



# Black Rock signs two key Agreements with TANESCO for new power line; A transformational development for Mahenge

## HIGHLIGHTS

- **Black Rock has signed two key agreements (Agreements) with the Govt-owned Tanzania Electric Supply Company Limited (TANESCO):**
  - **Implementation Agreement:** Black Rock's 84%-owned subsidiary, Faru Graphite Corporation (Faru), is to construct a power line and substation. Ownership will be transferred to TANESCO on completion. Estimated total project cost of US\$40m, with this capex remaining consistent with the Mahenge eDFS Update released on the ASX in October 2022.
  - **Power Supply Agreement (PSA):** Faru will recoup the capital cost of the power line from TANESCO over the first four years of mine production via a schedule of repayments. The PSA includes a more rapid repayment schedule than estimated in the Mahenge eDFS Update benefiting both parties:
    - Faru benefits from more cash available for debt service during early years
    - TANESCO benefits from a reduction in interest and required repayments
- **A new 220kV power line will connect Mahenge to competitively priced, high-voltage hydro-dominated power, representing a transformational development for the whole Mahenge region and community. Access to hydro-dominated grid power enhances the green credentials of Mahenge's graphite products, leading to a much lower carbon footprint than most of its global peers.**
- **Signing these agreements with TANESCO is a key de-risking milestone for Black Rock and satisfies conditions precedent for project lenders.**

**Tanzanian graphite developer Black Rock Mining Limited (ASX: BKT) (Black Rock, BKT or the Company)** is pleased to announce that it's 84%-owned subsidiary, Faru, has signed two key Agreements with TANESCO for the Mahenge Graphite Project (**Mahenge** or the **Project**).

## **A transformational development for the whole Mahenge region**

Faru has signed two key Agreements with TANESCO which outline the terms on which Faru will construct a new 220kV power line to connect Mahenge to competitively-priced, high-voltage, hydro-dominated power, representing a transformational development for the whole Mahenge region.

The first agreement is the Implementation Agreement under which Faru will construct the new power line and transfer ownership to TANESCO on completion. The second agreement is the Power Supply Agreement (**PSA**), under which Faru will recoup the capital cost of the power line from TANESCO over the first four years of production via a schedule of repayments. Total project cost of US\$40m, including financing costs, remains consistent with the eDFS Update completed in October 2022. The cost associated with construction of the powerline and substation is planned to be funded by the US\$179m Facilities Agreement, entered by Faru, which



remains subject to conditions precedent customary to debt facilities of this nature, including contributing the required project equity prior to first drawdown, and implementation of technical, environmental and social actions. Refer to the Company's ASX announcement dated 16 September 2024 for further details.

**Commenting on the Agreements, Black Rock CEO, John de Vries, said:**

*"We are extremely proud to be signing these Agreements with TANESCO which represent a transformational development for both Black Rock and for the communities of the whole Mahenge region. Access to grid power is fundamental to Mahenge being globally competitive through the price cycle.*

*The new 220kV power line will connect the whole Mahenge region to competitively-priced, high-voltage power opening up new and exciting opportunities for a host of local businesses and expands TANESCO's reach in Tanzania. This is a true win-win solution for Mahenge, our communities and TANESCO.*

*The new power line is also a pivotal component of the Mahenge Graphite Project, as the hydro-dominated grid power in Tanzania enhances the green credentials of Mahenge's graphite products, which will have a much lower carbon footprint and environmental impact than most of our global peers.*

*The development model is a real example of how Public-Private Partnerships can work and deliver meaningful national development benefits.*

*We also express our sincere condolences to TANESCO and indeed the people of Tanzania at the recent loss of Managing Director Eng. Boniface Gissima Nyamohanga. We recognize the immense contributions he made not only to TANESCO but to the nation as a whole. His visionary leadership, tireless dedication, and unwavering commitment to improving Tanzania's energy sector have left a lasting legacy that will be remembered for years to come."*

**This ASX release was authorised on behalf of the Black Rock Board by:**

John de Vries, Managing Director & CEO

**For more information:**

John de Vries  
**Chief Executive Officer**  
**Black Rock Mining**  
+61 438 356 590  
jdv@blackrockmining.com.au

Steuart McIntyre  
**GM Corporate Development**  
**Black Rock Mining**  
+61 413 555 609  
sm@blackrockmining.com.au

Elvis Jurcevic  
**Investor Relations**  
**IRX Advisors**  
+61 408 268 271  
ej@blackrockmining.com.au

**Forward looking statements disclaimer**

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “estimate”, “target”, “outlook”, and other similar expressions and include, but are not limited to, the timing, outcome and effects of the financing process. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this release speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

## About Black Rock

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX: **BKT**). The Company has an 84% interest in the world-class Mahenge Graphite Project (**Mahenge**) located in Tanzania. In July 2019 (ASX announcement 25 July 2019), the Company released an enhanced Definitive Feasibility Study (**eDFS**) for Mahenge. Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan.

In June 2020 Black Rock announced a Strategic Alliance with POSCO for the development of Mahenge, including an equity investment of US\$7.5m, followed by an offtake agreement for the fines for Module 1 (32% of volume) plus a US\$10m prepayment facility. POSCO has also signed an MOU for 6ktpa of large flake graphite (7% of volume) increasing POSCO's offtake interest to almost 40% of Module 1. In September 2024, POSCO approved its US\$40m equity investment in Black Rock and secured the fines offtake for Mahenge Module 2.

In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming a 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licenses into a Special Mining Licence (**SML**). The SML for Mahenge was issued in September 2022.

Black Rock completed a FEED process (Front End Engineering Design) in September 2022, re-estimating the capital and operating costs for Mahenge as part of the eDFS Update<sup>1</sup>. The eDFS Update confirmed Mahenge as a robust project with attractive returns. Key Project metrics comprise:

- *Tier 1 Scale*: Mahenge has a resource of over 200mt and the 2<sup>nd</sup> largest graphite reserve globally
- *Modular development approach*: Initial Capex of US\$231m<sup>2</sup>;
- *1<sup>st</sup> quartile on the global cost curve*: Adjusted C1 Cash cost of US\$359/t<sup>3</sup>
- *Attractive projected returns*: Unlevered IRR post-tax, post free carry of 36%<sup>4</sup>
- *Substantial upside potential*: NPV<sub>10 nominal</sub> post-tax, post free carry of A\$2.1bn or US\$1.4bn<sup>4</sup>

The Company is now construction-ready subject to securing the balance of funding. On 16 September 2024, Black Rock announced that it had signed the Facilities Agreement for US\$179m in facilities with DBSA, IDC and CRDB.

The estimated Ore Reserves and Mineral Resources underpinning the production target has been prepared by competent persons in accordance with the requirements in Appendix 5A (JORC Code).

### JORC Compliant Mineral Resource Estimate and Ore Reserve<sup>5</sup>

| Ore Reserves              | Tonnes (Mt)  | Grade (% TGC) | Contained Graphite (Mt) |
|---------------------------|--------------|---------------|-------------------------|
| - Proven                  | 0            | 0.0           | 0.0                     |
| - Probable                | 70.5         | 8.5           | 6.0                     |
| <b>Total Ore Reserves</b> | <b>70.5</b>  | <b>8.5</b>    | <b>6.0</b>              |
| Mineral Resources         |              |               |                         |
| - Measured                | 31.8         | 8.6           | 2.7                     |
| - Indicated               | 84.6         | 7.8           | 6.6                     |
| <b>Total M&amp;I</b>      | <b>116.4</b> | <b>8.0</b>    | <b>9.3</b>              |
| - Inferred                | 96.7         | 7.4           | 7.2                     |
| <b>Total M, I&amp;I</b>   | <b>213.1</b> | <b>7.8</b>    | <b>16.6</b>             |



Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit [www.blackrockmining.com.au](http://www.blackrockmining.com.au)

1 Refer market announcement dated 10 October 2022: Black Rock Completes Front End Engineering Design, Reconfirming Mahenge as Tier 1 scale project with compelling projected returns. The Company confirms that all the material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original market announcement continue to apply and have not materially changed.

2 Includes US\$182m for Module 1 capex + US\$33m for power line + US\$16m for early works and other costs (not included in the eDFS Update). Power line capex plus interest to be recouped over the first 4 years of the project and power costs expected to be ~US8c/kWh. Forecast Capex is classified as a Class 2 estimate with accuracy of ±10% as defined by AACE.

3 Adjusted for higher ratio of higher-value large flake compared to global peers. Access to competitively priced, hydro-dominated grid power is one of BKT's key competitive advantages.

4 Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

5 Resource Estimate as released to ASX on 3 February 2022: BKT Confirms 25% increase in Measured Resources and Ore Reserve Estimates as released to ASX on 8 August 2017: BKT delivers Exceptional Optimised PFS. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources or Ore Reserves in the original market announcements continue to apply and have not materially changed.

**Black Rock Mining Ltd**  
ACN 094 551 336  
ASX: BKT

**Australian Office**  
Level 1, 1 Walker Ave  
West Perth WA 6005  
Ph: +61 8 6383 6200  
E: [info@blackrockmining.com.au](mailto:info@blackrockmining.com.au)

**Tanzanian Office**  
Faru Graphite Corporation Limited  
Diamante Building, 3rd Floor Wing A, 22 Chole Rd  
Plot No. 2016, Masaki,  
P. O. Box 11, Mahenge-Ulanga  
Dar es Salaam, Tanzania

**Directors**  
Richard Crookes Chairman  
John de Vries Managing Director & CEO  
Ian Murray Non-Executive Director  
Ursula Phillips Non-Executive Director  
Dongjoo (DJ) Kim Non-Executive Director

[www.blackrockmining.com.au](http://www.blackrockmining.com.au)