

# BLACK ROCK MINING LIMITED

## ACN 094 551 336



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## ENTITLEMENT ISSUE PROSPECTUS

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For a non-renounceable entitlement issue of 1 Share for every 16 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.042 per Share to raise up to \$1,650,977 (based on the number of Shares on issue as at the date of this Prospectus) (together with 1 free option for every 1 Share subscribed for and issued (**New Option**), exercisable at \$0.084 per New Option on or before the date that is 3 years from the date of issue) (**Offer**).

The Offer is fully underwritten by Lazarus Corporate Finance Pty Ltd (ACN 149 263 543) (AFSL 403 684) (**Underwriter**). Refer to Section 8.5 for details regarding the terms of the Underwriting Agreement.

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Richard Crookes (Non-Executive Chair)  
John de Vries (Chief Executive Officer &  
Managing Director)  
Ian Murray (Non-Executive Director)  
Gabriel Chiappini (Non-Executive  
Director)

### Company Secretary

Gabriel Chiappini

### Registered Office

45 Ventnor Avenue  
WEST PERTH WA 6005

Telephone: + 61 8 9389 4415  
Facsimile: +61 8 9389 4400

Email: [info@blackrockmining.com.au](mailto:info@blackrockmining.com.au)  
Website: [www.blackrockmining.com.au](http://www.blackrockmining.com.au)

### Share Registry\*

Computershare Investor Services Pty Ltd  
Level 11  
172 St Georges Terrace  
PERTH WA 6000

Telephone (Aust): 1300 850 505  
Telephone (Overseas): +61 3 9415 4000

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4  
The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Auditor\*

Deloitte Touche Tohmatsu  
Tower 2  
Brookfield Place  
123 St Georges Terrace  
PERTH WA 6000

### Underwriter and Lead Manager

Lazarus Corporate Finance Pty Ltd  
Level 32  
152-158 St Georges Terrace  
PERTH WA 6000

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 2. TIMETABLE

Announcement of Entitlement Offer & Appendix 3B	Friday, 3 July 2020
Lodgement of Prospectus with the ASIC	Monday, 6 July 2020
Lodgement of Prospectus with ASX	Monday, 6 July 2020
Ex-date	Wednesday, 8 July 2020
Record Date for determining Entitlements	Thursday, 9 July 2020
Prospectus despatched to Shareholders & Company announces despatch has been completed	Tuesday, 14 July 2020
Closing Date*	Tuesday, 4 August 2020
Securities quoted on a deferred settlement basis	Wednesday, 5 August 2020
ASX notified of under subscriptions	Friday, 7 August 2020
Quotation of Securities issued under the Offer*	Tuesday, 11 August 2020

\*The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 6 July 2020 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

The Offer is being made as a non-renounceable entitlement issue of 1 Share for every 16 Shares held by Shareholders registered at the Record Date at an issue price of \$0.042 per Share (together with 1 free attaching New Option for every 1 Share subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 39,308,982 Shares and 39,308,982 New Options will be issued pursuant to this Offer to raise up to \$1,650,977. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 64,200,000 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 6.2 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

### **4.2 Minimum subscription**

The minimum subscription in respect of the Offer is the full subscription under the Offer. No shares will be allotted or issued until the minimum subscription has been received. However, it is noted that the Offer is fully underwritten and that participants in the rights issue may apply for additional Securities pursuant to the Shortfall Offer as set out in Section 4.8. Therefore, pursuant to the Underwriting Agreement and the Shortfall Offer, it is likely that the minimum subscription in respect of the Offer will be satisfied.

Notwithstanding the above, in the event that the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

### **4.3 How to participate in the Offer and the Shortfall Offer**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus or by following the instructions for online acceptance provided by the Company's registry.

You may participate in the Offer and (and Shortfall Offer) as follows:

- (a) accept your **full** Entitlement;
- (b) accept your full Entitlement and **apply for Shortfall under the Shortfall Offer**;
- (c) accept **part** of your Entitlement; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

## **4.4 Payment**

### **4.4.1 By BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies; and
- (c) if you pay for an amount greater than your Entitlement, you are deemed to have applied for Shortfall Securities pursuant to the Shortfall Offer (as set out in Section 4.8) in addition to taking up your full Entitlement.

### **4.4.2 By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies; and
- (c) if you pay for an amount greater than your Entitlement, you are deemed to have applied for Shortfall Securities pursuant to the Shortfall Offer (as set out in Section 4.8) in addition to taking up your full Entitlement.



**It is your responsibility to ensure that your BPAY® or EFT payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

#### **4.5 Underwriting and sub-underwriting**

The Offer is fully underwritten by the Underwriter. Refer to Section 8.5 of this Prospectus for details of the terms of the underwriting.

The Underwriter has notified the Company that it has entered into various sub-underwriting agreements with parties to sub-underwrite its commitment under the Underwriting Agreement. None of those sub-underwriters are related parties of the Company, and the Underwriter will ensure that sub-underwriters will not acquire an interest in the Offer that will result in them acquiring an amount in excess of 19.9% of all Shares on issue on completion of the Offer.

#### **4.6 Effect on control of the Company**

The Underwriter is not a related party of the Company for the purpose of the Corporations Act.

The Shares issued under the Offer will (assuming the maximum number of Shares are issued under the Offer and no existing Options are exercised prior to the Record Date) represent approximately 5.88% of the total Shares on issue at the close of the Offer.

As at the date of this Prospectus, the Underwriter is not a shareholder of the Company. However, the extent to which Shares are subscribed for pursuant to the Offer may result in the Underwriter becoming a shareholder of the Company.

Given the terms of the Offer, and the commitment of the Company's largest shareholder to subscribe for its Entitlement (refer to Section 5.5 below), the Underwriter will not acquire a substantial interest in the Company as a result of underwriting the Offer.

#### **4.7 Dilutionary effect on Shareholders**

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 5.88% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options have been exercised is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	10,000,000	1.59%	625,000	10,000,000	1.50%
Shareholder 2	5,000,000	0.79%	312,500	5,000,000	0.75%
Shareholder 3	1,500,000	0.24%	93,750	1,500,000	0.22%
Shareholder 4	400,000	0.06%	25,000	400,000	0.06%

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 5	50,000	0.01%	3,125	50,000	0.01%
<b>Total</b>	<b>628,943,708</b>		<b>39,308,982</b>		<b>668,252,690</b>

**Notes:**

1. Assumes no New Options have been exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer.

#### 4.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.042 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

If you wish to apply for additional Securities out of the Shortfall (**Shortfall Securities**) in excess of your Entitlement pursuant to the Shortfall Offer you may do so by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

The Board presently intends to allocate Securities under the Shortfall Offer as follows:

- (a) to Eligible Shareholders who apply for their full Entitlement, so long as the issue of Shortfall Shares to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to the Underwriter, its nominee(s) and/or its appointed sub-underwriters.

As outlined above, no Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. All decisions regarding the allocation of Shortfall Securities will be made by the Directors in consultation with the Underwriter, who has sole discretion with respect to allocating Shortfall Securities, and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Securities applied for will be issued to Eligible Shareholders.

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to

an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

The Company will have no liability to any Applicant who receives less than the number of additional Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Securities under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

#### **4.9 ASX listing**

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company will not apply for Official Quotation of the Options issued under the Offer.

#### **4.10 Issue**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.11 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly,

the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Singapore.

The Company also notes that, owing to recent changes to the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth), overseas Eligible Shareholders will not be permitted to participate in the Shortfall Offer if their participation would increase that party's voting power in the Company to an amount greater than 5%.

### **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **Singapore**

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other

document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### ***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong, and Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.12 Enquiries**

Any questions concerning the Offer should be directed to Gabriel Chiappini, Non-Executive Director and Company Secretary via Computershare on 1300 850 5050 (within Australia) or +61 3 9415 4000 (outside Australia).

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,650,977. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Progressing the Mahenge Graphite Project including progressing negotiations with the Tanzanian Government with respect to its 16% free carried interest	200,000	12.11%
2.	Progressing POSCO Strategic Alliance and Development of the MOU	100,000	6.06%
3.	Expenses of the Offer <sup>1</sup>	150,000	9.09%
4.	Working capital <sup>2</sup>	1,200,977	72.74%
	<b>Total</b>	<b>1,650,977</b>	<b>100</b>

**Notes:**

1. Refer to Section 8.10 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Working capital is intended to be used to meet the Company's ongoing corporate and administrative costs, as well as provide available funds as required by the Company for the ongoing development and works required to continue the development of its Mahenge Graphite Project in Tanzania, which the Company continues to progress as previously announced to ASX.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase in the net cash reserves by \$1,500,977 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 628,943,708 as at the date of this Prospectus to 668,252,690 Shares following complete of the Offer; and
- (c) increase the number of Options on issue from 64,200,000 as at the date of this Prospectus to 103,508,982 Options following completion of the Offer.

### 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2020 and the unaudited pro-forma balance sheet as at 31 May 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 May 2020	PROFORMA 31 May 2020
<b>CURRENT ASSETS</b>		
Cash and bank balances	874,171	2,375,149 <sup>1</sup>
Trade and other receivables	50,175	50,175
<b>Total current assets</b>	<b>924,346</b>	<b>2,425,323</b>
Non-current assets		
Exploration & evaluation asset	22,975,546	22,975,546
Property, plant and equipment	33,725	33,725
Other financial assets - noncurrent	-	-
<b>Total non-current assets</b>	<b>23,009,271</b>	<b>23,009,271</b>
<b>Total assets</b>	<b>23,933,617</b>	<b>25,434,594</b>
<b>LIABILITIES</b>		
Current liabilities		
Trade and other payables	479,376	479,376
Provisions	57,531	57,531
<b>Total current liabilities</b>	<b>536,907</b>	<b>536,907</b>
<b>Total liabilities</b>	<b>536,907</b>	<b>536,907</b>
<b>NET ASSETS</b>	<b>23,396,710</b>	<b>24,897,688</b>
<b>EQUITY</b>		
Issued capital	60,974,190 <sup>1</sup>	62,475,167 <sup>1 2 3</sup>
Foreign Currency Translation Reserve	1,671,202	1,671,202

	UNAUDITED 31 May 2020	PROFORMA 31 May 2020
SBP Reserve	971,914	971,914
Accumulated losses	(40,220,597)	(40,220,597)
<b>Total equity attributable to owners</b>	<b>23,396,710</b>	<b>24,897,687</b>

**Notes:**

1. Assumes full subscription of \$1,650,977.
2. Less a total fee of 6% the gross proceeds raised under the Offer to be paid to Lazarus comprising a 4% underwriting fee and a 2% management fee.
3. Less other costs of the offer of approximately \$50,941. Refer to Section 8.10 for further details of the costs of the offer.

#### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	628,943,708
Shares offered pursuant to the Offer	39,308,982
<b>Total Shares on issue after completion of the Offer<sup>1</sup></b>	<b>668,252,690</b>

**Notes:**

1. The Company notes that the Directors have expressed an intention, subject to approval at the Company's upcoming Annual General Meeting, to convert their unpaid Director fees for the financial year ended 30 June 2020 into Shares at the Offer price of \$0.042 as set out in Section 8.7 of this Prospectus.

##### Options

	Number
Unquoted Options currently on issue:	64,200,000
25,000,000 exercisable at \$0.10 on or before 31 August 2020	
5,000,000 exercisable at \$0.20 on or before 14 March 2021	
5,000,000 exercisable at \$0.07 on or before 9 July 2021	
1,000,000 exercisable at \$0.10 on or before 31 October 2021	
13,000,000 exercisable at \$0.10 on or before 7 November 2021	
3,000,000 exercisable at \$0.10 on or before 18 December 2021	
9,200,000 exercisable at \$0.15 on or before 28 October 2022	
3,000,000 exercisable at \$0.15 on or before 18 November 2022	
New Options offered pursuant to the Offer (Unquoted exercisable at \$0.084 on or before three years from issue)	39,308,982
<b>Total Options on issue after completion of the Offer</b>	<b>103,508,982</b>



The capital structure on a fully diluted basis as at the date of this Prospectus would be 693,143,708 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 771,761,672 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 5.5 Details of substantial holders

Based on publicly available information as at 3 July 2020, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Copulos Group	139,983,724	22.26

As announced on 3 July 2020, the Copulos Group has given notification of its intention to take up its Entitlement in full. The Copulos Group is not a sub-underwriter of the Offer.

On the basis that the Offer is fully underwritten and the Copulos Group intends to take up its Entitlement under the Offer, it is expected that there will be no change to the voting power of the Copulos Group as a result of the Offer.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **6.1 Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6.2 Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.084 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. (Based on the indicative timetable set out in Section 2, it is anticipated that the Expiry Date will be on or about 10 August 2023).

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **7. RISK FACTORS**

### **7.1 Introduction**

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific**

#### **(a) POSCO Strategic Alliance & Development**

As announced on 9 June 2020, the Company has entered into a 'strategic alliance and development' memorandum of understanding (**MOU**) with the POSCO Group (**POSCO**) for the development of the Mahenge Graphite Project. As at the date of the Prospectus, POSCO has not completed its due diligence pursuant to the MOU; and the parties have not entered into any formal development or investment agreement, nor is POSCO obligated to enter into the investment agreement by virtue of the MOU.

The Company notes that there is a risk that POSCO may elect not to enter into any investment or development agreement with POSCO. If this does not occur, the progress of the Mahenge Graphite Project may be delayed while the Company considers alternative funding arrangements.

#### **(b) Risks associated with operating in Tanzania**

The Projects are located in Tanzania, which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia. Investing and operating in foreign jurisdictions carry political, economic and other uncertainties, including, but not limited to, changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual risk, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations will be conducted. Any of these factors could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing any of the foreign projects.

The Company will be exposed to the risks of operating in such a jurisdiction, including, without limitation:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

The commitment to local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

No assurance can be given regarding future stability in these or any other country in which the Company may have an interest.

(c) **Tanzanian Free Carry Legislation**

The Tanzanian Mining Code and Regulations introduced into the country in 2017 outlined that all mining developments should make provision for government ownership of the project via a 16% free carried interest.

On 29 April 2020 the Company announced that it had received written formal advice from the Tanzanian Government confirming preparations to commence formal negotiations on the structure and nature of their 16% free carried interest, expected to be in the Company's subsidiary, Mahenge Resources Ltd. Any delay in finalising these negotiations may delay the ongoing development of the Company's Mahenge Graphite Project.

(d) **Impact of COVID-19 in Tanzania**

In March 2020, the World Health Organisation declared that the COVID-19 outbreak had become a pandemic. How countries have reacted to the pandemic has differed around the world. Responses to the pandemic have ranged from locking down citizens to avoid spread to implementing more limited responses. If the pandemic starts to spread throughout Tanzania and the Government forces its citizens into lockdown, it may have various impacts on the Company and its local employees and representatives, including limiting the Company's operations in Tanzania or delaying its negotiations with the Government.



(e) **Additional requirements for capital risk**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its operations and scale back its mining and exploration programmes as the case may be.

(f) **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, and plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration of its mineral interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(g) **Exploration and development risks**

The business of graphite exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the existing projects or new assets, undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors

including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(h) **Contractual Risk**

The Company is a party to various agreements in relation to its projects. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their respective obligations under the agreements. If the parties default in the performance of its obligations, the agreements may be terminated and it may be necessary for the Company to approach the Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

(i) **Reliance on key personnel and the need to attract qualified staff**

The Company's success depends on the core competencies of its Directors and management team to operate in the resource and mining industry. The loss of one or more of these persons could adversely affect the growth prospects, operating results and financial performance of the Company.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

(j) **Competition risk**

The Company will be participating in a highly competitive market. However, there are few if any specific competitors who have a dominant market share and dictate the structure or practices in the market.

The fact that there are no dominant competitors makes market entry and penetration easier but not without the need to ensure that the Company can position and differentiate itself to gain market share. There is no certainty that the Company will be successful in this market.

(k) **Tenure and access for tenement in Tanzania**

Mining and exploration tenements in Tanzania are subject to periodic renewal. Where a licensee has met the terms of the grant, renewal will not be denied. However, if development conditions are not met there is no guarantee that current or future tenements or future applications for production tenements will be approved.

(l) **Compulsory work obligations for tenements in Tanzania**

Tenements in Tanzania are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. If there is a failure to meet the commitments, this could lead to forfeiture of the particular tenement.

(m) **Environmental and other regulatory risks**

Environmental legislation is evolving in a manner which will likely require stricter standard and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulations in Tanzania, if any, will not materially and adversely affect the Company's business, prospects, financial condition and results of operations.

Various governmental approvals and permits will also be required in connection with various aspects of the Company's operations from time to time. To the extent such approvals or permits are required and not obtained; the Company may be delayed or prevented from proceeding with planned exploration or development.

### **7.3 General risks**

(a) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) **Potential acquisitions risk**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any

such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(c) **Economic risks**

General economic conditions and movements in interest, inflation and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Market conditions risk**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

(e) **General economic and political risks**

Changes in the general economic and political climate in Australia, Tanzania and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any financial services activities that may be conducted by the Company.

(f) **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(g) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(h) **Regulatory risk**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(i) **Insurance risk**

Insurance against all risks associated with the Company's activities is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(j) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
03/07/2020	Proposed issue of Securities – BKT
03/07/2020	Underwritten Non-Renounceable Entitlement Offer
01/07/2020	Trading Halt
29/06/2020	Tanzanian Investment Bank Commences Due Diligence
09/06/2020	Reinstatement to Official Quotation
09/06/2020	Black Rock signs POSCO Strategic Alliance & Development MOU
01/06/2020	Suspension Extension
26/05/2020	Suspension from Official Quotation
22/05/2020	Trading Halt
22/05/2020	Pause in Trading
18/05/2020	Quarterly Tenement Summary
11/05/2020	Completes Resettlement Action Plan Field Activities
30/04/2020	Quarterly Activities Report & Cashflow
29/04/2020	Tanzania Initiates Formal Free Carry Interest Negotiations
27/03/2020	Black Rock Mining Shareholder update from Managing Director
19/03/2020	Black Rock Mining Investor Presentation
11/03/2020	Half Year Accounts
04/02/2020	Investor Presentation - Cape Town 121
03/02/2020	Black Rock Mining Mahenge Permitting Update
30/01/2020	Quarterly Activities Report and Cashflow
22/01/2020	Black Rock signs EPC Framework Agreement
21/01/2020	Appendix 4G
21/01/2020	Corporate Governance Plan
15/01/2020	Shareholder Letter from the Managing Director
18/11/2019	Change of Director's Interest Notice - Chiappini

Date	Description of Announcement
18/11/2019	Change of Director's Interest Notice - Murray
18/11/2019	Change of Director's Interest Notice - Crookes
18/11/2019	Change of Director's Interest Notice - de Vries
18/11/2019	Director Placement & Appendix 3B
12/11/2019	Change in substantial holding
29/10/2019	September 2019 Quarterly Activities & Cash Flow Report
28/10/2019	Results of AGM
17/10/2019	Black Rock Mining 121 Conference Investor Presentation
01/10/2019	Corporate Governance Update
27/09/2019	Black Rock Mining AGM Notice of Meeting
25/09/2019	2019 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.blackrockmining.com.au](http://www.blackrockmining.com.au).

### 8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.081	9 June 2020
Lowest	\$0.036	4 May 2020
Last	\$0.055	3 July 2020

### 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

### 8.5 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer. The Company has agreed to pay the Underwriter an underwriting fee of 4% of the total gross amount raised under the Offer. The remaining condition to the Underwriting Agreement is the lodgement of this Prospectus with ASIC.



The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement (without cost or liability to it) if:

(a) **Company default**

The Company fails to perform an obligation under the Underwriting Agreement.

(b) **Indices fall**

Either of the S&P ASX 200 or the S&P ASX 300 Index (each, an **Index**) as published by ASX closes at any time after the date of the Underwriting Agreement, at a level that is 12.5% or more below the level of the Index at the close of trading on the business day before the date of the Underwriting Agreement.

(c) **Offer Document**

The Company does not dispatch the Prospectus to Shareholders on the despatch date set out in the timetable in Section 2 of this Prospectus, or another date agreed upon between the Company and the Underwriter in writing, or the Prospectus or the Offer is withdrawn by the Company.

(d) **Supplementary Prospectus**

- (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 8.5(p)(v), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
- (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter.

(e) **Offer Materials**

A statement contained in the Offer Materials (as defined in the Underwriting Agreement) is or becomes misleading or deceptive or likely to mislead or deceive, or the Prospectus omits any information that it is required to contain (having regard to the provisions of section 713 of the Corporations Act and any other applicable requirements).

(f) **No Listing Approval**

The Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations.

(g) **No Official Quotation**

ASX has advised the Company that it will or may not grant official quotation to the underwritten securities on or prior to the shortfall announcement date set out in the timetable in Section 2 of this Prospectus (**Shortfall Notice Deadline Date**).

(h) **Proceedings**

ASX, ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer Materials, or publicly foreshadows that it may do so.

(i) **Unable to issue Shares**

The Company is prevented from issuing the Underwritten Securities within the time required by this Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.

(j) **Future matters**

Any statement or estimate in the Offer Materials, which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe.

(k) **ASIC application**

An application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer Materials, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn.

(l) **No Quotation Approval**

The Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation.

(m) **Takeovers Panel**

The Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect (as defined in the Underwriting Agreement).

(n) **Authorisation**

Any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably.

(o) **Indictable offence**

A director of the Company is charged with an indictable offence.

(p) **Termination Events**

Subject to the Underwriter reaching an opinion in good faith that, any of the following events has or is likely to have, or could reasonably be expected to have, a material adverse effect or could give rise to the liability of the Underwriter under the Corporations Act:

(i) **Hostilities**

There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea, the Peoples Republic of China, any member of the European Union or Tanzania.

(ii) **Default**

Default or breach by the Company under this Underwriting Agreement of any terms, condition, covenant or undertaking.

(iii) **Incorrect or untrue representation**

Any representation, warranty or undertaking given by the Company in this Underwriting Agreement is or becomes untrue or incorrect in a material respect.

(iv) **Contravention of constitution or Act**

A contravention by the Company and any of its subsidiaries (**Relevant Company**) of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.

(v) **Adverse change**

An event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company.

(vi) **Error in Due Diligence Results**

It transpires that any of the due diligence was materially false, misleading or deceptive or that there was a material omission from them.

(vii) **Public statements**

without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act.

(viii) **Misleading information**

Any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.

(ix) **Official Quotation qualified**

The official quotation is qualified or conditional other than as set out in the Underwriting Agreement.

(x) **Change in Act or policy**

There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy.

(xi) **Prescribed Occurrence**

A prescribed occurrence (as defined in the Underwriting Agreement) which significantly alters the structure, assets or share capital of the Company.

(xii) **Suspension of debt payments**

The Company suspends payment of its debts generally.

(xiii) **Event of Insolvency**

An event of insolvency occurs in respect of a Relevant Company.

(xiv) **Judgment against a Relevant Company**

A judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days.

(xv) **Litigation**

Litigation, arbitration, administrative or industrial proceedings are after the date of this Underwriting Agreement commenced against any Relevant Company.

(xvi) **Board and senior management composition**

There is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld).

(xvii) **Change in shareholdings**

There is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer, a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company.

(xviii) **Timetable**

There is a delay in any specified date in the Timetable which is greater than 2 Business Days.

(xix) **Force Majeure**

A Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs.

(xx) **Certain resolutions passed**

A Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter.

(xxi) **Capital Structure**

Any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus.

(xxii) **Breach of Material Contracts**

Any of the Contracts are terminated or substantially modified.

(xxiii) **Market Conditions**

A suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.6 **Mandate letter**

The Company has entered into a mandate agreement with the Lead Manager pursuant to which the Company has appointed Lazarus as the lead manager to the Company (**Lead Manager Mandate**), the material terms and conditions of which are as follows:

(a) **Term**

Lazarus' engagement is effective from 24 June 2020 and will continue until the day following the issue of all Shares pursuant to the Offer unless otherwise terminated by either party pursuant to the terms of the Lead Manager Mandate.

(b) **Management Fee**

The Lead Manager Mandate also contemplates that Lazarus is engaged as Underwriter to the Offer and that, subject to the terms of the Underwriting Agreement, Lazarus will receive a total fee of 6% of the gross proceeds of the Offer, comprising:

- (i) 2% management fee for lead manager services provided in connection with the Offer; and
- (ii) 4% fee as consideration for the underwriting obligation undertaken by Lazarus pursuant to the Underwriting Agreement.

(c) **Expenses**

The Company agrees to reimburse Lazarus for any out of pocket costs and expenses reasonably incurred by Lazarus under the Lead Manager Mandate (**Costs**). The written consent of the Company must be obtained before Lazarus incurs any individual Costs in excess of \$2,000 during the course of its duties.

(d) **Termination**

The engagement will terminate on the day following the issue of all Shares pursuant to the Offer, or by giving one (1) day written notice by Lazarus in the event of a material adverse change with respect to the Company or the conditions of the Offer.

The Lead Manager Mandate also contains such other terms as are considered standard for an agreement of this nature (including confidentiality provisions, representations and warranties).

## 8.7 **Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or

(ii) the Offer.

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares <sup>1</sup>	Options	Entitlement	\$
Richard Crookes	2,705,357	9,900,000	169,085	7,101.57
John de Vries	4,033,928	13,600,000	252,121	10,589.08
Ian Murray	5,794,420	4,600,000	362,152	15,210.38
Gabriel Chiappini	6,892,857	9,100,000	430,804	18,093.77

#### **Notes:**

1. As set out in the 'Temporary Fee Reduction' section below, it is noted that the Directors have expressed an intention, subject to approval at the Company's upcoming Annual General Meeting, to convert some or all their unpaid Director fees for the financial year ended 30 June 2020 into Shares at the Offer price of \$0.042. This issue will result in an increase to the relevant interest of each Director who elects to convert their unpaid fees into Shares.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and

other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) emoluments paid to both executive and non-executive directors.

Director	FY ended 30 June 2020 <sup>1</sup>	FY ended 30 June 2019	FY ended 30 June 2018
Richard Crookes	\$165,803	\$169,433	\$137,368
John de Vries	\$487,631	\$512,116	\$432,379
Ian Murray	\$131,032	\$20,692 <sup>2</sup>	-
Gabriel Chiappini	\$122,084	\$108,366	\$128,250

**Notes:**

1. Refer to 'Temporary Fee Reduction' below for further details of the Board's remuneration for the financial year ended 30 June 2020. Remuneration for FY18, FY19 & FY20 includes the value under accounting standards of options issued to directors as approved by shareholders, please refer to the "Temporary Fee Reduction" table below for the FY20 analysis.
2. Mr Murray was appointed on 2 May 2019.

**Temporary Fee Reduction**

As announced on 27 March 2020, the Directors have agreed to reduce the cash remuneration levels set out in their respective remuneration packages to 25%. This temporary fee reduction was implemented in order to preserve existing cash amounts in light to the turbulent state of the financial market, owing to the COVID-19 pandemic.

The fee reduction came into effect from 1 April 2020 and the Directors expect that it may end on 30 September 2020. However, the Directors may decide to extend their fee reduction in the interest of further preserving cash in the Company.

Upon the conclusion of the fee reduction, the Directors are entitled to receive their unpaid accruals of Director fees. However, the Non-Executive Directors have expressed an interest to convert some or all of their accrued fees into Shares in the Company. Any such conversion will be subject to the approval of the Company's Shareholders at the Annual General Meeting later in 2020.

The following table shows the breakdown of Director fees paid to both executive and non-executive directors for the financial year ended 30 June 2020.

Director	Cash paid \$	Accrued <sup>2</sup> \$	Options \$	Bonus shares \$	Total \$
Richard Crookes	73,000	36,500	56,303		<b>\$165,803</b>
John de Vries	233,313 <sup>1</sup>	105,188	84,130	37,500 <sup>3</sup>	<b>\$487,631</b>
Ian Murray	48,180	24,090	58,762		<b>\$131,032</b>
Gabriel Chiappini	44,000	22,000	56,084		<b>\$122,084</b>



**Notes:**

1. Comprising a short-term incentive cash payment of \$37,500 to Mr de Vries, which was approved by the Board and announced at the Company's Annual General Meeting held 29 October 2019.
2. Messrs Crookes, Murray, and Chiappini have resolved, subject to Shareholder approval at the Company's upcoming Annual General Meeting, to convert their accrued Director fees (set out in the 'cash accrued' column above) into Shares at the Offer price of \$0.042.
3. Comprising an issue of Shares in the Company with a total value of \$37,500 as a short-term incentive payment to Mr de Vries, which was approved by shareholders at the Company's Annual General Meeting held 29 October 2019.

**8.8 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer.
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Lazarus Corporate Finance Pty Ltd will be paid a total of approximately \$99,059 in fees under its mandate and Underwriting Agreement comprising \$66,039 together with a \$33,020 management fee in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lazarus Corporate Finance Pty Ltd has not been paid any other fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid

fees totalling \$31,793 (excluding GST and disbursements) for legal services provided to the Company.

## 8.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Lazarus Corporate Finance Pty Ltd has given its written consent to being named as underwriter and Lead Manager to the Offer in this Prospectus, in the form and context in which it is named;
- (d) Lazarus Corporate Finance Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities; and
- (e) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.10 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$150,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	7,705
Management and Underwriting fees	99,000
Printing and distribution	15,000
Legal fees	15,000
Miscellaneous	10,089
<b>Total</b>	<b>150,000</b>

## **8.11 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9389 4415 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.blackrockmining.com.au](http://www.blackrockmining.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8.12 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **8.13 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **8.14 Privacy Act**

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**John de Vries**  
**Managing Director and Chief Executive Officer**  
**For and on behalf of**  
**Black Rock Mining Limited**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Black Rock Mining Limited (ACN 094 551 336).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**New Option** means an Option issued on the terms set out in Section 6.2 of this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Securities** means Shares and/or New Options offered pursuant to the Entitlement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 4.8 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**WST** means Western Standard Time as observed in Perth, Western Australia.