk-free interest rate	1.26%	1.26%

15 SHARE BASED PAYMENTS - *CONTINUED*

(a) Employee Share Incentive Scheme - *CONTINUED*

The following reconciles the outstanding share options granted under the Plan at the beginning and end of the financial year.

	2019		2018	
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE (CENTS)**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (CENTS)
Balance at the beginning of the financial year	**20,000,000**	**10.00**	-	-
Granted during the financial year:				
- Directors	**13,000,000**	**11.15**	20,000,000	10.00
- Employees	**1,000,000**	**10.00**	-	-
Forfeited/Expired	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Balance at the end of the financial year	**34,000,000**	**10.44**	20,000,000	10.00
Vested and Exercisable at the end of the year	**20,000,000**	**10.00**	20,000,000	10.00

Expected volatility is based on the movement of the underlying share price around its average price over the expected term of the option.

Balance at end of the financial year

The share options outstanding and exercisable at the end of the financial year under the Plan had exercise price of $0.10 (2018: $0.10) and a weighted average remaining contractual life of 428 days (2018: 723 days).

(b) Share Based Payments – Other

During the period share options were issued to a consultant of the company as follows in lieu of mandated monthly fees as part of a strategic consulting agreement:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS AT THE BEGINNING OF THE YEAR	OPTIONS GRANTED THIS YEAR	OPTIONS EXERCISED THIS YEAR	NUMBER OF OPTIONS AT THE END OF THE YEAR	OPTIONS EXERCISABLE AT THE END OF THE YEAR	FAIR VALUE AT GRANT DATE
7/11/18	14/3/21	$0.20	-	5,000,000 (i)	-	5,000,000	-	$0.0027
7/11/18	9/7/21	$0.07	-	5,000,000 (ii)	-	5,000,000	-	$0.0094
18/12/18	18/12/21	$0.10	-	3,000,000 (iii)	-	3,000,000	-	$0.0096

The options may only be exercised where the following vesting conditions have been satisfied:

(i) Vest on 1 July 2019

(ii) Vest on 18 December 2019

(iii) Vest on 18 December 2019

15 SHARE BASED PAYMENTS - CONTINUED

(b) Share Based Payments – Other - CONTINUED

	TRANCHE A	TRANCHE B	TRANCHE C
Grant date	7-Nov-18	7-Nov-18	18-Dec-18
Number of options	5,000,000	5,000,000	3,000,000
Method	Trinomial	Trinomial	Trinomial
Grant date share price (cents)	4	4	4
Exercise price (cents)	20	7	10
Expected volatility	79%	79%	79%
Option life	2.35 years	2.67 years	3 years
Dividend yield	Nil	Nil	Nil
Risk-free interest rate	1.25%	1.25%	1.79%

(c) Performance rights

No performance rights were granted during the 2019 financial year.

16 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of Black Rock Mining Limited during the year were:

Richard Crookes	Non-Executive Chairman	Appointed – 16 October 2017	
Ian Murray	Non-Executive Director	Appointed – 2 May 2019	
John de Vries	Chief Executive Officer & Managing Director	Appointed – 16 March 2017	
Stephen Copulos	Non-Executive Director	Appointed – 22 January 2015	Resigned – 7 November 2018
Gabriel Chiappini	Non-Executive Director Company Secretary	Appointed – 21 March 2012	

Details of the remuneration of key management personnel are set out as follows:

	FOR THE YEAR ENDED 30 JUNE 2019 $	FOR THE YEAR ENDED 30 JUNE 2018 $
Short-term employee benefit	**491,811**	459,967
Post-employment benefits	**36,337**	26,399
Share-based payments	**237,554**	336,125
Bonus	**75,000**	-
Other	**23,088**	23,089
	863,790	845,580

17 REMUNERATION OF AUDITORS

Auditor of the parent entity

During the year the following fees were paid or were payable for services provided by the auditor of the Company, its network firms and non-related audit firms:

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Audit or review of the financial statements (Parent auditor)	**28,605**	33,705
Audit or review of the financial statements (Other group entities auditor)	**10,512**	16,078
	39,117	49,783

The auditor of Black Rock Mining Limited is Deloitte Touche Tohmatsu.

18 RELATED PARTY TRANSACTIONS

Remuneration details for Directors and Executives are included in the Remuneration Report and have been audited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

During the reporting period the following amounts were paid to Key Management Personnel for services in addition to those shown elsewhere in this note:

DIRECTOR	VALUE	DESCRIPTION
Gabriel Chiappini	$66,000	Payments to Laurus Corporate Services for financial services provided during the reporting period including but not limited to, Company Secretary, Capital Markets and Investor Relations, Accounting, Bookkeeping, Management of Tax and Audit requirements and administration.

19 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 the below amounts per square kilometer to keep its tenements in good standing.

The license costs per annum are as follows:

PROJECT NAME	LICENSE TYPE	LICENSE NUMBER	AREA KM²	RATE PER KM²	TOTAL
Mahenge North	Mining License	ML 611/2019	9.94	USD 2,000	USD 19,880
Mahenge North	Mining License	ML 612/2019	9.79	USD 2,000	USD 19,580
Mahenge North	Prospecting License	PL 13752/2019	118.37	USD 100	USD 11,837
Makonde	Prospecting License	PL 10111/2014	12.55	USD 150	USD 1,883
Mahenge East	Prospecting License	PL 10426/2014	77.46	USD 150	USD 11,619
Mahenge Southwest	Prospecting License	PL 10427/2014	111.6	USD 150	USD 16,740

19 EXPENDITURE COMMITMENTS - *CONTINUED*

a. Exploration - *CONTINUED*

As part of the original conditions to acquire the exploration licences there were minimum exploration expenditure commitments. These have all been met by 30 June 2019.

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

There are no milestone vendor payments or commitments remaining with PL7802/2012.

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

On the 7 January 2019 the Company entered into a license agreement for its service office at 45 Ventnor Avenue, West Perth with the following applicable terms and conditions:

Commencement date: 7 January 2019

Expiry date: 6 July 2019

Monthly License fee: $2,420 inc. GST

Notice period: from 7 July 2019 either party may terminate the license by providing 60 days notice.

At 30 June 2019 the Company had a commitment under the license of $7,260 inc GST all of which is due and payable within 6 months.

The Group has assessed its non-cancellable operating lease commitments and does not expect AASB 16 to have a material impact on the financial statements on 1 July 2019.

There were no operating lease commitments as at 30 June 2018.

d. Contractual Commitments

As at 30 June 2019, the Group had no contractual expenditure commitments in place.
(June 2018: Definitive Feasibility Study $787,520)

20 LOSS PER SHARE

The following reflects the profit/ (loss) and share details used in the calculation of basic and diluted profit/ (loss) per share:

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Profit/(Loss) used in calculating basic and diluted loss per share	**(2,864,024)**	(2,053,080)
Weighted average number of ordinary shares used in calculating basic and diluted profit/(loss) per share:	**530,943,396**	375,330,191
Basic and diluted profit/(loss) per share	**($0.00539)**	($0.00547)

The consolidated entity's options potentially dilute basic earnings per share in the future. However, they have been excluded from the calculations of diluted earnings per share because they are anti-dilutive and out of the money for the years presented. The adoption of AASB 9 and AASB 15 have had no impact on loss per share.

21 FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balances. The Group's overall strategy remains unchanged from 2018.

The Group holds the following financial instruments, all of which the fair value is equal to the carrying value:

	FOR THE YEAR ENDED 30/06/2019	FOR THE YEAR ENDED 30/06/2018
	$	$
Financial assets		
Cash and cash equivalents	**1,907,467**	1,788,150
Trade and other receivables	**170,361**	141,059
Total financial assets	**2,077,828**	1,929,209
Financial liabilities		
Trade and other payables	**(658,011)**	(502,877)
Provisions	**(34,724)**	(21,554)
Total financial liabilities	**(692,735)**	(524,431)
Net financial instruments	**1,385,093**	1,404,778

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in note 7) and equity of the Group (comprising issued capital, reserves and accumulated losses as detailed in notes 12, 13 and 14).

21 FINANCIAL INSTRUMENTS - *CONTINUED*

21.1 Capital Management

The main focus of the Group's capital management policy is to ensure adequate working capital to fund the exploration and development activities of its various geothermal projects. This is done through the close monitoring of cash flow projections.

The Group's working capital as at balance date was:

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Cash and bank balances	**1,907,467**	1,788,150
Trade and other receivables	**170,361**	141,059
Trade and other payables	**(658,011)**	(502,877)
	1,419,817	1,426,332

21.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments.

Risk management is the responsibility of the Board of Directors.

21.2.1 Market risk

a. Foreign exchange risk

The Group transacts in US Dollars in relation to its Tanzanian operations is exposed to foreign exchange currency movements arising from various currency exposures, primarily with respect to the US Dollar and the Tanzanian Shilling.

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group's exposure to foreign currency risk at the reporting date was as follows:

GROUP SENSITIVITY

The parent entity advances funds to the Tanzanian subsidiary in US Dollars. The foreign exchange is recognised in the parent entity.

The consolidated entity's pre-tax loss for the year would have been $19,811 higher/lower (2018: $58,845 higher/ lower) had the Australian dollar strengthened/weakened by 10% against the US Dollar.

b. Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through cash and cash equivalents $1,907,467 (2018: $1,788,150).

At 30 June 2019, if the interest rates had weakened/strengthened by 100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $794 lower/higher (2018: $894 lower/higher) mainly as a result of interest income deceases/increases.

21 FINANCIAL INSTRUMENTS - *CONTINUED*

c. *Credit risk*

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

Cash and cash equivalents are held with recognisable banking and financial institutions. The maximum exposure to credit risk for cash and cash equivalents is the carrying value.

Other receivables are due from third parties considered credit worthy. The maximum exposure to credit risk for other receivables at the reporting date is the carrying amount. The ageing analysis of receivables is as follows:

DEBTOR	< 30 DAYS
Trade receivables	$62,807

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

d. *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash to ensure that the Group's liabilities can be settled as and when they become due.

MATURITIES OF FINANCIAL LIABILITIES

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

CREDITOR	<1 MONTH
Trade payables	$658,011

FAIR VALUE ESTIMATION

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

22 CONTINGENT LIABILITIES

There were no material contingent liabilities as at 30 June 2019.

23 EVENTS AFTER THE REPORTING DATE

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

- On 25 July 2019 the Company announced it had enhanced the 100% owned Mahenge Graphite Project DFS released on 24 October 2018 to include a fourth production module, and a compressed development schedule.
- On 15 August 2019 the Company announced it had completed a large-scale spheronising and purification trial using 400kg of sub 80 mesh concentrate generated during the March 2019 Pilot Plant run (refer ASX release 3 April 2019).
- On 16 August 2019 the Company announced it had completed a placement to raise $3.0 million (before costs) by issuing 42,857,143 shares at $0.07 per share.
- On 10 September 2019 the Company appointed the current Chief Executive Officer & Executive Director, Mr John de Vries, to Managing Director and CEO of the Company.

24 PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of significant account policies.

Financial Position

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Assets		
Current assets	**2,049,141**	1,900,827
Non-current assets	**6,454,731**	16,854,145
Total assets	**8,503,872**	18,754,972
Liabilities		
Current liabilities	**614,019**	388,339
Non-current liabilities	**-**	-
Total liabilities	**614,019**	388,339
Equity		
Issued capital	**58,086,890**	52,371,879
Retained earnings	**(50,993,163)**	(36,462,165)
Reserves	**796,126**	2,456,919
Total equity	**7,889,853**	18,366,633

Financial performance

	FOR THE YEAR ENDED 30/06/2019 $	FOR THE YEAR ENDED 30/06/2018 $
Loss for the year	**18,868,356**	4,670,408
Other comprehensive income	**-**	-
Total comprehensive loss	**18,868,356**	4,670,408

DIRECTORS' DECLARATION

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;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting standards, as stated in note 1 to the financial statements;

(c) 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 giving a true and fair view of the financial position and performance of the Consolidated Entity; and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s. 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Richard Crookes

Richard Crookes
NON-EXECUTIVE CHAIRMAN

25 September 2019

INDEPENDENT AUDITOR'S REPORT

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

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

Report on the Audit of the Financial Report

We have audited the financial report of Black Rock Mining Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Carrying value of Exploration and Evaluation Assets
 	
As at 30 June 2019, the carrying value of exploration and evaluation assets amounts to $20,978,368, including additions of $3,487,680 as disclosed in Note 9.
 	
Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:
• whether the conditions for capitalisation are satisfied;
• which elements of exploration and evaluation expenditure qualify for capitalisation;
• the Group's intentions and ability to proceed with a future work programme;
• the likelihood of licence renewal or extension; and
• the expected or actual success of resource evaluation and analysis.
	Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:
	
	• obtaining an understanding of the key controls associated with the capitalisation or expensing of exploration and evaluation expenditure; and
	
	• testing on a sample basis, exploration and evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification between asset and expense.
	
	Our procedures associated with the carrying value of exploration and evaluation assets included, but were not limited to:
	
	• obtaining an understanding of the key controls associated with the identification of indicators of impairment;
	
	• evaluating management's impairment indicator assessment, including consideration as to whether any of the following events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable:
	  ○ obtaining a schedule of the areas of interest held by the Group and confirming whether the rights to tenure of those areas of interest remained current at balance date;
	  ○ holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; and
	  ○ assessing whether any facts or circumstances existed to suggest impairment testing was required.
	
	We also assessed the appropriateness of the disclosures in Note 9 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

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Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Black Rock Mining Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Skelton
Partner
Chartered Accountants
Perth, 25 September 2019

ADDITIONAL ASX INFORMATION

ORDINARY FULLY PAID SHARES

Range of units AS AT 31 AUGUST 2019

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 1,000	148	55,764	0.01
1,001 - 5,000	168	505,592	0.08
5,001 - 10,000	173	1,381,041	0.22
10,001 - 100,000	916	38,821,123	6.24
100,001 - 9,999,999,999	521	581,787,331	93.45
Rounding			**0.00**
Total	**1,926**	**622,550,851**	**100.00**

Unmarketable parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500.00 parcel at $ 0.0710 per unit	7043	379	946672

Top 20 Shareholders AS AT 20 SEPTEMBER 2019

RANK	NAME	UNITS	% OF UNITS
1.	EYEON INVESTMENTS PTY LTD <EYEON INVESTMENTS FAMILY A/C>	53,361,262	8.57
2.	COPULOS SUPERANNUATION PTY LTD <COPULOS PROVIDENT FUND A/C>	37,688,607	6.05
3.	DANIEL TURNER CAPITAL PTY LTD <DANIEL TURNER FAMILY A/C>	17,500,000	2.81
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <ST A/C>	16,484,664	2.65
5.	GASMERE PTY LTD	15,656,777	2.51
6.	JAWAF ENTERPRISES PTY LTD <HALL FAMILY A/C>	13,790,000	2.22
7.	CITICORP NOMINEES PTY LIMITED	13,448,469	2.16
8.	WESTPARK OPERATIONS PTY LTD <WESTPARK OPERATIONS UNIT A/C>	12,763,928	2.05
9.	E & E HALL PTY LTD <E & E HALL P/L S/F A/C>	11,770,486	1.89
10.	MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN	10,250,000	1.65
11.	SPACETIME PTY LTD <COPULOS EXEC S/FUND NO 1 A/C>	9,828,571	1.58
12.	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	8,293,047	1.33
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,571,819	1.22
14.	ARDEN MEDICAL PTY LTD	6,666,666	1.07
15.	CHRIKIM PTY LTD <GEOFFREY WRIGHT INCOME A/C>	6,598,890	1.06
16.	DANIEL TURNER HOLDINGS PTY LTD <DANIEL TURNER SUPERFUND A/C>	6,115,000	0.98
17.	CITYWEST CORP PTY LTD <COPULOS SUNSHINE UNIT A/C>	5,982,143	0.96
18.	BASSCOTT PTY LTD <THE A ABRAHAMS FAMILY A/C>	5,980,128	0.96
19.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,836,121	0.94
20.	TISDELL FAMILY SUPER PTY LTD <TISDELL FAMILY SUPER A/C>	5,782,143	0.93
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**271,368,721**	**43.59**
Total Remaining Holders Balance		**351,182,130**	**56.41**

Substantial shareholders

NAME	UNITS	% OF UNITS
Copulos Group	106,860,583	30.4

BLACK ROCK
MINING LIMITED

www.blackrockmining.com.au