Black Rock Mining Limited

Half year report

for the half-year ended 31 December 2015

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The directors of Black Rock Mining Limited submit herewith the financial report of Black Rock Mining Limited and its subsidiaries (the Group) for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001,* the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Name
Mr Stephen Copulos

Mr Steven Tambanis

Mr Gabriel Chiappini

The above named directors all held office during and since the end of the half-year.

REVIEW OF OPERATIONS

During the half year period ending 31 December 2015 the Company continued with its exploration programme at Mahenge Tanzania culminating with the Company declaring in February 2016 of its maiden resource of 131.1Mt at 7.9% TGC hosting 10.4Mt of contained graphite with 40% of resource tonnes in the Indicated category. This makes Black Rock's resource the third largest graphite resource in Africa, or the fourth largest in the World (JORC compliant) and High grade portion of 37.6Mt at 10.2% TGC or 16.6 Mt @11.1% TGC.

The large Mahenge mineral resource offers significant flexibility for potential development into a long life (+30 year) mining operation. It can be mined from multiple zones at low strip ratios, high-graded to accelerate capital payback in early years and can be scaled up due to the large resource.

The Company is now moving towards the development phase of its strategy and has commissioned a scoping study with results expected later in March. Metallurgical test work indicates straightforward production of coarse graphite flake with excellent purities. The scoping study will be released in March and if positive will lead directly into a pre-feasibility study (PFS). Significant interest has been expressed by engineering contractors to conduct the PFS.

The Company has also started marketing its graphite product with the objective to secure an offtake agreement during 2016.

The December 2015 Ulanzi infill programme consisted of 31 drill holes totalling 2,581m. Significant zones of graphitic mineralisation were intersected by all holes drilled, which will significantly contribute to the overall Ulanzi resource. The successful infill programme highlighted that significantly more resource tonnes could be obtained from limited additional drilling.

A final drill programme is planned for the June Quarter to:

1. Define additional zones of high-grade surface mineralisation at Ulanzi, particularly the eastern flank
2. Convert a higher proportion of the current Inferred resource into the Indicated category
3. Establish a larger resource from the 1km long Cascades west lode at sufficient drill hole density to return Indicated classification and obtain core samples for metallurgical test work.

The Company anticipates a increase in the resource size but the primary aim is the increase the confidence in the resource and report a higher proportion to Indicated Mineral Resources with an emphasis on delineating near surface high grade zones.

Corporate

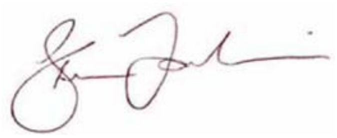
As announced on 29 October 2015, the Company successfully raised AUD$5m by way of the issue of 66,666,666 shares at $0.075 per share, with $4,232,499 received prior to 31 December 2015 and the remainder of $767,500 received in January 2016. The Company also issued a 1 for 2 attaching option with an exercise price of $0.075 and expiry of 30 November 2018. These options are unlisted as at 31 December 2015 with the Company successfully obtaining quotation of the options on the ASX in February 2016. The additional funding will go towards Black Rock Mining's strategy of developing a graphite mine at Mahenge Tanzania.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(4) of the *Corporations Act 2001.*

On behalf of the Directors



Steven Tambanis
Managing Director
Perth, 10 March 2016

Deloitte.

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The Board of Directors
Black Rock Mining Limited
Level 1, 35 Havelock Street,
WEST PERTH WA 6005

10 March 2016

Dear Board Members

Black Rock Mining Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Black Rock Mining Limited.

As lead audit partner for the review of the financial statements of Black Rock Mining Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith
Partner
Chartered Accountants

Deloitte.

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

We have reviewed the accompanying half-year financial report of Black Rock Mining Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Black Rock Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Black Rock Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Black Rock Mining Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith

Neil Smith
Partner
Chartered Accountants
Perth, 10 March 2016

The directors declare that:

a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the *Corporations Act 2001.*

On behalf of the directors:

Stephen Tambanis
Managing Director
Perth, 10 March 2016

	Note	31 December 2015 $	31 December 2014 $
Continuing operations			
Investment income		3,278	54,456
Administration expenses		(111,571)	(14,754)
Employee benefit expense		(83,000)	(120,500)
Consulting expense		(247,975)	(304,148)
Depreciation and amortisation expense		-	(1,708)
Net foreign currency exchange gains		79,188	1,410
Exploration expenditure		-	(20,330)
Other expenses from ordinary activities		(33,516)	(5,403)
Deferred exploration written off	5	(253,899)	-
Loss before tax		**(647,495)**	**(410,977)**
Income tax benefit		-	-
Loss for the period from continuing operations		(647,495)	(410,977)
Profit/(loss) for the period from discontinuing operations	11	189,349	(17,923)
LOSS FOR THE PERIOD		**(458,146)**	**(428,900)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(43,563)	-
Income tax on other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF BLACK ROCK MINING LIMITED		**(501,709)**	**(428,900)**
Loss for the period attributable to owners of the company		(458,146)	(428,900)
Total comprehensive income attributable to the owners of the company		(501,709)	(428,900)
Earnings (Loss) per share			
From continuing and discontinuing operations			
Basic and diluted loss per share (cents per share)		(0.21)	(0.40)
From continuing operations			
Basic and diluted loss per share (cents per share)		(0.30)	(0.38)

Notes to the condensed consolidated financial statements are included on pages 13 to 21.

	Note	31 December 2015 $	30 June 2015 $
Assets			
Current assets			
Cash and cash equivalents		4,112,299	2,489,586
Trade and other receivables		80,882	80,027
Assets classified as held for sale	6	419,946	412,383
Total current assets		4,613,127	2,981,996
Non-current assets			
Exploration & evaluation asset	5	5,642,425	3,404,600
Other financial assets		105,300	105,300
Total non-current assets		5,747,725	3,509,900
Total assets		**10,360,852**	**6,491,896**
Liabilities			
Current liabilities			
Trade and other payables	7	406,867	243,531
Provisions		19,240	7,696
Total current liabilities		426,107	251,227
Total liabilities		**426,107**	**251,227**
Net assets		**9,934,745**	**6,240,669**
Equity			
Issued capital	4	39,385,585	36,274,617
Reserves		1,836,512	812,358
Accumulated losses		(31,287,352)	(30,846,306)
Total equity		**9,934,745**	**6,240,669**

Notes to the condensed consolidated financial statements are included on pages 13 to 21.

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Foreign Currency Reserve $	Total Equity $
Balance as at 1 July 2014	31,311,043	(30,970,308)	1,306,591	(59,063)	1,588,263
Loss for the period	-	(428,900)	-	-	(428,900)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	(428,900)	-	-	(428,900)
Issue of ordinary shares	731,000	-	-	-	731,000
Reallocation to option reserve of free attaching options	(23,450)	-	23,450	-	-
Options expired during the period	-	331,550	(331,550)	-	-
Balance at 31 December 2014	32,018,593	(31,067,658)	998,491	(59,063)	1,890,363
Balance as at 1 July 2015	36,274,617	(30,846,306)	871,015	(58,657)	**6,240,669**
Loss for the period	-	(458,146)	-	-	**(458,146)**
Other comprehensive income for the period, net of tax	-	-	-	(43,563)	**(43,563)**
Total comprehensive income for the period	-	(458,146)	-	(43,563)	**(501,709)**
Issue of ordinary shares	4,426,499	-	-	-	**4,426,499**
Reallocation to option reserve of free attaching options	(1,022,604)	-	1,022,604	-	**-**
Cost of share capital issued	(292,927)	-	-	-	**(292,927)**
Options expired during the period	-	17,100	(17,100)	-	**-**
Cost of share based payments	-	-	62,213	-	**62,213**
Balance as at 31 December 2015	**39,385,585**	**(31,287,352)**	**1,938,732**	**(102,220)**	**9,934,745**

Notes to the condensed consolidated financial statements are included on pages 13 to 21.

	Note	**31 December 2015 $**	31 December 2014 $
Cash flow from operating activities			
Payments to suppliers and employees		(507,509)	(306,871)
Exploration expenditure		-	(20,330)
Net cash flows used in operating activities		(507,509)	(327,201)
Cash flow from investing activities			
Exploration expenditure		(2,370,769)	(896,648)
Interest received		3,278	9,001
Proceeds on sale of investment		238,450	-
Net cash flows used in investing activities		(2,129,041)	(887,647)
Cash flows from financing activities			
Proceeds from issue of shares and options		4,232,499	639,000
Proceeds from borrowings		-	1,000,000
Payment of share issue costs		(49,216)	-
Net cash flows provided by financing activities		4,183,283	1,639,000
Net increase in cash held		1,546,733	424,152
Cash at the beginning of the financial period		2,489,586	801,258
Exchange movement		75,980	(36)
Cash and cash equivalents at the end of the period		**4,112,299**	**1,225,374**

Notes to the condensed consolidated financial statements are included on pages 13 to 21.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments where applicable. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the Company's 2015 annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Amendments to AASBs and the new Interpretation that are mandatory effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'

<u>Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'</u>

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

<u>Impact of the application of AASB 201-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'</u>

The amendments to AASB 1028 align the relief available in AASB 10 and AASB 128 in respect of the financial reporting requirements for Australian groups with a foreign parent. The amendments require that the ultimate Australian entity shall apply the equity method in accounting for interests in associates and joint ventures if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

The adoption of amending Standards does not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

2. SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location of resources being explored and evaluated for.

During the prior reporting period, the consolidated Group changed its principal activity and focus to that of Graphite Company in Tanzania. It's geothermal and hydrocarbon activities in Hungary and Australia are now discontinued operations.

Information regarding these segments is represented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

For the six months ended 31 December 2015

	Australia Corporate	**Tanzania Graphite**	**From Discontinuing Operations**	**Consolidated**
Segment revenue	3,278	-	-	3,278
Segment results	(363,017)	(284,478)	189,349	(458,146)
Segment assets	4,191,099	5,642,425	527,329	10,360,852
For the six months ended 31 December 2014				
Segment revenue	54,456	-	258	54,714
Segment result	(305,378)	(105,599)	(17,923)	(428,900)
For the year ended 30 June 2015				
Segment assets	2,565,139	3,404,599	522,158	6,491,896

Segment profit represents the profit earned by each segment without allocation of central administration costs and director's salaries, share of profit of associates, investment revenue and finance costs, income tax expense, and gains or losses on disposal of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost after adjustments for share of losses.

Name of associate	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held by the Group**	
		31 December 2015	30 June 2015
Central European Geothermal Energy Private Company Limited	Hungary	-	29%

Black Rock Mining completed the sale of it remaining portion of the geothermal asset held within Central European Geothermal Energy Private Company Limited in December 2015 for HUF50,000,000 (AUD$238,450). The Group recorded a profit of $238,450 as the asset was full impaired previously, which has been included in discontinuing operations (refer to Note 11)..

4. ISSUES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

	31 December 2015	30 June 2015
	$	$
267,068,933 ordinary shares issued and fully paid (30 June 2015: 207,835,612)	39,385,585	36,274,617
	39,385,585	36,274,617

4.1 Fully paid ordinary shares

	Number of shares	Share capital
		$
Balance at 1 July 2015	207,835,612	36,274,617
Shares issued 6 November 2015 (0.075 cents per share)	20,116,894	1,114,536
Shares issued 6 November 2015 (0.086 cents per share)	1,000,000	86,000
Shares issued 30 December 2015 (0.06 cents per share)	600,000	36,000
Shares issued 30 December 2015 (0.06 cents per share)	1,200,000	72,000
Shares issued 30 December 2015 (0.075 cents per share)	36,316,427	2,095,359
Less: capital raising costs	-	(292,927)
	267,068,933	39,385,585

4.2 Options

As at 31 December 2015, there were 31,991,661 unlisted options (30 June 2015: 3,870,003) and 40,145,000 listed unissued options (30 June 2015: 40,145,000).

	Opening balance	Exercised in period	Granted in period	Expired in period	Closing balance
Listed Options					
Expiring 25 March 2017 at $0.05	35,000,000	-	-	-	35,000,000
Expiring 25 March 2017 at $0.05	5,145,000	-	-	-	5,145,000
	40,145,000	-	-	-	40,145,000
Unlisted options					
Expiring 15 November 2015 at $0.40	95,000	-	-	(95,000)	-
Expiring 11 June 2016 at $0.16	100,000	-	-	-	100,000
Expiring 28 November 2016 at $0.06	375,000	-	-	-	375,000
Expiring 19 January 2018 at $0.20	3,300,003	-	-	-	3,300,003
Expiring 30 November 2018 at $0.075	-	-	10,058,444	-	10,058,444
Expiring 30 November 2018 at $0.075	-	-	18,158,214	-	18,158,214
	3,870,003	-	28,216,658	(95,000)	31,991,661

4.3 Performance Rights

Performance Rights	Opening balance	Exercised in period	Granted in period	Expired in period	Closing balance
Expiring 31 December 2017	6,700,000	-	-	-	6,700,000
Expiring 31 December 2018	-	-	5,000,000	-	5,000,000
	6,700,000	-	5,000,000	-	11,700,000

4.3.1 Performance Rights issued during the period

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

Directors or KMP	Number of Performance Rights	Value of Performance Rights – Tranche A & B	Value of Performance Rights – Tranche C	Tranche A Performance Rights	Tranche B Performance Rights	Tranche C Performance Rights
Stephen Copulos	1,475,000	$59,000	$19,470	491,667	491,667	491,666
Steven Tambanis	1,950,000	$78,000	$25,740	650,000	650,000	650,000
Gabriel Chiappini	1,475,000	$59,000	$19,470	491,667	491,667	491,666
Alan Till	100,000	$4,000	$1,320	33,333	33,333	33,334

Performance Right	Grant Date	Expiry Date	Fair Value at Grant Date
Tranche A	30 November 2015	31 December 2018	$0.06
Tranche B	30 November 2015	31 December 2018	$0.06
Tranche C	30 November 2015	31 December 2018	$0.0396

The Performance Rights will vest upon satisfaction of the following milestones:

(i) Tranche A: The Company announces a JORC Code compliant resource of not less than 3,000,000 tonnes of contained graphite at 8% or more total graphite content from its Graphite Projects;

(ii) Tranche B: The Company announces a JORC compliant resource of greater than 4,000,000 tonnes of contained graphite at 8% or more total graphite content from its Graphite Projects; and

(iii) Tranche C: From the date of receipt of the Performance Rights, the Company's 10 day VWAP is equal to or greater than $0.1275 for a period of 10 consecutive trading days.

In February 2016, the Company announced its maiden JORC resource, which has triggered the satisfaction of the vesting milestones of Tranches A and B of theses performance rights (refer to Note 12).

4.3.2 Performance Rights expiring 31 December 2017

The Performance Rights expiring 31 December 2017 will vest upon satisfaction of the following milestones:

(i) Tranche A: The Company announces a JORC Code compliant resource of not less than 1,000,000 tonnes of contained graphite at 9% or more total graphite content from the Mahenge Projects;

(ii) Tranche B: The Company announces a JORC compliant resource of greater than 2,000,000 tonnes of contained graphite at 9% or more graphite content from the Mahenge Projects; and

(iii) Tranche C: From the date of receipt of the Performance Rights, the Company's 10 day VWAP is equal to or greater than $0.0875 for a period of 10 consecutive trading days.

In February 2016, the Company announced its maiden JORC resource, which has triggered the satisfaction of the vesting milestones of Tranches A and B of theses performance rights (refer to Note 12).

5. EXPLORATION AND EVALUATION ASSET

	31 December 2015	30 June 2015
	$	$
Balance at beginning of the period	3,404,600	334,454
Expenditure incurred during the period (at cost)	2,499,287	3,482,529
Assets reallocated to held for sale (cost) (note 6)	(7,563)	(412,383)
Exploration and evaluation expenditure written off	(253,899)	-
Balance at end of period	5,642,425	3,404,600

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

The Group entered into an agreement with Eneabba Gas Limited to dispose of its interest in the Ocean Hill Oil and Gas permit. During the last reporting period, the costs associated to Ocean Hill were reallocated to held for sale asset (refer 6).

The Group announced subsequent to the half-year that it would not be exercising its option to acquire the Bagamoyo prospects following due diligence. The costs incurred to the half-year totalling $253,899 were written off at the reporting date.

6. ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2015	30 June 2015
	$	$
Ocean Hill Hydrocarbon	419,946	412,383
	419,946	412,383

On 22 October 2014, the consolidated group announced that it had entered into an binding agreement to divest its Ocean Hill Hydrocarbon asset. The contracted consideration consists of a combination of cash, shares in Eneabba Gas Limited and payment of costs on behalf of the Company. The breakdown of the consideration amount is as follows:

- Upfront payment of $30,000 on signing of the binding agreement (received during 2015)
- Cash payment of $300,000; and
- 40,000,000 Eneabba Ordinary Shares;

The Agreement is subject to the following conditions precedent with only the remaining conditions required to be satisfied:

- Execution of the Amangu Native Title Claimants of the Amangu Native Title Agreement to the satisfaction of Eneabba;
- All conditions required by the Department of Minerals and Petroleum being met to enable the grant of the Permit; and
- Obtaining any consent or approval (including any consent or approval under the Act) required to transfer the Permit from the Vendor to Eneabba or its newly incorporated subsidiary, Ocean Hill Pty Ltd).

The Amangu Native Title agreement with the Traditional Owners, the Amangu Traditional Owner Group, was signed during the half-year.

The Eneabba consideration shares issued to Black Rock Mining Limited continue to be subject to escrow until satisfaction of all conditions precedent with an extension being granted to June 2016.

7. TRADE AND OTHER PAYABLES

	31 December 2015	30 June 2015
	$	$
Trade creditors	377,893	189,566
Accruals	28,974	52,965
Other liabilities	-	1,000
	406,867	243,531

8. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Performance rights were issued during the half-year to key management personnel (refer Note 4).

9. FINANCIAL INSTRUMENTS

The Group holds the following financial instruments:

	31 December 2015	30 June 2015
	$	$
Financial assets		
Cash and cash equivalents	4,112,299	2,489,586
Trade and other receivables	80,882	80,027
Other financial assets	105,300	105,300
Financial liabilities		
Trade and other payables (at amortised cost)	(406,867)	(243,531)
	3,891,614	2,431,382

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

10. EXPENDITURE COMMITMENTS

10.1 Exploration

During the previous year, the Company finalized the acquisition of 4 Graphite Exploration licences in Tanzania. As part of the license conditions with the Tanzanian Energy and Minerals Department the Company is obliged to pay USD$100 per square kilometer to maintain the license in good standing.

10. EXPENDITURE COMMITMENTS (continued)

The license costs per annum are as follows:

Project Name	*License Type*	*License Number*	*Area km²*	*Rate per km2*	*$ / Area km²*
Mahenge North Project	Graphite	PL 7802/2012	292.41	USD$100	USD$29,241
Makonde Project	Graphite	PL 10111/2014	24.83	USD$100	USD$2,483
Mahenge East Project	Graphite	PL 10426/2014	154.96	USD$100	USD15,496
Mahenge Southwest Project	Graphite	PL 10427/2014	208.67	USD$100	USD$20,867

As part of the conditions to acquire the exploration licences there were minimum exploration expenditure commitments. The Company has agreed to minimum exploration expenditure commitments totalling $1m to be acquitted over the first 12 months post settlement of the option agreements. On the Mahenge North Project, commit to spend a minimum of $500,000 on the Mahenge North Graphite Project in the first twelve months from exercise of the option. This condition has been satisfied and there are no further minimum exploration commitments to be done

As part of acquiring the 3 licences called Makonde, Mahenge East Project, Mahenge East Project and Mahenge Southwest Project the Company has agreed to spend a minimum of $500,000 in the first 12 months. The Company confirms that during the first 12 months of ownership post exercise of option that it has met its minimum expenditure commitment.

As part of the contract to acquire the graphite exploration licences, under certain milestone conditions the Company will be obliged to make additional payments. These payments are subject to the following conditions:

Exploration licence PL7802/2012

- $250,000 cash or equivalent number of fully paid Black Rock Mining shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >7% TGC is announced;

- $250,000 cash or cash equivalent number of fully paid Black Rock Mining shares (at the election of the vendor) to be paid when the Company share price exceeds a VWAP of $0.10 for a period of at least ten consecutive trading days; and

- $500,000 cash or cash equivalent number of fully paid Black Rock Mining shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 1,000,000 tonnes of contained graphite at >7% TGC is announced.

The above milestone payments have been triggered subsequent to the period end in February 2016 as the Company announced its maiden JORC resource (refer to Note 12).

Exploration licence PL10111/2014, PL10426/2014 and PL10427/2014

- $250,000 cash or equivalent number of fully paid Black Rock Mining shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >9% TGC is announced. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and

- $375,000 cash and the equivalent value ($375,000) in Black Rock Mining Shares to be paid when a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at any of the Projects is announced by Black Rock Mining on the ASX. The issue price of GRK Shares is to be calculated based on the VWAP of Black Rock Mining Shares in the 5 days prior to the release of the announcement.

With regards to the Company's South Australian Geothermal Permit, the Company is in the process of being relinquished, there may be a requirement for the Company to undertake remedial work on a previously drilled geothermal well. This exposure is covered by way of a cash backed bond ($105,300) that the South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy. The Company estimates that the remedial work will total approximately $60,000.

10. EXPENDITURE COMMITMENTS (continued)

10.2 *Capital Commitments*

The Group has no capital commitments (2015: Nil).

11. DISCONTINUED OPERATIONS

11.1 Disposal of oil and gas permit

During the previously financial year, the Company announced that it had entered into an agreement to divest its Ocean Hill oil and gas permit. The conditions precedent to the sale of the Ocean Hill tenement to Eneabba Gas Limited are yet to be fully completed, the completion date extended to June 2016 (refer to Note 6). The disposal represents the final oil and gas assets held by the Company.

11.2 Disposal of the geothermal business

On 4 December 2015, the Company announced that it had completed the sale of its share of the geothermal asset held in Central European Energy Private Company Limited (CEGE) for HUF50,000,000. The Company has shown a profit on sale of the CEGE asset of $238,450 in this half-year report (refer to Note 3).

11.3 Analysis of profit for the year from discontinued operations

The combined results of the discontinued operations (hydrocarbon and geothermal) included in the loss for the period are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

11.4 Detailed Profit or Loss Statement for discontinued operations

	31 December 2015 $	31 December 2014
Revenue	-	258
Administration expenses	(2,837)	(1,882)
Consulting expense	(43,056)	(14,890)
Gain on disposal of interest in former associate (refer to Note 3)	238,450	-
Net foreign currency exchange losses	(3,208)	(1,409)
Profit / (loss) for the period from discontinuing operations	189,349	(17,923)

12. SUBSEQUENT EVENTS

On 18 January 2016, the Company issued 5,233,333 ordinary shares and 2,616,667 options with an exercise price of $0.075 expiring 30 November 2018, totalling $392,500 (before share issue costs).

The Company announced on 20 January 2016, that following due diligence it would not be exercising its option to acquire the Bagamoyo prospects.

On 28 January 2016 the Company issued 5,002,433 ordinary shares and 2,500,000 options with an exercise price of $0.075 expiring 30 November 2018, totalling $375,000 (before share issue costs). Of the 5,002,433 ordinary shares issued 5,000,000 shares with 1 for 2 attaching options and 2,433 were issued as part of a correction on unmarketable parcel sale.

On 29 February 2016, the Company announced its Maiden JORC resource on its Mahenge North licence . Its maiden resource of 131.1Mt at 7.9% TGC hosting 10.4Mt of contained graphite with 40% of resource tonnes in the Indicated category. This makes Black Rock's resource the third largest graphite resource in Africa, or the fourth largest in the World (JORC compliant) and High grade portion of 37.6Mt at 10.2% TGC or 16.6 Mt @11.1% TGC. On announcement of the Company's maiden JORC resource, this has triggered milestone payments under its acquisition agreements of $750,000 (refer to Note 10) and the satisfaction of the vesting milestones of Tranches A and B of its performance rights (refer to Note 4.3).