

Black Rock Receives FCC Approval For POSCO 15% Equity Investment

HIGHLIGHTS

- **Tanzanian Government Fair Competition Commission (FCC) approval received for POSCO's 15% equity investment in Black Rock Mining for US\$7.5 million**
- **FCC approval satisfies the final regulatory condition precedent to POSCO's investment**
- **POSCO and Black Rock will proceed to completion on or before 31 May 2021**
- **Offtake & Prepayment Agreement discussions progressing**
- **Commercial scale product customer sampling and updated construction costs estimation to begin immediately**

Tanzanian graphite developer Black Rock Mining Limited (ASX:BKT) (**Black Rock** or the **Company**) is pleased to confirm that, following the Company's announcement on 11 February 2021 and 17 December 2020, Black Rock has completed the final regulatory condition precedent to satisfying POSCO Ltd (**POSCO**) 15% investment in Black Rock through a binding US\$7.5M share subscription agreement.

Tanzanian Government Fair Competition Commission (FCC)

The FCC has notified the Company that there are no objections to the acquisition of a 15% interest by POSCO in Black Rock as part of a strategic alliance for the development of the Mahenge Graphite Mine. This concludes the last remaining regulatory conditions precedent for POSCO's 15% equity investment, and follows the announcement on 4 March 2021 of approval by the Australian Foreign Investment Review Board (FIRB). In addition, Black Rock received shareholder approval for the placement of shares to POSCO for the purposes of Listing Rule 7.1 at a general meeting held on 15 April 2021.

POSCO 15% Equity Investment

POSCO and Black Rock intend to complete the \$US\$7.5m investment on or before 31 May 2021. Both parties continue to progress discussions on an Offtake Agreement which includes a prepayment facility of up to US\$20m.

Use of Funds

As previously announced, Black Rock will use the funds from the POSCO transaction for the following purposes:

- front-end engineering work and final design of the Mahenge Graphite Project;
- conducting a pilot scale test for further commercial qualification;
- third party technical due diligence; and
- project development, site works, early stage construction and general corporate costs associated with the development of the Mahenge Graphite Project.



Commenting on the POSCO partnership, Black Rock Managing Director and CEO, John de Vries said:

"On behalf of Black Rock's shareholders and the Company, we look forward to welcoming POSCO onto our register as a strategic shareholder and development partner. Our companies are aligned and working together to achieve the common goal of supplying world class premium graphite from Black Rock's Mahenge Graphite Mine.

We are entering a transformative phase for the Company, with the strategic partnership with POSCO in place, we are now able to focus on pre-construction activities and progressing customer engagement. This is an exciting time to be a Black Rock shareholder."

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

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 (**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 resources estimate.

On 25 July 2019, the Company released an enhanced Definitive Feasibility Study (eDFS) for the Project. The eDFS for the Mahenge Graphite Mine envisages a four phase operation, ultimately producing 340,000 tpa of high-grade graphite, with 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**)

Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan with clear title to the eDFS project area.

In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of the Mahenge Graphite Mine. This included an equity investment of US\$7.5M, signed in February 2021, and an offtake agreement, currently in progress, which includes a prepayment facility of up to US\$20M. Black Rock has also allocated planned production through Pricing Framework Agreements (ASX release 8 May 2019) with five other offtake customers.

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

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).

The Company is construction-ready subject to financing and confirmation of Tanzanian Government Free Carried Interest Agreement.

JORC Compliant Mineral Resource Estimate and Ore Reserve***

Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	69.6	8.5	6.0
Total Ore Reserves	69.6	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



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 ±10% as defined by AACE

** AU\$/US\$ 0.70

*** Resource and Ore Reserve Estimates as released to ASX on 8 August 2017 Optimised PFS

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