ASX QUARTERLY REPORT SEPTEMBER 2016

September Quarter delivers key milestones for Mahenge Project PFS

31 October 2016

Highlights

- Test results from three independent graphite testing facilities all confirm ability to manufacture battery grade spherical graphite. 99.98% purity spherical graphite made
- Thick flake and high density flake characteristics led to exceptionally high spheronising yields up to 83%. This has potential to deliver sector leading economics
- Ulanzi infill drill programme delivered 24% Mineral Resource increase to 162.5Mt @7.8% TGC with a high grade core of 38.7Mt @9.9%TGC
- Cascades infill drill programme to deliver additional Mineral Resource upgrade in late 2016 with higher grade zones expected
- Pre Feasibility Study progressing for delivery in December Quarter
- Spherical graphite processing study underway
- A$5m capital rising completed in September

Black Rock Mining Limited (ASX.BKT) ("Black Rock Mining" or "the Company") is pleased to present its September Quarterly report and provide a development update for the Mahenge Graphite Project.

In July, the Company announced metallurgical test work results from the primary composite samples of Ulanzi and Epanko North, achieving 99% TGC purities for all size fractions greater than 75 microns. The results indicate that exceptionally high purities in the 99% range can be achieved from both oxide and fresh portions of Ulanzi and Epanko North through a straightforward processing circuit while preserving flake size, and attracted significant interest from graphite end users, with the Company receiving a number of enquiries from end users and traders who can see the potential to manufacture spherical graphite without the cost and environmental impact of chemical purification. This increased interest has led to a ramp up in discussions with potential European and Asian offtake partners, with the Company continuing to assess global offtake opportunities as the development of the Mahenge Graphite Project advances.

The Company also announced excellent first-stage expandable graphite test results for its flake concentrates in August. The programme, completed by German group Dorfner Anzaplan, concluded that Mahenge concentrate is superior to Chinese sourced expandable graphite, and confirmed the potential of Mahenge graphite to supply

products with excellent expansion characteristics into the established market, presenting diversification opportunities to Black Rock Mining in a premium market segment.

In late September the Company announced that initial spherical graphite testing had achieved, and indeed exceeded, high quality battery grade spherical graphite specifications. The test programme was conducted in Europe by an independent test laboratory using the Company's early generation 95.86% bulk concentrates that were sent for evaluation in May 2016, prior to the Company achieving higher 99% TGC purity concentrates. It is expected that the recent >99% TGC concentrates will make higher specification spherical graphite. Black Rock Mining has distributed the high quality battery grade spherical test samples for evaluation to both independent laboratories and graphite end users.

Shortly after the quarter end, the Company announced that infill drilling had delivered a 39% increase to the Ulanzi Mineral Resource to 111.8Mt @ 8.9% TGC, with the total Mineral Resource increasing by 24% to 162.5Mt @ 7.8% TGC with a high grade portion of 38.7Mt @ 9.9% TGC. This increase in Mineral Resource makes the Mahenge Graphite Project the third largest JORC graphite resource globally, with Cascades infill drilling expected to lead to a further increase in global Mineral Resource in late 2016. The assay results from 30 holes at Cascades indicate higher overall grades than Ulanzi, with the potential to yield zones of 12-14% mineralisation for early years of mining.

In August, Black Rock Mining completed the divestment of the Ocean Hill permit, an oil & gas legacy asset. The Company received approximately 7 million UIL shares, 40 million ENB shares and $200,000 cash for the asset. The sale of the Ocean Hill permit provides the Company with non-dilutive funding as it accelerates its development programme. Further, the Company finalized a $5 million placement in September to advance the development of the Mahenge Graphite Project. The placement was heavily oversubscribed and will allow Black Rock Mining to accelerate the development of one of the largest JORC graphite resources in the world.

Chairman Stephen Copulos commented: *"The September quarter has delivered another excellent result in the development of the Mahenge Graphite Project, with the Mineral Resource upgrade making it one of the largest JORC graphite resources globally.* ***The extremely positive laboratory testing results have attracted significant interest from end users, and we look forward to exploring those commercial pathways in the coming months. In addition, the funding we received in the quarter will allow us to accelerate the development of this world class asset, with PFS expected in late 2016 and DFS expected in early to mid 2017."***

During the quarter the Company also launched its Mahenge Graphite Development corporate video, which is available for viewing on the Company's website at http://www.blackrockmining.com.au/#video.

Spherical and expandable graphite assessment

During the quarter a 99.2% TGC concentrate bulk sample was prepared and distributed to independent test facilities, graphite processors and end users. Of note, the graphite characterisation work indicates the following:

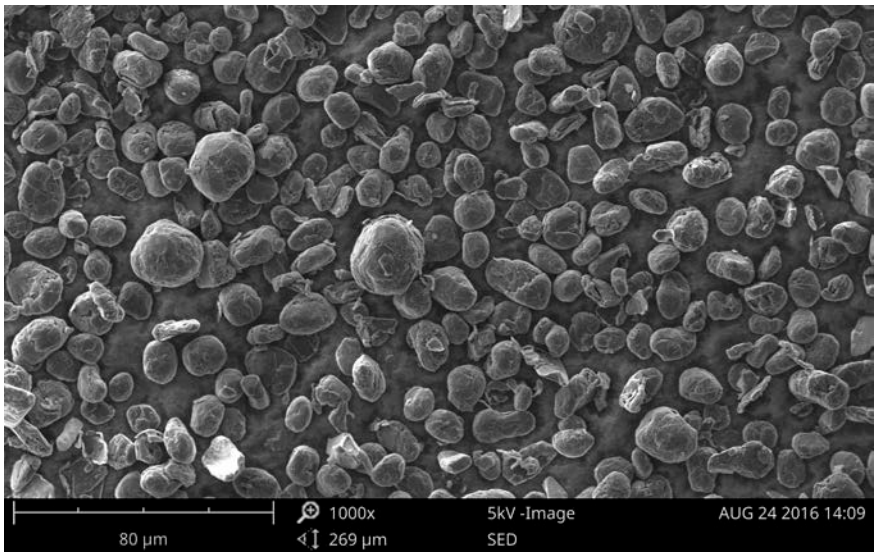
The graphite flake is exceptionally thick and high density – 25% denser than competitor flake. One test facility noted this was by far the thickest flake they had tested and that this was in part responsible for the unusually high spheronisation yields. The high flake density has potential to make higher energy density battery cells. A sample of graphite is being purified to conduct a suite of detailed cell tests – in particular long term cycling to determine battery performance.

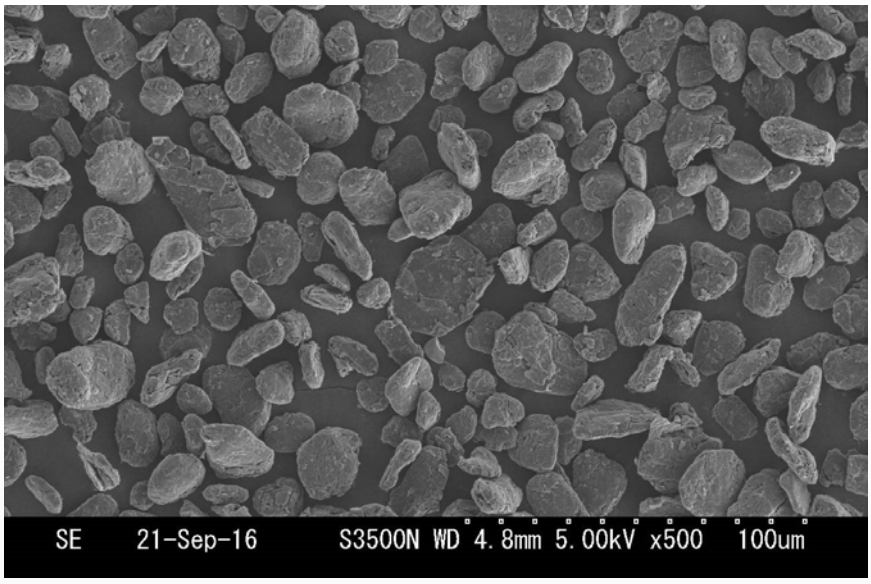
Given that Chinese spheronising plants typically achieve 33% processing yields (ie 3t of flake precursor to make 1t of spherical graphite), Mahenge graphite has potential to significantly reduce spheronising costs. The high purity Mahenge concentrates will also enable cost reductions in purification – both acid and thermal routes.

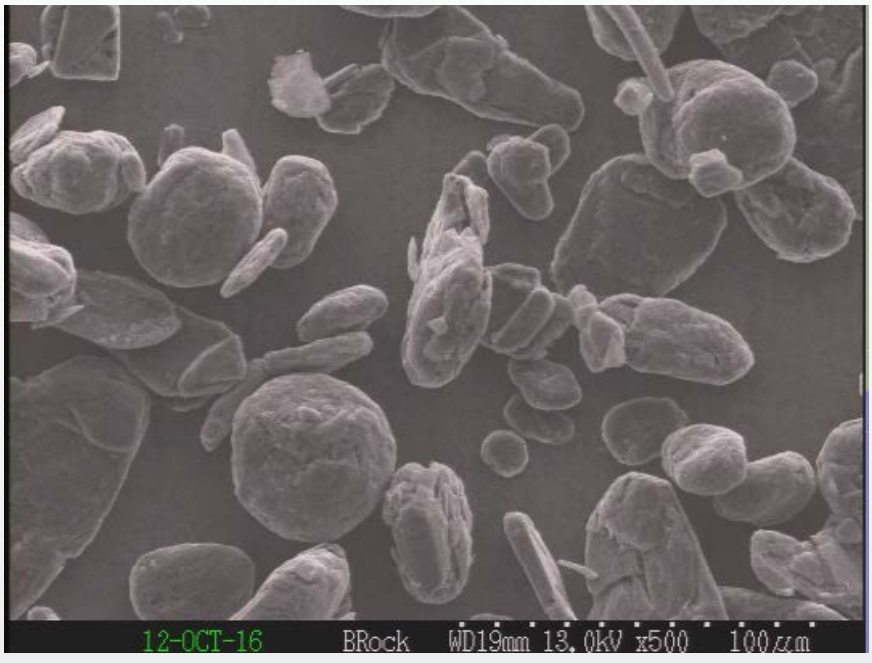
The combined effect of significantly lower purification and spheronising costs are expected to deliver price premiums for this concentrate. Extensive test work is underway to validate these properties at bench scale during the December quarter and then at commercial scale in the March quarter 2017.

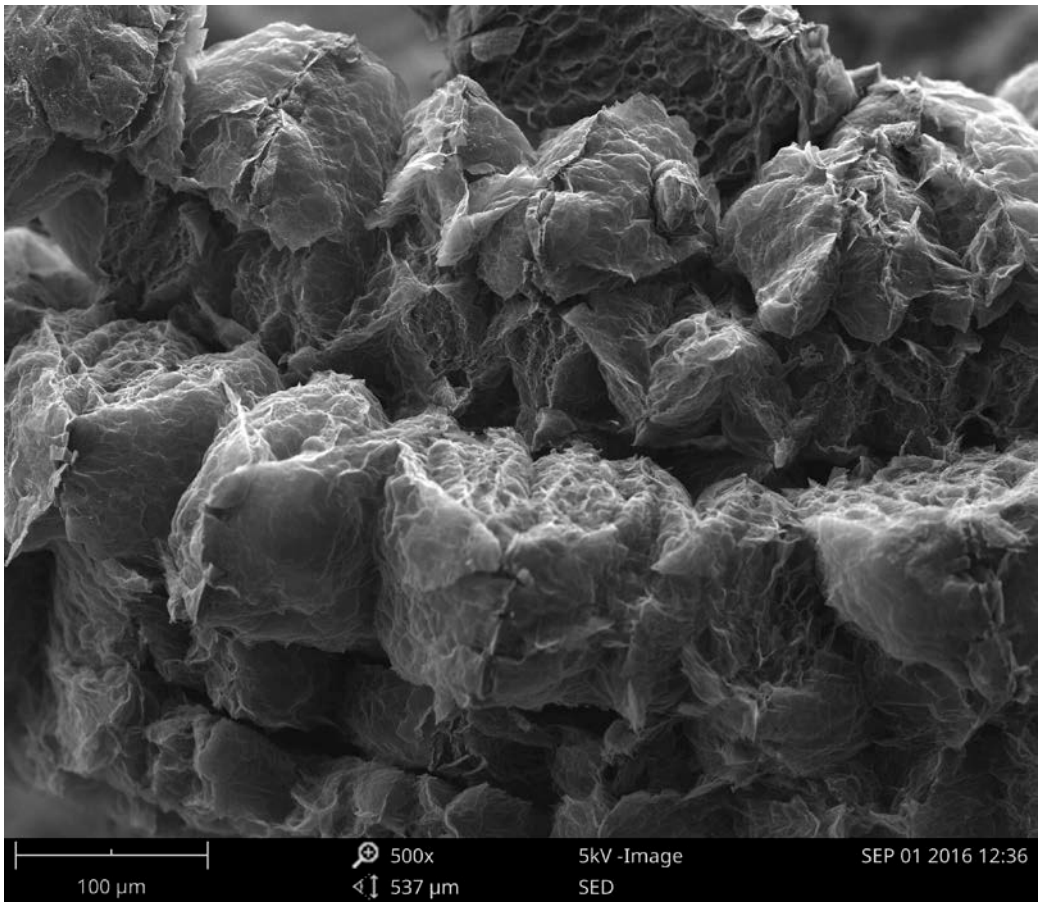
Expandable graphite testing during the quarter has achieved excellent expansion characteristics for Mahenge concentrates – again primarily attributable to the thick nature of the flake. Test work indicated up to 580 times volume expansion for coarse flake, twice that of flake currently on the market. Excellent expansion rates were also achieved for finer sized fractions.

Photos 1,2,3: spherical graphite made utilising different spheronising processes. Each batch will be tested for battery characteristics.

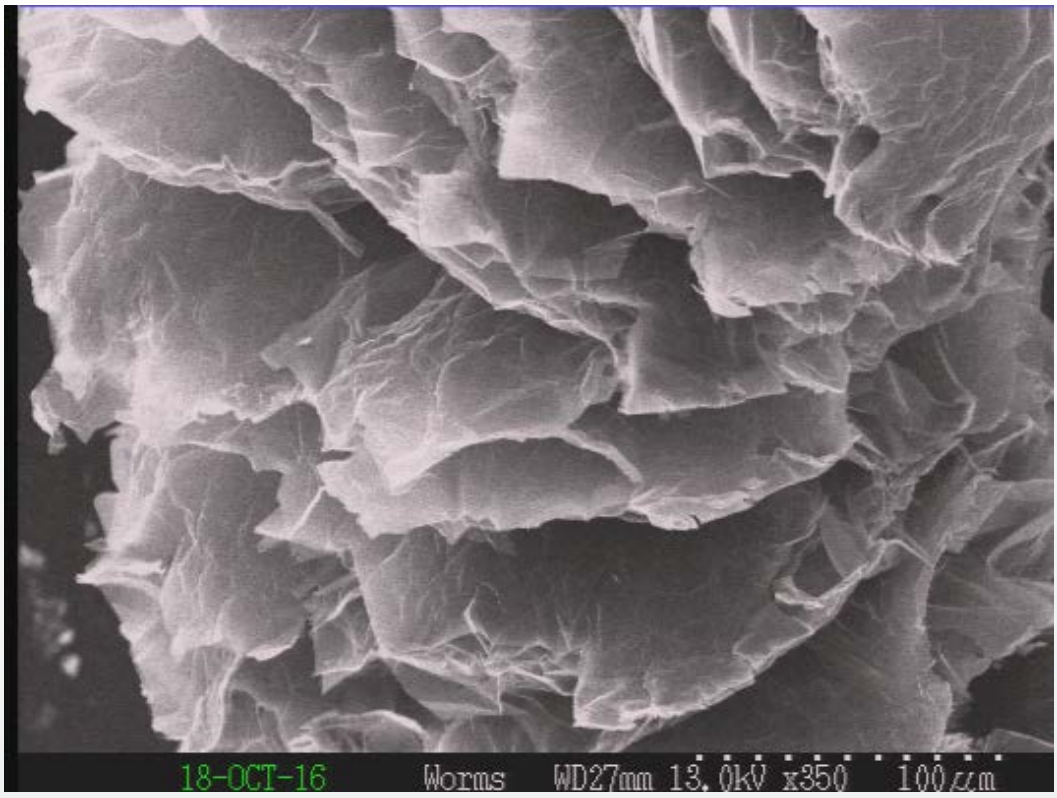








Photos 4,5: Expandable graphite images. Image above shows >500x expansion of a singe graphite flake. Image below shows a close up of expanded flakes.



Cascades infill drill programme

Cascades drilling commenced in mid July 2016 with 45 RC and 6 diamond holes drilled to date. Assay results have been received for the first 30 reverse circulation (RC) holes and DD25 as summarized in Table 1. The broad zones of mineralisation intersected are highly encouraging, particularly the consistent higher grade intervals from 10%-16% TGC.

Hole	from	to	Interval	% TGC	Intervals: metres@ % TGC	Including
RC41	0	88	88	9.68	88m@ 9.68	44m@ 11.09
RC42	4	64	60	10	60m@ 10	22m@ 11.46
RC43	2	100	98	8.92	98m@ 8.92	40m@ 10.18
RC44	2	100	98	9.04	98m@ 9.04	62m@ 10.07
RC129	32	74	42	8.57	42m@ 8.57%	
RC130	2	52	50	8.77	50m@ 8.77% & 48m@ 7.70%	20m@ 13.52%
RC130	130	178	48	7.70		
RC131	0	122	122	8.59	122m@ 8.59%	86m@ 10.16%
RC132	0	50	50	8.61	50m@ 8.61%	
RC133	2	94	92	9.28	92m@ 9.28%	68m@ 10.39%
RC134	2	68	66	9.09	66m@ 9.09%	30m@ 11.18%
RC135	0	154	154	9.07	146m@ 9.2%	72m@ 11.03% & 56m@ 8.54
RC136	6	120	114	8.76	114m@ 8.76%	104m@ 9.03%
RC137	4	70	66	8.36	66m@ 8.36%	
RC138	2	116	114	8.89	96m@ 8.89%	46m@ 10.67%
RC139	4	60	56	9.17	60m@ 9.17%	26m@ 11.71%
RC140	0	102	102	8.29	102m@ 8.29%	48m@ 10.02%
RC141	0	52	52	10.17	52m@ 10.17%	52m@ 10.17%
RC142	0	62	62	9.57	62m@ 9.57	40m@ 10.59
RC143	28	62	34	5.35	34m@ 5.35%	
RC144	28	92	64	8.02	52m@ 8.02%	14m@ 12.76%
RC145	0	64	64	7.09	64m@ 7.09%	
RC146	0	88	88	8.89	88m@ 8.89%	26m@ 13.97%
RC147	24	86	62	11.87	62m@ 11.87	48m@ 12.99%
RC148	12	112	100	10.46	100m@ 10.46%	56m@ 13.98%
RC149	18	138	120	9.11	120m@ 9.11%	40m@ 11.02%
RC150	0	106	106	8.80	106m@ 8.8%	32m@ 10.17%
RC151	30	80	50	8.18	50m@ 8.18%	28m@ 9.76%
RC152	38	62	24	6.71	24m@ 6.71%	
RC153	0	34	34	5.49	34m@ 5.49%	
RC154	2	52	50	6.92	50m@ 6.92% & 16m@ 7.87%	
RC155	32	104	72	7.43	72m@ 7.43%	36m@ 9.03%
RC156	2	80	78	8.01	78m@ 8.01	44m@ 10.56%
RC157	20	82	62	14.92	62m@ 14.92	48m@ 16% TGC
RC158					NSR	

Table 1: RC drill results from 2016 programme. Results in blue previously announced from 2015 drill programme.

Another 20 holes are planned to complete the 2016 programme: 8 RC and 12 diamond tails into existing RC hole collars. These holes will focus on more comprehensively sampling deeper portions of the western Cascades structure and are expected to be sufficient to calculate an upgrade Mineral Resource.

Many RC holes were ended due to loss of circulation, limiting the knowledge of true depth of mineralisation. **RC 157 stopped at 84m depth due to loss of circulation with the last 2m interval grading 20.8% TGC of a 62m interval that averaged 14.92% TGC**. The diamond tail holes are designed to test this true depth extent.

At RC141 graphite was intersected from surface to the bottom of hole (52m@ 10.17% TGC) where circulation was lost at 52m. Diamond hole DD26 from the same pad drilled through 143m of graphitic mineralisation (assays awaited).

Summary

- The September Quarter successfully delivered the following critical milestones:
    1. The largest and highest grade JORC Mineral Resource in Tanzania, the fourth largest in the World
    2. Confirmation that 99% purity concentrates can be made from oxide and primary portions of the Mineral Resource
    3. Validation that spherical graphite can be produced from Mahenge concentrates to meet stringent battery manufacturer requirements
    4. Development of a spheronising process with very high yields
    5. Sufficient Cascades drill hole results to indicate the potential to deliver a stand-alone Mineral resource with higher grades than Ulanzi

Planned work for the December Quarter

- Confirm the metallurgical performance of the Cascades zone;
- Deliver a preliminary Cascades Mineral Resource;
- Commence pilot scale flotation tests of Cascades and Ulanzi ore – oxide and primary zones;
- Completion and delivery of the Pre Feasibility Study;
- Continuation of detailed spherical graphite and expandable graphite evaluation;
- Spherical graphite production plant assessment incorporating production scale testing of key equipment; and
- Marketing to graphite end-users

For further information please contact:

Mr. Steven Tambanis
Managing Director
Office: +61 8 9320 7550
Email: st@blackrockmining.com.au

Mr. Gabriel Chiappini
Director
+61 8 9320 7550
Email: gabriel@blackrockmining.com.au

About Black Rock Mining

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange. The Company owns graphite tenure in the Mahenge region, Tanzania, a Country that hosts world-class graphite mineralisation. The Company announced a JORC compliant resource of 162.5mt @ 7.8% TGC for 12.7m tonnes of contained Graphite in October 2016, making this one of the largest JORC resources Globally. A positive scoping study in March 2016 led into the current Pre Feasibility Study, which is expected to be released in November 2016. The Company intends to complete a Definitive Feasibility study by March 2017.

Extensive metallurgical testing has achieved sector leading >99% TGC concentrate purity from a simple flotation circuit. High quality expandable and spherical graphite has been produced at independent test facilities in Europe, Japan and the USA.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Steven Tambanis, who is a member of the AusIMM. He is an employee of Black Rock Mining Limited. Steven Tambanis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steven Tambanis consents to the inclusion in the report of the matters based on their information in the form and context in which it appears, including the Exploration target, previously announced on 19 October 2015.

Appendix 1. JORC mineral resource statement (October 2016)

Prospect	Category	Tonnes (Millions)	TGC (%)	Contained TGC (Millions tonnes)
Ulanzi	Measured	13.3	8.9	1.2
	Indicated	48.0	8.2	3.9
	Inferred	50.5	8.0	4.0
	Sub-total	**111.8**	**8.2**	**9.2**
Epanko	Measured			
	Indicated	17.6	6.4	1.1
	Inferred	20.8	5.9	1.2
	Sub-total	**38.4**	**6.1**	**2.3**
Cascades	Measured			
	Indicated	-	-	-
	Inferred	12.3	9.5	1.2
	Sub-total	**12.3**	**9.5**	**1.2**
COMBINED	**MEASURED**	**13.3**	**8.9**	**1.2**
	INDICATED	**65.5**	**7.7**	**5.1**
	INFERRED	**83.6**	**7.7**	**6.4**
	TOTAL	**162.5**	**7.8**	**12.7**

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *The Company has taken all care to ensure no material containing additional carbon has contaminated the samples.* • *The trenches were sampled using 2m composites with samples taken from in situ oxide, transition or fresh rock as a continuous chip channel across the trench walls or along a clean exposed trench floor* • *The pit samples were taken as individual point samples at the base of the pit.* • *All samples are individually labelled and logged.* • *Diamond drill sampling consisted of quarter core sampling of HQ diamond core or a sliver (~1/5th) of PQ diamond core, on a 2m sample interval.* • *RC samples were riffle split on an individual 1m interval then composited as two x 1m samples which were submitted to the laboratory.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Both diamond core (HQ and PQ single tube) and reverse circulation (6" face sampling) drilling methods have been used. All core is oriented using a spear or ACT back-end orientation device.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Diamond drill sample recoveries have been measured for all holes and found to be acceptable. Method was linear metre core recovery for every meter drilled.* • *RC recoveries were estimated by measuring the weight of every 1m interval. Grade /recovery correlation was found to be acceptable.* • *Twin hole comparison of RC vs Diamond indicates that no sample bias has occurred for graphite.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• *Pits and trenches were logged for geology and structures, and photographs were also recorded for the trench samples.* • *All drill holes have been comprehensively logged for lithology, mineralisation, recoveries, orientation, structure and RQD (core). All*

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	*drill holes have been photographed. Sawn diamond core has been retained for a record in core trays. RC chips stored in both chip trays and 1-3kg individual metre samples as a record.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *The pit and trench samples were not sub sampled.* • *HQ diamond core samples were halved with one half then quartered. A quarter core sample was taken for laboratory analysis. The remaining quarter core sample is retained for a record and a half core sample retained for metallurgical testwork. PQ diamond core was slivered with a core saw and the sliver (~20%) taken for laboratory analysis. The remaining core was retained for metallurgical testwork and for a record.* • *RC samples were collected for every down-hole metre in a separate RC bag. Each metre sample was split through a three-tier riffle splitter and a 1.5kg sample taken of each metre. Two one-metre samples, totalling 3kg in weight were composited for assay submission. Field duplicates were taken to test precision up to the compositing and splitting stage.* • *Sample sizes for all medium (i.e. trenches, pits, DD and RC drilling) were appropriate for this style of graphite mineralisation.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *The samples were sent to Mwanza in Tanzania for preparation and pulps were then sent to Brisbane for carbon analysis: Total Graphitic Carbon (TGC) C-IR18 LECO Total Carbon.* • *Graphitic C is determined by digesting sample in 50% HCl to evolve carbonate as CO2. Residue is filtered, washed, dried and then roasted at 425°C. The roasted residue is analysed for carbon by high temperature Leco furnace with infra red detection. Method Precision: ± 15%. Reporting Limit:0.02 – 100 %.* • *Some of the samples were analysed for Multi-elements using ME-ICP81 sodium peroxide fusion and dissolution with elements determined by ICP.* • *Some of the samples were analysed for Multi-elements using ME-MS61 for 48 elements using a HF-HNO3-HClO4 acid digestion, HCl leach followed by ICP-AES and ICP-MS analysis.* • *Some of the samples were analysed for Multi-elements using ME-MS81 using lithium borate fusion and ICP-MS determination for 38 elements.* • *All analysis has been carried out by certified laboratory – ALS Global. TGC is the most appropriate method to analyse for graphitic carbon*

Criteria	JORC Code explanation	Commentary
		and it is a total analysis. ALSChemex inserted its own standards and blanks and completed its own QAQC for each batch of samples. No failures were noted. • *BKT inserted certified standard material, a blank or a duplicate at a rate of one in twenty samples.* • *Approximately 1/40 sample pulps from the 2015 drilling were re-submitted from the primary Laboratory (ALS Global) to a secondary Laboratory (SGS) in Johannesburg, South Africa. No bias or issues with accuracy or precision were observed between the two data sets.* • *Based on the QA/QC strategy employed by BKT for the duration of the exploration programs at Mahenge BKT is satisfied the TGC results are accurate and precise and no systematic bias has been introduced*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *The data has been manually updated into a master spreadsheet and a GIS database, considered to be appropriate for this exploration program.* • *Drill intersections have been checked by a consultant geologist as part of the data validation process and errors corrected prior to resource estimation.* • *Twin holes were used to compare diamond Vs RC drilling. Correlation of results was excellent.* • *There has been no adjustment of assay data.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *A handheld GPS was used to identify the positions of the pits in the field.* • *The handheld GPS has an accuracy of +/- 5m.* • *The datum used is: WGS84, zone 37 south.* • *Drill collars have been surveyed with a DGPS for sub-metre accuracy for the X, Y and Z components and the Ulanzi, Cascade and Epanko North prospects have been surveyed with a high resolution aerial drone to generate an accurate contour map and high resolution photo image. The Z component has also been checked by draping the collar position over a high quality digital terrain model and comparing to the DGPS Z reading.* • *The locations and RLs of the trenches have been checked using the detailed aerial/topo survey and modified accordingly for both x/y and z components.* • *BKT is satisfied the location of trenches, pits and drill holes have*

Criteria	JORC Code explanation	Commentary
		been located with a high degree of accuracy.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Data spacing and distribution is considered to be appropriate for the estimation of a Mineral Resource.* • *The company has used 100 x 100m or 100 x 50m or 50 x 50m grid spacing which has been sufficient to show geological and grade continuity.* • *The drill spacing is appropriate for Resource Estimation.* • *No further sample compositing has been applied post the sub-sampling stage.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Drilling is oriented perpendicular to mineralisation or as close to perpendicular to mineralisation as possible.* • *The orientation of the drill direction has not introduced a sample bias.*
Sample security	• *The measures taken to ensure sample security.*	• *The samples were taken under the supervision of an experienced geologist employed as a consultant to BKT.* • *The samples were transferred under BKT supervision from site to the local town of Mahenge where the samples were then transported from Mahenge to Dar es Salaam and then transported to Mwanza where they were inspected and then delivered directly to the ALS Global process facility.* • *Chain of custody protocols were observed to ensure the samples were not tampered with post-sampling and until delivery to the laboratory for preparation and analysis.* • *Tamper proof plastic security tags were fastened to the samples bags. No evidence of sample tampering was reported by the receiving laboratory.* • *Transport of the pulps from Tanzania to Australia was under the supervision of ALS Global.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Trenching and drilling information collected by BKT has been evaluated for sampling techniques, appropriateness of methods and data accuracy by an external geological consultant.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The sampling was undertaken on granted license PL 7802/2012.* • *It has an area of 293km^2.* • *The license is 100% owned by BKT.* • *Landowners of nearby villages are supportive of the recently completed sampling and exploration program.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Previous explorers completed some limited RC drilling and rockchip sampling but the original data has not been located apart from what has been announced via ASX releases by Kibaran Resources during 2011 and 2013.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposit type is described as schist hosted flaky graphite.* • *The mineralisation is hosted within upper amphibolite facies gneiss of the Mozambique Mobile Belt.* • *Over 95% of the exposures within the tenement comprise 3 main rock types that include alternating sequences of:* • *Graphitic schist – feldspar and quartz rich varieties.* • *Marble and,* • *Biotite and hornblende granulites.* • *Less common rock types include quartzite.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *A summary of all material drill intervals are provided in Appendix 1.*

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Exploration results have been reported as weighted averages allowing up to 2m of internal waste and minimum grades at 5% TGC.* • *No maximum or top- cutting was applied during the calculation of drill holes intersects.* • *Drill intervals are provided in Appendix 1.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Drill hole results are reported as down-hole metres.* • *Sufficient drilling, mapping and trenching has been completed at the main prospects to understand the orientation of mineralised lodes. A range of drill holes angles were used during the exploration program with the majority drilled at -60˚ (refer to Appendix 1).*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *Figures show plan location of drill holes, appropriately scaled and referenced.* • *Refer to images in the main body of the text*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *All drill holes have been reported in their entirety.* • *All drilling results have been reported in past Exploration announcements.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *1 in 10 samples from the first drill programme were assayed for deleterious elements using a 40 element ICP method. No deleterious elements were observed, with background (low) levels of uranium and thorium.* • *757 bulk density measurements using the water displacement method from the oxide (limited) transitional and fresh zones.* • *The samples for the bulk density measurements were taken from diamond drill core.* • *Every diamond hole drilled used in this Resource Estimate has had intervals tested for bulk density generating a high quality dataset.*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas,*	• *Additional drilling is planned for the remainder of 2016 to define further extensions of mineralisation at Cascade, with the intention of defining additional high grade, near surface resources* • *Ongoing metallurgical testwork – flotation and particle size*

Criteria	JORC Code explanation	Commentary
	provided this information is not commercially sensitive.	*optimization.* • *Additional bulk density testwork is planned, particularly focused on the oxide and transition material.*

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Black Rock Mining Limited

ABN	**Quarter ended ("current quarter")**
59 094 551 336	30 September 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	0	0
1.2	Payments for		
	(a) exploration & evaluation	(1,886)	(1,886)
	(b) development	0	0
	(c) production	0	0
	(d) staff costs	(125)	(125)
	(e) administration and corporate costs	(242)	(242)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Research and development refunds	0	0
1.8	Other (provide details if material)	0	0
1.9	**Net cash from / (used in) operating activities**	**(2,251)**	**(2,251)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	0	0
	(b) tenements (see item 10)	0	0
	(c) investments	0	0
	(d) other non-current assets	0	0

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	0	0
	(b) tenements (see item 10)	0	0
	(c) investments	200	200
	(d) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	**Net cash from / (used in) investing activities**	**200**	**200**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	4,775	4,775
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	119	119
3.4	Transaction costs related to issues of shares, convertible notes or options	(221)	(221)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	**Net cash from / (used in) financing activities**	**4,673**	**4,673**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,359	2,359
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,251)	(2,251)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	200	200
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,673	4,673
4.5	Effect of movement in exchange rates on cash held	(190)	(190)
4.6	**Cash and cash equivalents at end of period**	**4,791**	**4,791**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	4,791	2,352
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,791**	**2,352**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	125
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director related payments – relate to both Executive and Non-Executive Director fees.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	0	0
8.2	Credit standby arrangements	0	0
8.3	Other (please specify)	0	0

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation (*Cascades*)	675
9.2	Development (*PFS & DFS costs*)	1,302
9.3	Production	-
9.4	Staff costs	171
9.5	Administration and corporate costs	100
9.6	Other – *Graphite Marketing Costs*	88
9.7	**Total estimated cash outflows**	**2,336**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Gabriel Chiappini, Director, 31 October 2016

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.