

TANZANIA INITIATES FORMAL FREE CARRY INTEREST NEGOTIATIONS

HIGHLIGHTS

- **Black Rock engaged constructively with Government of Tanzania on reaching an accord on their 16% Free Carried Interest**
- **Black Rock receives written formal advice from the Government of Tanzania**
- **Government of Tanzania's Negotiating Team to develop an agreement to establish their 16% Free Carried Interest with Black Rock**
- **Mahenge Graphite Project is expected to generate significant benefits for all stakeholders**

Graphite project developer Black Rock Mining Limited (ASX: BKT) (**Black Rock** or the **Company**) is pleased to confirm that it has received written formal advice from the Government of the United Republic of Tanzania confirming preparations to commence formal negotiations on the structure and nature of their 16% Free Carried Interest ("FCI") in Black Rock's Mahenge Graphite Project. The Tanzanian Mining Code and Regulations introduced in 2017 outlined that all mining developments should make provision for government ownership via a 16% FCI.

When the structure and nature of the FCI is resolved, the 16% FCI is expected to be held in the Company's Tanzanian operating subsidiary, Mahenge Resources Ltd.

Black Rock's Managing Director & CEO, John de Vries commented

"The acknowledgement and commencement of a process to formalise the Government's ownership in the Mahenge Graphite Project is a very significant milestone. Resolution of the structure and nature of our partnership with the Tanzanian Government through its Negotiating Team, is a critical step in achieving financing conditions precedent.

Black Rock is well prepared to follow the Government of Tanzania's process with respect to the mining code and legislation. We look forward to progressing with formal engagement and completion of the FCI process.

The Mahenge Graphite Project will deliver many benefits to our host communities at Mahenge, as well as to the Government of Tanzania and its people through the Free Carried Interest. We have an alignment of mutual interests which is a key objective of the FCI.

At this stage we are waiting on further advice of a planned date to commence the formal negotiation process and we confirm that we are at the beginning of the formal process. The Company will continue to update our shareholders on the progress of our negotiations."

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

John de Vries, Managing Director & CEO

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About Black Rock Mining

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX: BKT). The Company has a 100% interest in the Mahenge Graphite Project (the "Project") located in Tanzania. The Project has a JORC compliant Mineral Resource Estimate of 212m tonnes at 7.8% TGC. It also has Ore Reserves of 70m tonnes at 8.5% TGC. The Ore Reserves support a mine life of up to 350k tonnes of graphite per annum for a reserve life of 16 years. Since the release of the Mineral Resource Estimate, the Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource Estimate.

In October 2018, the Company released a Definitive Feasibility Study (DFS) for the Project, which was based on strong customer demand. This DFS was enhanced in July 2019, and demonstrates exceptional financial metrics including:

- *Low Capex:* Lowest peak capital expenditure of US\$116M for phase one*;
- *High Margin:* AISC margin of 63.1%;
- *Low Technical Risk:* Substantial pilot plant operations run of 110 tonnes; and
- *Superior Economics:* IRR of 44.8% with NPV₁₀ of US\$1.16bn (A\$1.65bn**).

Following release of the Enhanced DFS in July 2019, the Company confirms that it is not aware of any new data or information that materially affects the results of the Enhanced DFS and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

In February 2019, the Company announced receipt of its mining licence for the DFS Project. In May 2019, the Company announced it had substantially allocated planned production with up to 255k tonnes per annum of graphite committed to sale by year three of production, through Pricing Framework Agreements.

The Company is currently progressing financing discussions and detailed engineering with a view to commencing construction of the Project.

JORC Compliant Mineral Resource Estimate and Ore Reserve

Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	70	8.5	6.0
Total Ore Reserves	70	8.5	6.0
Mineral Resources			
- Measured	25.5	8.6	2.2
- Indicated	88.1	7.9	6.9
Total M&I	113.6	8.1	9.1
- Inferred	98.3	7.6	7.4



Total M, I&I	211.9	7.8	16.6
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Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit www.blackrockmining.com.au

* Forecast Capex has been classified as a Class 3 estimate with accuracy of $\pm 10\%$ as defined by AACE
** \$AUD/USD 0.70