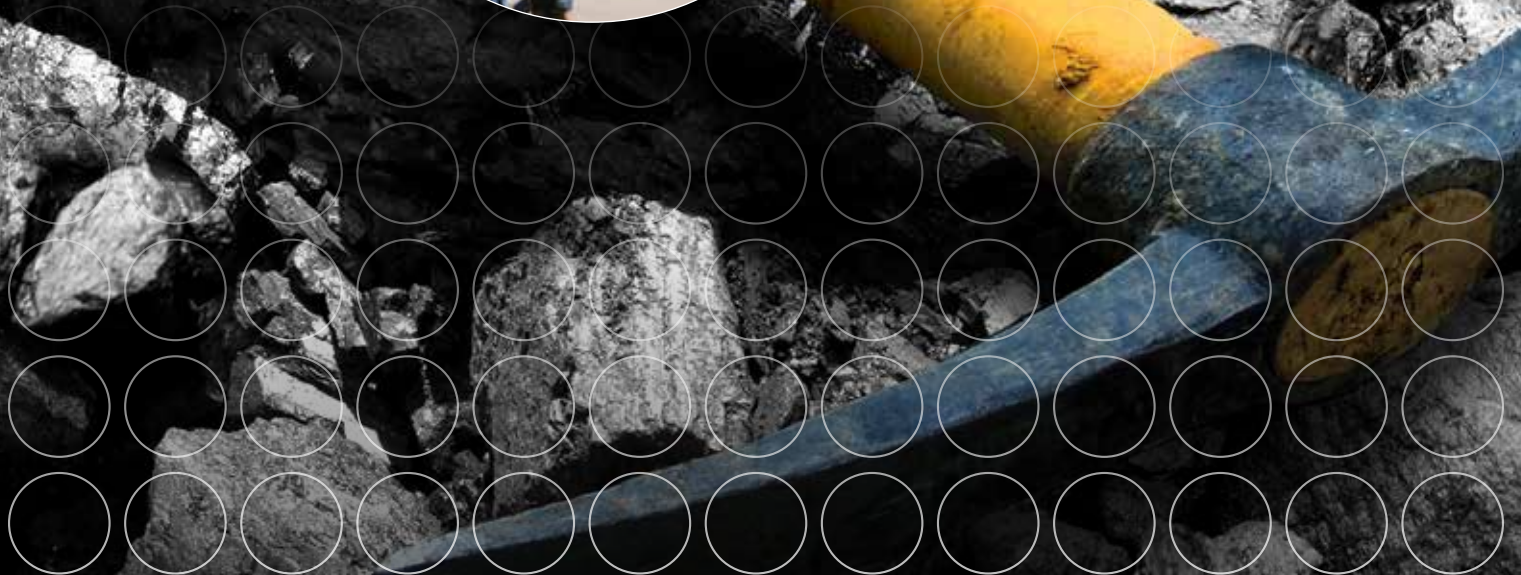




BLACK ROCK
MINING LIMITED

ANNUAL REPORT

For the year ended
30 June 2024





ABN: 59 094 551 336

CORPORATE DIRECTORY

Directors

Richard Crookes
Non-Executive Chairman

John de Vries
Chief Executive Officer,
Managing Director

Ian Murray
Non-Executive Director

Company Secretary

James Doyle

Principal Place of Business and Registered Address

Level 1, 1 Walker Avenue
West Perth WA 6005
T: +61 (08) 6383 6200
blackrockmining.com.au

Auditor

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
T: +61 (08) 9365 7000
F: +61 (08) 9365 7001

Share Registry

Computershare Investor
Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000
T: +61 1300 787 272
F: +61 (08) 9323 2033
E: web.queries@computershare.com.au

Stock Exchange Listing

The Company's shares are quoted on
the Australian Securities Exchange (ASX).
The Home Exchange is Perth.

ASX Code

BKT – Ordinary Shares

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SNAPSHOT

OF THE MAHENGE GRAPHITE PROJECT

A simple open pit mine development with outstanding forecast returns.¹

US\$1.4bn

NPV_{10nom} post tax,
post 16% FC

36%

Post-tax,
ungeared IRR

89ktpa

Module 1 production*
(1mtpa)

US\$231m

Module 1 capex
+ power line*

347ktpa

Steady production
(4x1Mtpa)

95-99%+

TGC Purity

59%+80

mesh

41%-80

Concentrate product

US\$1,709/t

Basket graphite
price***

US\$518/t

All-In-Sustaining-
Cost**

26 years

Initial operating life

1. See Black Rock Mining ASX release dated 10 October 2022: Black Rock completes FEED and eDFS Update. All technical parameters, including in the estimation of Mineral Resources or Ore Reserves, underpinning the estimates continue to apply and have not materially changed. The estimated Ore Reserves and Mineral Resources underpinning the production and financial forecasts were prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC Code).

* 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 costs expected to be -US8c/kWh less a meaningful rebate to recoup the costs of the power line. Forecast Capex has been classified as a Class 2 estimate with accuracy of ±10% as defined by ACCE.

** Average over first 10 years.

*** Expert Consensus is the average forecast from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie over the first 10 years.

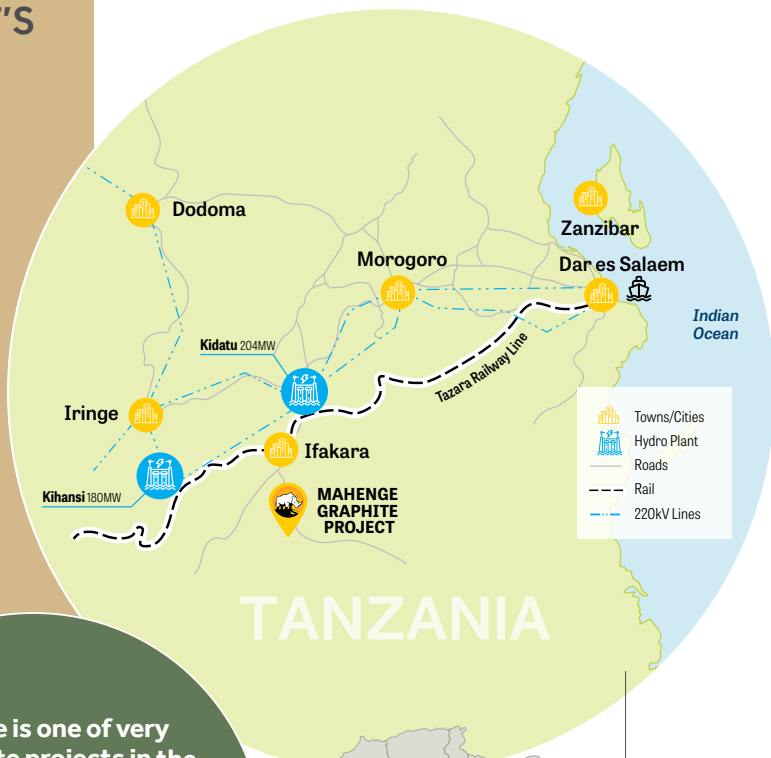
MAHENGE GRAPHITE PROJECT'S ENVIABLE COMPETITIVE ADVANTAGES

One of the key highlights of the eDFS Update was industry analysis highlighting Mahenge Graphite Project's potential first quartile position on the global costs curve – a potentially bold claim when one considers ~70% of the world's natural graphite is mined in China.

While the Mahenge graphite deposit is Tier 1 scale and has a very low strip ratio of 0.77 life-of-mine, its key differentiating competitive advantages are access to competitively priced hydro-dominated grid power in Tanzania and a much higher percentage of higher value per tonne large flake products than most peers.

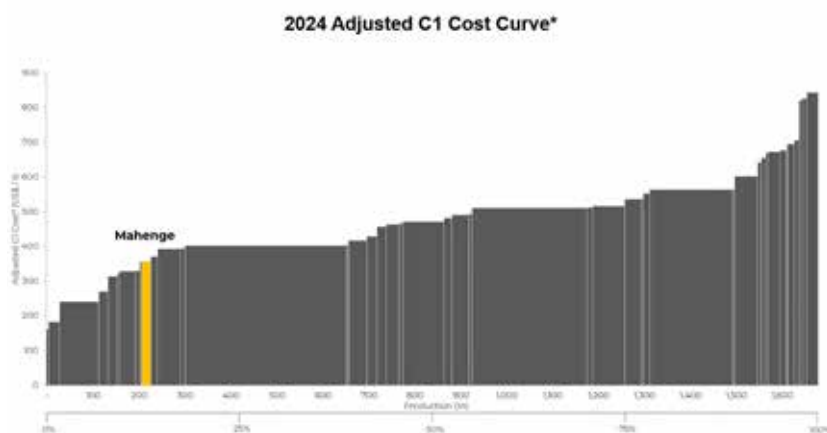
While there is no premium associated with Mahenge Graphite Project's low carbon footprint graphite products yet, we are already seeing new reporting requirements being introduced in Europe for the battery supply chain which require a detailed breakdown of the carbon footprint associated with each battery component. In the short term, we expect Mahenge Graphite Project's low carbon footprint products to provide enhanced market access in Europe and western markets, but longer term we see potential for Mahenge's product to attract a premium or other fiscal incentives.

Mahenge is one of very few graphite projects in the world expected to have both 1st quartile costs and very low carbon footprint graphite products due to access to competitively-priced, hydro-dominated grid power in Tanzania.



FIRST QUARTILE ON THE GLOBAL COST CURVE

First quartile assets are higher margin and more robust through the cycle.



Sources: Benchmark Mineral Intelligence Flake Graphite Report Q2 CY22, Black Rock Mining, Company Data
 C1 Cash Costs are defined as Cash Costs excluding royalties and sustaining capex.
 *C1 Costs adjusted for flake size distribution: Based on forecast pricing for 94-95% in 2024, Mahenge's average price is forecast to be US\$107/t above the peer average due to a higher proportion of large flake. Mahenge's Adjusted C1 Costs of US\$359/t are based on C1 Costs of US\$466/t less the US\$107/t for above average revenue compared to the peer group. Ignores the benefit of Mahenge's higher purity concentrates of up to 98% which could potentially improve EKT's relative position by up to -US\$40-60/t per 1% above 95% pricing.



CHIEF EXECUTIVE OFFICER'S REPORT



Mahenge Graphite Project

During the 2024 financial year we made substantial progress towards financing the Mahenge Graphite Project (the **Project** or **Mahenge**), arranging over USD200m in development funding for the Project.

In September 2024, we signed a binding agreement with POSCO for an equity investment in Black Rock Mining Limited (**Black Rock Mining** or the **Company**) of up to USD40m in exchange for the life of mine offtake rights for fines for Mahenge Module 2. The equity investment remains subject to conditions precedent including Foreign Investment Review Board approval, approval from the Fair Competition Commission of Tanzania and shareholder approvals,

as well as confirmation all necessary funding to build Mahenge Module 1 is in place. In combination with the binding USD10m Prepay Agreement with POSCO, POSCO plans to provide USD50m to help develop Mahenge. Previously, in June 2021, Black Rock Mining confirmed the completion of the Investment Agreement with POSCO for its strategic USD7.5m equity stake in the Company.



The POSCO Signing Ceremony in Perth on 3 September 2024. Attendees from left to right include Senior Executive Vice President of POSCO Holdings, Mr Jun Hyung Kim; Chairman Black Rock Mining, Mr Richard Crookes; Australian Minister for Resources, Ms Madeline King; Korean Minister for Trade, Mr In-Kyo Cheong; CEO of POSCO international, Mr Kye-In Lee and Chairman of POSCO Group Mr In-Hwa Chang.



The Facilities Agreement Signing Ceremony with DBS, IDC and CRDB in Johannesburg on 13 September 2024. Attendees from left to right are Nina Yose, Head of Infrastructure, IDC; Russell Wallace, Manager - Legal Services, IDC; Lungile Tom, Head of Project Finance, DBSA; Abdulmajid Mussa Nsekela, CRDB Group CEO and Managing Director; John de Vries Managing Director and CEO Black Rock Mining; Richard Crookes, Chairman, Black Rock Mining.

On 13 September 2024, we signed a Facilities Agreement (**Agreement**) with The Development Bank of Southern Africa (**DBSA**), The Industrial Development Corporation of South Africa (**IDC**) and Tanzania's largest commercial bank, CRDB Bank (**CRDB**) to provide USD179m in funding to develop the Project. The Agreement is subject to satisfaction of customary conditions precedent. The Agreement comprises of:

- USD113m Construction Term Loan;
- USD20m Revolving Credit Facility (working capital);
- USD20m Cost Overrun Facility; and
- USD26m Bank Guarantee Facility (rehabilitation bonding).

The Agreement contains terms and conditions typical for facilities of this kind, which includes the finalising of the equity funding.

Mahenge Graphite Project now has all the key permits in place and is development ready.

As a part of the debt process, several Independent Expert Reports were completed covering technical, environmental and social aspects as well as graphite markets. One of the key components of the Independent Expert Report on the environmental and social aspects of the Project was to ensure compliance with the IFC Performance Standards and the Equator Principles (**EP4**). The Company's commitment to appropriate Environmental, Social and Governance (**ESG**) stewardship is aimed at securing long term social and legislative licences to operate.

In parallel with loan documentation, the Company has also been finalising its key project contracts, signing full form offtake contracts for its large flake customers in June 2024 and, subsequent to year end, signing the mining services contract with Tanzania based TAIFA Mining and Civils Limited for an initial three-year term, subject to the Final Investment Decision (**FID**). Under the terms of the contract, the Company has the option to extend the contract term by an additional two years. Importantly, the contract value was consistent with the estimated cost in the Mahenge eDFS Update (**eDFS Update**) released to the ASX in October 2022. The Company is aiming to sign the balance of its key project contracts over the next few months in preparation for the commencement of construction.



DEEPENING OUR RELATIONSHIP WITH POSCO

In September 2024, we further deepened our relationship with our strategic alliance partner POSCO, signing an agreement with POSCO for the fines from Module 2, in exchange for an equity investment from POSCO in Black Rock Mining of up to USD40m or 19.9% (whichever is lower). Subject to completion, proceeds are to be used for the development of Mahenge Module 1.

TANZANIAN ACTIVITIES

I'm pleased to note that during the period the Company completed its 'interim' livelihood restoration program for the Project affected households who relocated from the initial Project development area in October 2022.

The program of support provided households, and the communities in which they live, two new water wells which were constructed by local contractors, tested, commissioned and handed over to the regional Rural Water Supply and Sanitation Agency (**RUWASA**). Additionally, the program of supplementary food support continued for the identified vulnerable households, with the farm field study for the crop harvest completed and delivering improved crop yields.

A key part of the in-kind compensation offered to Project affected households was housing in the new settlement areas of Idenke in the Mdingo Village, Mahenge. The Company has successfully negotiated a Memorandum of Understanding (**MOU**) on the development of Idenke with the Ulanga District and agreed the scope and accountabilities during and post construction.

The Ulanga District is the proponent of Idenke and following construction of new houses and public areas Idenke becomes the responsibility of the Mdingo Village Council and District Council to manage and service. The agreement of the MOU was a key element that has enabled the lodgement of the Idenke Environmental Social Impact assessment (**ESIA**) for approval to the National Environmental Management Council (**NEMC**) for and on behalf of the Ulanga District.

Progress has been made towards finalising the Resettlement Action Plan (**RAP**) for the Tanzania Electric Supply Company Limited (**TANESCO**) power line. TANESCO is accountable for compensation and relocation to the National standard, however the Company aims to meet the IFC performance standards and Equator Principles and therefore has developed both a supplementary ESIA and Resettlement Action Plan to ensure we continue to work towards compliance to the international requirements.

Farmers field school - demonstration crops.



In parallel with our focus on developing Mahenge Graphite Project, the Tanzanian Government's 2.1GW Julius Nyerere Hydropower Project (JNHPP) began generating electricity during the year and the third turbine was switched on in July 2024. The Tanzanian Government expects all nine turbines for JNHPP to be operational by the end of CY24.

Grid power in Tanzania is currently generated by ~40% hydroelectricity / ~60% gas-fired power. Once the JNHPP is ramped up to full capacity, the percentage of grid power made up by hydroelectricity is expected to increase to up to 60-70%, which will make the Black Rock Mining's Mahenge's graphite products some of the lowest carbon footprint graphite products in the world.

CORPORATE

During the year, Black Rock Mining strengthened its balance sheet with a AUD10m placement to new and existing institutional and sophisticated investors with cornerstone support from a large South African Fund. The Company is appropriately funded with AUD8.9m in cash as it aims to finalise financing ahead of planned construction activities.



The 2.1GW Julius Nyerere Hydropower Project began generating power during the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company remains committed to maintaining the highest possible ESG standards with our ESG and Sustainability Principles designed to:

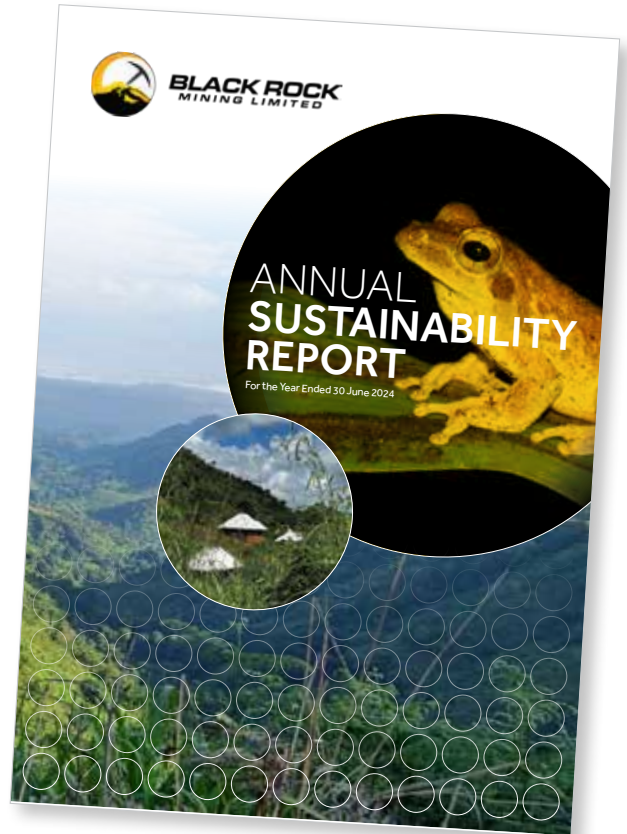
- Provide visibility on Black Rock Mining's blueprint for confidence in the Project in both investment and offtake markets;
- Outline the Company's unique advantages that provide a competitive position and underpin Black Rock Mining's ability to deliver a real and sustainable operation; and
- Confirm our commitment to the sustainable economic transition of Tanzania through support for community and social development.

During the year, the Company substantially progressed the critical path studies required to ensure compliance with the Equator Principals and IFC Performance Standards to meet lender requirements for the associated facilities of the Transmission Line, the Lower Access Road and the Indenke resettlement area of Mbindo village. We believe compliance with these standards differentiates the Company in increasingly discerning offtake, investment and financial markets. Ultimately, we simply believe this is the right thing to do.

The Company published its first Sustainability Report in September 2024. A copy can be found on our website. The purpose of the Sustainability Report is to provide stakeholders information and a concise and complete record of our ESG activities and results for the year. A summary of the Sustainability Report has been included in this Annual Report.

On a personal note, I would like to thank you, our shareholders, for your patience and ongoing support. Battery demand for graphite has been growing rapidly over the past few years and Fastmarkets is forecasting a major recovery in the fines graphite price over the next 12-18 months from the current cyclical lows. I continue to believe that the expected global market demand will bring substantial opportunities for Black Rock Mining that will ultimately deliver value for all stakeholders. Graphite will play a critical role as part of global decarbonisation and clean energy strategies, and I look forward to executing on our plans over the next year as we aim to transition from developer to producer.

John de Vries
Managing Director and CEO



John de Vries after winning the Mining Indaba Investment Battlefield Competition (Source: Paydirt).

IMPORTANT NOTICES

CAUTIONARY STATEMENT - PRODUCTION TARGET

The information in this Report that relates to a production target, or forecast financial information, derived from a production target has been extracted from the Company's ASX announcement released on 10 October 2022 titled "Black Rock Completes FEED and eDFS Update". The Company confirms that all material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original announcement continue to apply and have not materially changed.

FORWARD LOOKING STATEMENTS DISCLAIMER

This Report contains forward-looking statements that involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.



The 2.1GW Julius Nyerere Hydropower Project



Women's focus group.



SUSTAINABILITY AT BLACK ROCK MINING



Graphite is pivotal for the global shift to clean energy. Graphite's expanding role in battery anodes for electrifying transport is driving significant short-term growth, with global demand projected to double by 2030¹. This surge is critical for the transition to decarbonisation, requiring a joint global effort to develop new infrastructure and secure reliable sources of raw materials.

1. Global Critical Minerals Outlook 2024, International Energy Agency.



Black Rock Mining is uniquely positioned with one of the world's largest graphite deposits in Tanzania, a rapidly emerging graphite belt. This strategic location enables Black Rock Mining to play a significant role in the global decarbonisation movement. As Black Rock Mining moves toward production at the Mahenge Graphite Project, the Company developed its ESG and Sustainability Principles². This year, sustainability topics material to Black Rock Mining are derived from the ESG and Sustainability Principles. They include:

- Energy and emissions;
- Biodiversity;
- Local content;
- Community;
- Governance; and
- Risk management³.

These topics represent the most important issues for Black Rock Mining at the current stage. The following sections present key initiatives undertaken to manage these topics.

This sustainability section in the Annual Report is for the financial year ended 30 June 2024. As this is Black Rock Mining's first sustainability disclosure in Annual Report, there are no restatements of information or other changes in reporting. This sustainability section has been prepared for our stakeholders, including our investors, employees, contractors, suppliers, local communities, customers and any reader interested in better understanding the Company. The full 2024 Sustainability Report is available on the Company's website.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

The Company completed four Environmental and Social Impact Assessments (ESIA)⁴ for the Mahenge Graphite Project, access roads, the electric power transmission line and the Idenke Settlement Area. These ESIA aim to evaluate and manage the potential environmental and social impacts and develop mitigation measures and management plans.

Baseline studies were undertaken to understand the existing physical, biological, socio-economic and cultural conditions of the project sites. The Company prepared a Stakeholder Engagement plan to guide stakeholder engagement activities through stakeholder identification, analysis and mapping. A Community Grievance Redress Mechanism has also been developed, applicable to affected communities, various stakeholder groups and individuals. Extensive engagement activities with stakeholders⁵ were conducted and key concerns, meeting minutes and attendance records documented and communicated through an established feedback mechanism.

2. Available at Black Rock Mining's website.
3. Refer to Risk Management section of the Annual Report.
4. The regulatory framework that applies to the ESIA comprises Tanzania national legislation, company-specific policies, as well as international standards and guidelines. The Tanzania national administrative and regulatory requirements include but not limited to: Constitution of the United Republic of Tanzania; Relevant National Policies and Strategies; Relevant Acts and Regulations; National Administrative Framework; and Environmental Standards. The International Standards and Guidelines include: Equator Principles 4; International Finance Corporation Performance Standards; World Bank Group Environmental Health and Safety (EHS) Guidelines; Industry Specific World Bank Group EHS Guidelines for Water and Sanitation; Waste Management Facilities; and Health Care Facilities and UN Guiding Principles on Business and Human Rights.
5. Stakeholders include National Environment Management Council; regional authorities; district authorities; ward / village authorities; other government agencies; project affected communities and individuals; non-governmental organisations; civil society organisations; and media.

During the stakeholder engagement process, various impacts under the following environmental and social categories were assessed:

| | | |
|--|--------------------------|-------------------------------------|
| Air quality | Education | Unplanned events |
| Biodiversity – Fauna | Gender based violence | Soil |
| Biodiversity – Flora & habitats | Hydrogeology | Traffic and road infrastructure |
| Community | Hydrology | Waste |
| Community safety, security and welfare | Land and livelihoods | Worker's health, safety and welfare |
| Cultural heritage | Landscape and topography | |
| Economy, employment and livelihoods | Noise and vibration | |

Assessment for physical, social, unplanned events and cumulative impacts were conducted to evaluate the characteristics, magnitude and significance of potential impacts. This helped the development of mitigation measures to be taken in minimising any potential adverse effects and enhance potential benefits. Based on the impact assessment, the Company developed an Environmental and Social Management and Monitoring Plan to address and mitigate the identified impacts across these categories. These measures include establishing management plans, implementing best practices for environmental protection, enhancing community engagement and support, ensuring worker safety and well-being and fostering economic and social benefits.



ENVIRONMENT

ENERGY AND EMISSIONS

Understanding the Company's carbon footprint is important to recognise and manage impacts it can have on climate change. The Company conducted a Greenhouse Gas (GHG) assessment⁶ to quantify the estimated potential GHG emissions for the Mahenge Graphite Project (Module 1), Idenke Settlement Area and transmission line during the construction and operation stages. The assessment of Scope 1 and 2 emissions⁷ includes emissions from vegetation clearing, the use of construction machinery and equipment, the use of diesel generators for miscellaneous purpose during the construction phase, electricity consumption from the TANESCO grid and the use of backup diesel generators during the operational phase. The estimated GHG emissions are summarised below.

| PROJECT | PROJECT PHASE | EMISSION SCOPE | EMISSIONS PER YEAR (KtCO ₂ e / YEAR) | TOTAL EMISSIONS (KtCO ₂ e) |
|--|--------------------|----------------|---|---------------------------------------|
| Mahenge Graphite Project (Module 1) | Construction phase | Scope 1 | 90 | 149 |
| | | Scope 2 | 0 | 0 |
| | Operation phase | Scope 1 | 25 | 661 |
| | | Scope 2 | 119 | 3,099 |
| Idenke Settlement Area | Construction phase | Scope 1 | 13 | 39 |
| | | Scope 2 | 0 | 0 |
| | Operation phase | Scope 1 | 3.9 | n/a ⁸ |
| | | Scope 2 | 0.06 | n/a ⁸ |
| Transmission Line | Construction phase | Scope 1 | 9.9 | 14 |
| | | Scope 2 | 0 | 0 |
| | Operation phase | Scope 1 | 8.3 | 249 |
| | | Scope 2 | 76 | 2,290 |

- The GHG assessment was conducted according to international guidance on GHG reporting provided by World Resources Institute's Greenhouse Gas Reporting Protocol.
- Scope 1 describes 'direct' greenhouse gas emissions from sources that are owned by or under the direct control of the Company. Scope 2 describes 'indirect' greenhouse gas emissions associated with the Project but occurring at sources owned or controlled by another organisation and therefore not under the direct control of the Company.
- Since the Idenke settlement area is assumed to operate permanently, the total emissions arising from the operational phase throughout the Project have not been provided.

Power for the operations will be provided by a grid power connection supplied to the Mahenge Graphite Project via a new 220kV transmission line from Ifakara. In 2023, 63% of the grid generating capacity is produced from natural gas, 32% is hydropower and 4% is produced with fuel. The percentage of hydropower generation is forecast to increase now that the Julius Nyerere Hydropower Project (**JNHPP**) is operational and in July 2024 the third (of nine) turbines was switched on. JNHPP has a planned capacity of 2.1GW and the Government of Tanzania expects it to be operating at full capacity by the end of CY24⁹. This development plays a critical role in Black Rock Mining's potential utilisation of renewable energy. Although the ESIA study mentioned that the hydropower facilities may experience national-level power cuts or load shedding during extended drought periods, it also indicated that the Mahenge Graphite Project is situated within the Kilombero Catchment. This catchment covers an area of 40,240 km² up to the confluence of the Kilombero and Rufiji Rivers and contains the largest freshwater wetland in East Africa with abundant rainfall. Therefore, the Mahenge Graphite Project power supply is subject to low to medium drought risk.

Black Rock Mining has completed a Physical Climate Change Risk Assessment for the construction and operation phases for the Mahenge Graphite Project. This assessment involves a high-level screening of various physical climate hazards that could pose material risks to the construction and operational phases. It also includes the use of climate data and scenarios to assess the potential risks under three timeframes. Modelled climate data is analysed in combination with the available literature to identify how each climate hazard is projected to change in the future.

Biodiversity

Black Rock Mining is proactive in biodiversity efforts to mitigate the impact of development projects and promote the preservation and restoration of vital ecosystems.

The ESIA for the Mahenge Graphite Project, access road, the electric power transmission line and the Idenke Settlement Area identified residual impacts to natural and critical habitats. The Company will implement a combination of biodiversity offsets and supporting conservation actions. Biodiversity offsets are conservation activities intended to compensate for the loss of biodiversity due to development projects or other human activities. The goal is to ensure that any residual negative impacts on biodiversity are balanced by equivalent positive actions, leading to no net loss or even a net gain in biodiversity.

The Company has developed a Biodiversity Offset Strategy to identify critical habitats that require offsetting, characterise the offsets required and propose conservation actions. Initial offset site screening was also undertaken and this will be followed by ground truthing in the development of the Offset Plan and stakeholder consultation. Potential offset activities are proposed for consideration. This will inform the development of a detailed Offset Plan and an Implementation and Monitoring Plan, with stakeholder consultation and engagement undertaken to form successful partnerships and finalise the design of the offset actions.



Mertensophryne loveridgei.



Rieppeleon brevicaudatus.

9. Source: <https://dailynews.co.tz/jnhpp-third-power-turbine-switched-on/>
10. The scenarios referenced are Shared Socioeconomic Pathways (**SSPs**) 1-2.6 and 5-8.5. SSPs are illustrative scenarios which describe a range of possible future developments of the anthropogenic drivers of climate change. This includes socio-economic factors such as demographic change and climate change mitigation.
11. The three timeframes refer to baseline years 2023, 2030 and 2050.

SOCIAL

LOCAL CONTENT

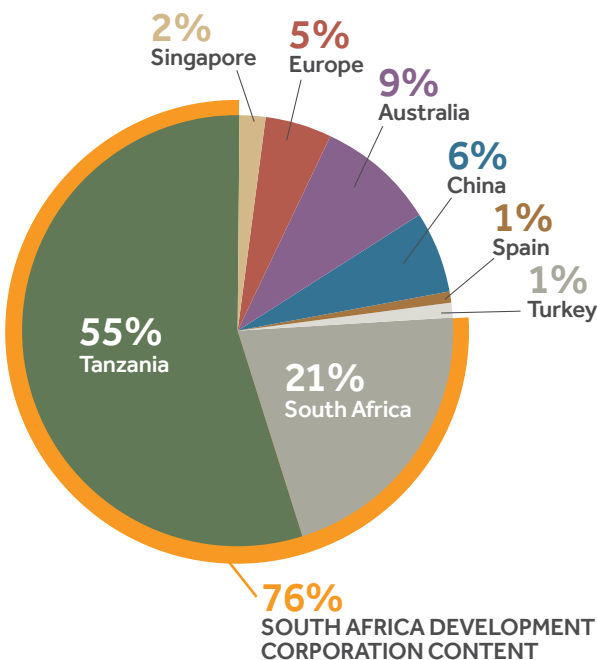
Local content stimulates local economies, fosters skill development and meets regulatory requirements while improving infrastructure. Black Rock Mining intends to maximise procurement within Tanzania as much as possible while complying with the Government of Tanzania's Mining (Local Content) Regulations, 2018. The local content regulations aim to ensure that companies participating across the value chain of the mining sector maintain minimum levels of Tanzanian employees, meet minimum levels of Tanzanian ownership and give preference to Tanzanian-incorporated suppliers, who are themselves local content compliant.

The Company formulated a Procurement Package Plan to strategically engage local businesses by identifying Tanzanian suppliers and contractors during the development stage. Based on this plan, the estimated amount of total project capital expenditures to be spent during the development phase and prior to commencement of operations is as follows:

- 55% of the total capital expenditures on Tanzanian content.
- 76% of the total capital expenditures on Southern Africa Development Corporation content.

The breakdown of the local content and international procurement spend is as follows:

FORECAST SHARE OF CAPEX



By planning ahead to engage local businesses and workforce, the Company aspires to build local capacity, leading to long-term, socio-economic benefits.

Women's focus group.



COMMUNITY

Black Rock Mining understands the impact of land acquisition on local communities and the importance of addressing any adverse impacts.

The Company has a Resettlement Action Plan (RAP) for the Mahenge Graphite Project which is a prerequisite for any infrastructural development involving the involuntary relocation of people. During the development stage of this RAP, the Company conducted public consultation with the key stakeholders in planning resettlement activities, negotiate resettlement packages, stakeholder education, resolving grievances and managing stakeholder expectations.

This RAP outlines the anticipated social and economic displacement impacts and provides a comprehensive plan for community engagement, compensation and mitigation of adverse effects. It details the Project's land requirements, compensation and housing provisions and public infrastructure for the new Settlement Area, Idenke, within the Mdindo Village, while ensuring compliance with relevant national and international policies.

Socio-economic and ethnographic profile of the Project affected communities was explored through socio-economic baseline surveys. Assets impacted by land acquisition were surveyed and evaluated for their value, ensuring that compensation supports the restoration of livelihoods for those affected. Guiding principles, land use planning and other processes for compensation and resettlement were developed. Monitoring and evaluation processes were also developed for continuous improvement.



Assisted Resettlement, Project affected households in Mdindo Village.



Photo: Provision of helmet and reflectors in the road safety awareness campaign.

The Company prepared an Interim Livelihood Restoration Plan to outline mitigation measures for any negative impacts arising from land access required for initial project activities in Mdindo and Makanga villages. The implementation commenced in June 2023 with engagement and consultations with district and village leaders, as well as the project affected households. The Company developed and successfully implemented several transitional livelihood restoration packages. A total of 138 affected households voluntarily enrolled in the support program. The Company has provided transitional food basket support, improved agricultural practice, road safety awareness campaign and access to farmland and two new wells for access to clean water to the affected households.

In CY23 Black Rock Mining invested USD153,639 in community development and livelihood restoration. The Company is currently assisting the Ulanga District Council and Project affected Villages to formally open up new farmland areas for displaced PAPs engaged in farming practices.

The Company will continue to monitor the effectiveness of its Corporate Social Responsibility (CSR) and Livelihood Restoration programs. The CSR Plan is approved each year through collaboration with the Ulanga District Council and meets the required guidance ratio of 60% District investment and 40% Village/Local investment.





Memorandum of Understanding for the construction of the Idenke Settlement Area in Mdingo Village for relocating project affected households.

Presentation of the Mahenge Graphite Project Supplementary ESIA to the Ulanga District.



GOVERNANCE

BUSINESS ETHICS

Black Rock Mining is committed to upholding the highest standards of integrity and responsibility. The Company's Code of Conduct¹² (**Code**) provides a framework for ethical decision-making, behaviour and actions, ensuring adherence to legal and regulatory standards. It reinforces the Company's commitment to honesty, integrity and fair dealings, emphasising a duty of care to all employees, clients and stakeholders. The Code outlines minimum standards of behaviour expected from the board of directors, executive team, employees, contractors and business partners.

The Company's Anti-Bribery and Corruption Policy supports compliance with relevant laws and regulations¹³. It outlines the responsibilities of the Company, its management and personnel in preventing bribery and corruption. It also provides guidance to personnel on identifying and addressing potential issues. The policy mandates compliance with relevant corruption legislation and location-specific laws for all personnel, including directors, temporary staff, contractors and business associates.

There were no reports received of any serious breaches of Black Rock Mining's policies, laws or regulations. In particular there were no matters reported or referred under the Code of Conduct, Whistleblower Policy or the Anti-Bribery and Corruption Policy.

HUMAN RIGHTS

Black Rock Mining understands the human rights risks that may arise from business activities and seek to eliminate and mitigate these risks to the extent practicable. During the ESIA process, the Company has developed a Human Rights Impact Assessment (**HRIA**) in accordance with United Nations Guiding Principles on Business and Human Rights. The HRIA assessed the following factors.

| | |
|-------------------------------|----------------------------------|
| Child labour | Land conflict |
| Community health and safety | Living conditions and livelihood |
| Cultural heritage | Security |
| Gender based violence | Participation |
| Labour and working conditions | Worker health and safety |

Under each factor, the likelihood and severity were evaluated against the associated human right risks. A Human Rights Heat Map was also produced to facilitate the risk prioritisation. Management plans and remedy measures were devised to address the identified risks. A Human Rights Due Diligence Management Plan was established for continuous monitoring, mitigation and remediation of human rights impacts. Future actions include formalising audits (including human rights) and annual site visits to all international offtake agreement companies. Through these efforts, Black Rock Mining demonstrates its unwavering commitment to respecting and promoting human rights in all aspects of its operations.

12. Available at Black Rock Mining's website.
13. Including the Australian Criminal Code 1995, the US Foreign Corrupt Practices Act, the UK Bribery Act 2010 and the Tanzanian Prevention and Combating of Corrupt Activities Act 2004.



Lygodactylus grotei.

Black Rock Mining People & Culture team Mahenge Graphite Project familiarisation visit.



Farmers field school - demonstration crops.



DIRECTORS' REPORT

The Directors of Black Rock Mining Limited (Company or Black Rock Mining) submit herewith the Annual Report of the Company and its subsidiary entities (Consolidated Entity or Group) for the financial year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report follows.



INFORMATION ABOUT THE DIRECTORS

The names and details of the Directors of Black Rock Mining during the financial year are:

| NAME | PARTICULARS | | | | | | | | | | | | | | | | | | |
|---|---|---------------|----------------|---------------|--------------------------|----------------|----------|--------------------------|----------------|-----------|-----------------------------|---------------|------------|---------------------------------|---------------|--------------|--------------------------|----------------|--------------|
| <p>RICHARD CROOKES Non-Executive Chairman</p> | <p>Mr Crookes has over 35 years' experience in the resources and investments industries. He is a geologist by training having worked in the industry most recently as the Chief Geologist and Mining Manager of Ernest Henry Mining in Australia. Mr Crookes is Managing Partner of Lionhead Resources, a Critical Minerals Investment Fund and formerly an Investment Director at EMR Capital. Prior to that he was an Executive Director in Macquarie Bank's Metals Energy Capital (MEC) division where he managed all aspects of the bank's principal investments in mining and metals companies as well as the origination of numerous project finance transactions. Mr Crookes has extensive experience in deal origination, evaluation, structuring and completing investment entry and exits for both private and public resource companies in Australia and overseas, as well as execution of Project Finance transactions in Africa.</p> <p>Mr Crookes is a member of both the Audit & Risk and Remuneration & Nomination Committees.</p> <p>Mr Crookes held directorships with the following listed companies in the three years immediately prior to the date of this report.</p> <table border="1"> <thead> <tr> <th>NAME</th> <th>DATE APPOINTED</th> <th>DATE RESIGNED</th> </tr> </thead> <tbody> <tr> <td>Barton Gold Holdings Ltd</td> <td>February 2021</td> <td>May 2022</td> </tr> <tr> <td>Brightstar Resources Ltd</td> <td>May 2024</td> <td>Current</td> </tr> <tr> <td>Highfield Resources Limited</td> <td>April 2013</td> <td>March 2022</td> </tr> <tr> <td>Lithium Power International Ltd</td> <td>November 2018</td> <td>March 2024</td> </tr> <tr> <td>Vital Metals Limited</td> <td>August 2022</td> <td>Current</td> </tr> </tbody> </table> | NAME | DATE APPOINTED | DATE RESIGNED | Barton Gold Holdings Ltd | February 2021 | May 2022 | Brightstar Resources Ltd | May 2024 | Current | Highfield Resources Limited | April 2013 | March 2022 | Lithium Power International Ltd | November 2018 | March 2024 | Vital Metals Limited | August 2022 | Current |
| NAME | DATE APPOINTED | DATE RESIGNED | | | | | | | | | | | | | | | | | |
| Barton Gold Holdings Ltd | February 2021 | May 2022 | | | | | | | | | | | | | | | | | |
| Brightstar Resources Ltd | May 2024 | Current | | | | | | | | | | | | | | | | | |
| Highfield Resources Limited | April 2013 | March 2022 | | | | | | | | | | | | | | | | | |
| Lithium Power International Ltd | November 2018 | March 2024 | | | | | | | | | | | | | | | | | |
| Vital Metals Limited | August 2022 | Current | | | | | | | | | | | | | | | | | |
| <p>IAN MURRAY Non-Executive Director</p> | <p>Mr Murray is a Non-Executive Director of Black Rock Mining. Mr Murray graduated with a Bachelor of Commerce (BCom) in 1987 from the University of Cape Town, is a fellow of the Institute of Chartered Accountants of Australia and New Zealand (FCA), and is a member of the Australian Institute of Company Directors (MAICD). He has held senior management positions for companies such as KPMG, PricewaterhouseCoopers, Bioclones, DRDGold Ltd, and Gold Road Resources. More recently, as Chief Executive Officer and Managing Director, he successfully delivered Gold Road Resources' (ASX:GOR) Gruyere Project, and has significant African experience through DRDGold.</p> <p>Mr Murray is the Chair of both the Audit & Risk and Remuneration & Nomination Committees.</p> <p>Mr Murray held directorships with the following listed companies in the three years immediately prior to the date of this report.</p> <table border="1"> <thead> <tr> <th>NAME</th> <th>DATE APPOINTED</th> <th>DATE RESIGNED</th> </tr> </thead> <tbody> <tr> <td>Arafura Rare Earths Ltd</td> <td>September 2024</td> <td>Current</td> </tr> <tr> <td>Geopacific Resources Ltd</td> <td>September 2019</td> <td>July 2022</td> </tr> <tr> <td>Jupiter Mines Limited</td> <td>February 2022</td> <td>Current</td> </tr> <tr> <td>Matador Mining Ltd</td> <td>May 2020</td> <td>October 2022</td> </tr> <tr> <td>Todd River Resources Ltd</td> <td>September 2020</td> <td>October 2021</td> </tr> </tbody> </table> | NAME | DATE APPOINTED | DATE RESIGNED | Arafura Rare Earths Ltd | September 2024 | Current | Geopacific Resources Ltd | September 2019 | July 2022 | Jupiter Mines Limited | February 2022 | Current | Matador Mining Ltd | May 2020 | October 2022 | Todd River Resources Ltd | September 2020 | October 2021 |
| NAME | DATE APPOINTED | DATE RESIGNED | | | | | | | | | | | | | | | | | |
| Arafura Rare Earths Ltd | September 2024 | Current | | | | | | | | | | | | | | | | | |
| Geopacific Resources Ltd | September 2019 | July 2022 | | | | | | | | | | | | | | | | | |
| Jupiter Mines Limited | February 2022 | Current | | | | | | | | | | | | | | | | | |
| Matador Mining Ltd | May 2020 | October 2022 | | | | | | | | | | | | | | | | | |
| Todd River Resources Ltd | September 2020 | October 2021 | | | | | | | | | | | | | | | | | |
| <p>JOHN DE VRIES Managing Director and CEO</p> | <p>Mr de Vries has over 40 years' experience in the mining industry. He started his career in 1984 working for WMC Resources and held operational roles such as Underground Manager, Senior Mining Engineer and Manager Mining. In 1998, he moved to AMC Consultants to become a Principal Mining Engineer responsible for Mine Optimisation. In 2003, he joined Orica Mining Services as Global Business Manager, Advanced Mining Solutions, before moving to BHP Billiton in 2007 as the Manager Strategic Mine Planning.</p> <p>Most recently from 2011 to 2015, he was General Manager Technical Services for St Barbara. After his success with St Barbara, Mr de Vries took an 18-month sabbatical before joining Black Rock Mining.</p> <p>Mr de Vries holds a Bachelor of Engineering, Mining, a Master of Science in Mineral Economics, a Graduate Diploma in Economic Geology, a Graduate Diploma in Financial Markets and is Advisory Committee Member-Mining of MRIWA. Mr de Vries holds a WA First Class Mine Managers Certificate of Competency. He is a member of the AusIMM, a fellow of FINSIA and a member of SME.</p> <p>Mr de Vries does not currently hold any other directorships, nor has he in the past three years.</p> | | | | | | | | | | | | | | | | | | |

The above-named directors held office during the whole of the financial year and since the end of the financial year.

INFORMATION ABOUT COMPANY SECRETARY

JAMES DOYLE

Mr Doyle is an experienced company secretary and corporate advisor with over 20 years' experience advising Australian and international private and public company boards across a number of sectors including resources, financial services, industrials and information technology. Mr Doyle has extensive experience providing corporate governance and compliance support as well as managing and executing corporate mandates including equity and debt capital raising, IPO's, ASX listings, mergers and acquisitions and private equity transactions. Mr Doyle has a comprehensive knowledge of the ASX Listing Rules and the Corporations Act and currently serves as company secretary to several ASX-listed companies.

PRINCIPAL ACTIVITIES

Black Rock Mining is an Australian-based company listed on the Australian Securities Exchange. The principal activity of the Company during the year was to explore and develop mineral resources.

REVIEW AND RESULTS OF OPERATIONS AND ACTIVITIES

RESULTS OF OPERATIONS

The consolidated loss after tax for the year ended 30 June 2024 was AUD10,604,359 (2023: AUD9,347,559). The principal activities during the year and up to the date of this Annual Report included:

- Binding agreement signed on 3 September 2024, with POSCO for a USD40m equity investment in Black Rock Mining in exchange for the offtake rights for the long-term fines for Mahenge Module 2. The equity investment, which is subject to the final equity raise, is expected to take place via two tranches:
 - **Tranche 1:** AUD9.0m investment in 155.3m shares at a price of AUD0.058, a 10% premium to the 10 day volume weighted average price, increasing POSCO's stake in Black Rock Mining from 10.1% to 19.99%.
 - **Tranche 2:** The balance of POSCO's USD40m investment will be at the same price as other investors in the final equity raising to build Mahenge Module 1 on the Final Investment Decision, capped at a maximum stake in Black Rock Mining of 19.99%.
- On 13 September 2024, Black Rock Mining signed a Facilities Agreement (**Agreement**) with The Development Bank of Southern Africa (**DBSA**), The Industrial Development Corporation of South Africa (**IDC**) and Tanzania's largest commercial bank, CRDB Bank (**CRDB**) to provide USD179m in funding to develop the Project. The Agreement is subject to satisfaction of customary conditions precedent, which includes being subject to the finalisation of the equity raise. The Agreement comprises of:
 - USD113m Construction Term Loan;
 - USD20m Revolving Credit Facility (working capital);
 - USD20m Cost Overrun Facility; and
 - USD26m Bank Guarantee Facility (rehabilitation bonding).The Agreement contains terms and conditions typical for facilities of this kind.
- AUD10m raised in April 2024 at AUD0.065 per share in a strongly supported Placement to new and existing institutional and sophisticated investors.
- During June 2024, Black Rock Mining executed full form offtake agreements for large flake graphite concentrate with two key customers:
 - Muhui International Trade (Dalian) Co. Ltd (Muhui); and
 - Qingdao Yujinxi New Material Co. Ltd (Qingdao).
- Mining service contract signed on 17 July 2024 with TAIFA Mining and Civils Limited for an initial term of three years, subject to Final Investment Decision.

CORPORATE AND FINANCIAL POSITION

Consolidated net assets at year end were AUD59,519,019 against AUD57,494,453 at the close of the prior year. Total cash held at year-end was AUD8,901,800 (2023: AUD11,459,227).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

CHANGES IN THE STATE OF AFFAIRS

Other than the above, there have not been any significant changes in the state of affairs of the Company or Consolidated Entity. Black Rock Mining remains focused on developing its Mahenge Graphite Project in Tanzania. The Consolidated Entity is progressing towards completing the financing and commencing the development phase of the Project.

SUBSEQUENT EVENTS

Other than below, the Directors are not aware of any matter or circumstance that has significant or may significantly affect the operation of the Company or Consolidated Entity, or the results of those operations, or the state of affairs of the Company or Consolidated Entity in subsequent financial years.

Subsequent to year end, on 17 July 2024, Black Rock Mining signed a mining services contract with TAIFA Mining and Civils Limited for an initial term of three years, subject to Final Investment Decision. Under the terms of the contract, Black Rock Mining has the option to extend the contract term by an additional two years.

On 3 September 2024, Black Rock Mining signed a binding agreement with POSCO for a USD40m equity investment in Black Rock Mining in exchange for the offtake rights for the long-term fines for Mahenge Module 2. The equity investment, which is subject to the final equity raise, is expected to take place via two tranches:

- Tranche 1: AUD9.0m investment in 155.3m shares at a price of AUD0.058, a 10% premium to the 10 day volume weighted average price, increasing POSCO's stake in Black Rock Mining from 10.1% to 19.99%.
- Tranche 2: The balance of POSCO's USD40m investment will be at the same price as other investors in the final equity raising to build Mahenge Module 1 on the Final Investment Decision, capped at a maximum stake in Black Rock Mining of 19.99%.

The equity investment remains subject to regulatory approvals as well as confirmation all necessary funding to build Mahenge Module 1 is in place.

On 13 September 2024, Black Rock Mining signed a Facilities Agreement (**Agreement**) with The Development Bank of Southern Africa (**DBSA**), The Industrial Development Corporation of South Africa (**IDC**) and Tanzania's largest commercial bank, CRDB Bank (**CRDB**) to provide USD179m in funding to develop the Project. The Agreement is subject to satisfaction of customary conditions precedent which includes being subject to the finalisation of the equity raise. The Agreement comprises of:

- USD113m Construction Term Loan;
- USD20m Revolving Credit Facility (working capital);
- USD20m Cost Overrun Facility; and
- USD26m Bank Guarantee Facility (rehabilitation bonding).

The Agreement contains terms and conditions typical for facilities of this kind. The debt is contingent on the Project being fully funded.

On 26 July 2024, Grafiti Resources Pty Ltd was incorporated as a wholly-owned subsidiary of Black Rock Mining and the entity is currently dormant.

Subsequent to year end, performance rights (nil exercise price) were converted into ordinary fully paid shares as follows:

| DATE | NUMBER |
|----------------|----------------|
| 17 July 2024 | 376,787 |
| 26 July 2024 | 176,619 |
| 13 August 2024 | 176,619 |
| TOTAL | 730,025 |

Effective 1 July 2024, 1,500,000 options (AUD0.224 per option) expired unexercised.

FUTURE DEVELOPMENTS

Black Rock Mining remains focused on developing its Mahenge Graphite Project in Tanzania. Subject to the Board of Black Rock Mining making a Final Investment Decision, the Company or Consolidated Entity will move into its development phase and looks forward to executing on its strategy to develop and bring the Mahenge Graphite Project into production and in parallel, penetrate the battery materials supply chain.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company completed four Environment and Social Impact Assessment reports for the Mahenge Graphite Project, access roads, the electric power transmission line and the Indenke Settlement Area. These assessments are in accordance with the legal and regulatory requirements of the Tanzanian Government and the relevant international finance institution environmental and social standards; namely the International Finance Corporation Performance Standards and the Equator Principles.

Entities in the Consolidated Entity have complied with all environmental requirements up to the date of this report.

RISK MANAGEMENT

The Board of Directors (**Board**) determines the Company's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit & Risk Committee responsibility for implementing the risk management system.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at each Audit & Risk Committee at least annually.

The Board has delegated to the Audit & Risk Committee responsibility for implementing the risk management system.

During the year, the Board completed a review of the Company's risk management framework to satisfy itself that it continues to be sound.

The key risks are summarised in the table below.

| KEY RISK | SUMMARY | MANAGEMENT RESPONSE |
|---------------------------------|---|--|
| Funding Risk | Inability to secure equity and debt funding for the Project. | <p>Management have engaged high quality consultants specialising in the equity and debt markets.</p> <p>A facility agreement for the USD153m in project debt facilities with DBSA, IDC and CRDB has been signed effective 13 September 2024.</p> <p>The Company has run a continuous process during the year to identify potential equity markets. A binding agreement has been signed with POSCO as a cornerstone investor for the Project capital raise.</p> <p>The Company is also advancing other financing options in parallel to the debt process.</p> <p>Binding USD10m prepayment agreement signed with Strategic Alliance Partner, POSCO, repayable via delivery of product.</p> <p>Binding agreement signed with POSCO for a USD40m equity investment in Black Rock Mining in exchange for the offtake rights for the long-term fines for Mahenge Module 2 effective 3 September 2024.</p> |
| Cash Flow Risk | Cash flow squeeze due to underestimation of working capital requirements. | <p>Budgets have been approved by the Board for the next 15 months.</p> <p>Management review monthly spend and work progress for any potential overruns.</p> |
| Community Safety Risk | Endangerment of community members in entering construction area and operations. | <p>Operations design and statement of works have included fencing and site security including biometric access systems.</p> <p>Extensive training and education for all local communities will be undertaken.</p> <p>Install alternative routes for migrating communities on the mine lease areas.</p> <p>Fencing to be installed at the school prior to construction commencing.</p> |
| Community Relations Risk | Compromise community relationships due to not delivering on agreements. | <p>RAP process is advanced and includes communication to the community on progress of construction and occupancy schedules.</p> <p>Interim Livelihood restoration report has been completed and recommendations have been implemented.</p> <p>Failure to achieve a Final Investment Decision will result in a loss of job opportunities and business for the local community.</p> |

| KEY RISK | SUMMARY | MANAGEMENT RESPONSE |
|-------------------------------------|--|---|
| Environmental Risk – Water | Contamination of water table. | Water management plan completed and reviewed by technical expert. Ongoing water quality monitoring program being established prior to construction. |
| Industrial Market Risk | Industrial market fall causing impact on price and demand. | The Project is forecast to sit in the first quartile of the cost curve for graphite. Maintaining a low cost of product will protect the operations against potential falling commodity prices. Offtake agreement signed with Strategic Alliance Partner, POSCO, for 100% of planned life of mine graphite fines (- #100) for Mahenge Module 1 production. Offtake agreements signed with Muhui International Trade (Dalian) Co. Ltd and Quingdao Yujinxi New Material Co. Ltd for a supply of 15ktpa of large flake concentrate (>+100 mesh) each over three years. |
| Government Relationship Risk | Unrealistic expectation of community infrastructure development and compliance with the intent of the Framework Agreement. | Develop reporting metrics to support Board, Community and Government expectations. Ensure community and government updates are provided on a regular basis. Ongoing discussions with the Government of Tanzania to ensure that the terms and conditions, including all tax and equitable sharing principles, of the Framework Agreement are implemented. |
| Tax Risk | Taxation legislation varies across different jurisdictions and over time. | Tax implications are considered when determining the structure of funding for the Project (debt and equity) in conjunction with the Group's experts. |

SHARE OPTIONS AND RIGHTS

Share Options on Issue

The details of the options as at the date of this report are as follows:

| CODE | NUMBER OF SHARES UNDER OPTION | CLASS OF SHARES | EXERCISE PRICE OF OPTION | EXPIRY DATE OF OPTIONS |
|--------|-------------------------------|-----------------|--------------------------|------------------------|
| BKTAY | 3,000,000 | Ordinary | AUD0.290 | 25 Oct 24 |
| BKTAZ | 1,500,000 | Ordinary | AUD0.400 | 26 April 25 |
| BKTAAB | 509,709 | Ordinary | AUD0.000 | 30 Jun 25 |
| BKTAAC | 509,709 | Ordinary | AUD0.000 | 30 Jun 26 |
| BKTAAD | 509,708 | Ordinary | AUD0.000 | 30 Jun 27 |
| BKTAAE | 28,985,513 | Ordinary | AUD0.200 | 19 Jun 25 |
| | 35,014,639 | | | |

Option holders do not have any right by virtue of the option to participate in any share issue of the Company or any related body corporate.

Details of shares issued by the Company during or since the end of the financial year as a result of the exercise of options are:

| CODE | NUMBER OF SHARES ISSUED | CLASS OF SHARES | AMOUNT PAID FOR SHARES | AMOUNT UNPAID ON SHARES |
|-------|-------------------------|-----------------|------------------------|-------------------------|
| BKTAU | 21,357,069 | Ordinary | AUD1,793,994 | AUD0.00 |

Performance Rights on Issue

The details of the performance rights (Rights) as at the date of this report are as follows:

| CODE | NUMBER OF SHARES UNDER RIGHTS | CLASS OF SHARES | EXPIRY DATE OF RIGHTS |
|--------|-------------------------------|-----------------|-----------------------|
| BKTAAA | 36,027,245 | Ordinary | Various |

Details of shares issued by the Company during or since the end of the financial year as a result of the exercise of performance rights are:

| CODE | NUMBER OF SHARES ISSUED | CLASS OF SHARES | AMOUNT PAID FOR SHARES | AMOUNT UNPAID ON SHARES |
|--------|-------------------------|-----------------|------------------------|-------------------------|
| BKTAAA | 1,661,407 | Ordinary | AUD0.00 | AUD0.00 |

INFORMATION ABOUT THE DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares, options or performance rights over shares of the Company as at the date of this report.

| DIRECTOR | INSTRUMENT | CODE | NUMBER | EXPIRY DATE | EXERCISE PRICE |
|-----------------|-----------------------------|--------|------------|-------------|----------------|
| Richard Crookes | Ordinary Shares | BKT | 6,479,229 | - | - |
| | Unlisted Options | BKTAAB | 315,534 | 30 Jun 25 | AUD0.000 |
| | Unlisted Options | BKTAAC | 315,534 | 30 Jun 26 | AUD0.000 |
| | Unlisted Options | BKTAAD | 315,534 | 30 Jun 27 | AUD0.000 |
| John de Vries | Ordinary Shares | BKT | 10,899,699 | - | - |
| | Unlisted Performance Rights | BKTAAA | 1,741,505 | 30 Nov 27 | AUD0.000 |
| | Unlisted Performance Rights | BKTAAA | 241,379 | 30 Jun 26 | AUD0.000 |
| | Unlisted Performance Rights | BKTAAA | 9,445,518 | 29 Sep 28 | AUD0.000 |
| Ian Murray | Ordinary Shares | BKT | 5,661,349 | - | - |
| | Unlisted Options | BKTAAB | 194,175 | 30 Jun 25 | AUD0.000 |
| | Unlisted Options | BKTAAC | 194,175 | 30 Jun 26 | AUD0.000 |
| | Unlisted Options | BKTAAD | 194,174 | 30 Jun 27 | AUD0.000 |

INDEMNIFICATION OF OFFICERS

The Company gave indemnity and held the following liability cover in place during the course of the financial year.

- Agreements to indemnify Mr Richard Crookes (Non-Executive Chairman), Mr John de Vries (Executive Director) and Mr Ian Murray (Non-Executive Director), in respect of any liabilities incurred by them while acting in the normal course of business as a Director of the entity and to insure them against certain risks they are exposed to as Directors of the Company.
- Pursuant to the above, the Company has paid premiums to insure the Directors and executive management against liabilities incurred in the conduct of the business of the Company and has provided right of access to the Company records.
- In accordance with common commercial practice, the insurance policy prohibits disclosure of the premium and the nature of the liability insured against.
- The Company has not provided any insurance for an auditor of the Company.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were Director, committee member or invitee). During the financial year five Directors' meetings were held.

| DIRECTOR | BOARD MEETINGS | | AUDIT & RISK COMMITTEE MEETINGS | | REMUNERATION & NOMINATION COMMITTEE MEETINGS | |
|------------------------------|----------------|---|---------------------------------|---|--|---|
| | A | B | A | B | A | B |
| Richard Crookes | 5 | 5 | 2 | 2 | 3 | 3 |
| Ian Murray | 5 | 5 | 2 | 2 | 3 | 3 |
| John de Vries ⁽ⁱ⁾ | 5 | 5 | 0 | 2 | 0 | 3 |

A Number of meetings held during the time the director held office during the year.

B Number of meetings attended.

(i) Mr de Vries attended the Audit & Risk Committee meetings and the Remuneration & Nomination Committee meetings as an invitee.

NON-AUDIT SERVICES

During the year no non-audit services were provided by the Auditor (or by another person or firm on the Auditors behalf).

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included after this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

REMUNERATION REPORT (AUDITED)

REMUNERATION REPORT OVERVIEW

The Directors of Black Rock Mining present the Remuneration Report for the Group for the year ended 30 June 2024. This report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001 (Cth). This Report details the remuneration arrangements for the Company's key management personnel (**KMP**). KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group. The Company's KMP comprises of:

- Non-executive directors (**NED**); and
- Managing Director & Chief Executive Officer (**MD & CEO**) and Chief Financial Officer (**CFO**) (**Executives**).

The KMP of the Group during and since the end of the financial year were as follows:

| NAME | ROLE | APPOINTED |
|-----------------|---|-----------------|
| Richard Crookes | Non-Executive Chairman | 16 October 2017 |
| Ian Murray | Non-Executive Director | 2 May 2019 |
| John de Vries | Managing Director & Chief Executive Officer | 16 March 2017 |
| Paul Sims | Chief Financial Officer | 26 April 2022 |

REMUNERATION GOVERNANCE

The Remuneration & Nomination Committee (**RNC**) is responsible for making recommendations to the Board on remuneration arrangements for non-executive directors and executives.

The remuneration of non-executive directors and executives is reviewed annually, taking into consideration not only independently sourced benchmarking data, but also factors such as the surrounding market conditions and sentiment, the Company's growth trajectory, strategic objectives, competency and skillset of individuals, scarcity of talent and changes in role complexities. The RNC is also tasked with determining and setting performance targets, as well as evaluating performance and outcomes against these targets.

The roles and responsibilities of the Board, RNC, MD & CEO and external advisors in relation to remuneration for KMP and employees at the Company are outlined below.

Board

- Maintains overall responsibility for ensuring that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite.
- Reviews and, as appropriate, approves recommendations from the RNC.

Remuneration & Nomination Committee

- Assists the Board in satisfying its responsibilities to the Company's shareholders, by reviewing and recommending to the Board for approval, a remuneration policy for non-executive directors and executives.
- Reviews and recommends to the Board for approval, the proposed remuneration (including incentive awards, equity awards and service contracts) of each executive.
- Considers and makes recommendations to the Board on the remuneration for non-executive directors, having regard to the remuneration policy and the maximum remuneration pool as determined by the Company's shareholders.

Managing Director & Chief Executive Officer

The MD & CEO makes recommendations to the RNC regarding remuneration for executives such as incentive targets and outcomes, incentive participation and individual remuneration and contractual arrangements.

External Advisors

The Company, via the RNC or management, may engage external advisors. External advisors provide independent information and/or recommendations relevant to remuneration-related issues, including benchmarking and market data.

During the financial year the RNC did not seek advice from external consultants in relation to remuneration benchmarking nor did they receive any remuneration recommendations as defined by the Corporations Act 2001. Members of the RNC during and since the end of the financial year are tabled below.

| NAME | ROLE |
|-----------------|------------------|
| Ian Murray | Committee Chair |
| Richard Crookes | Committee Member |

NON-EXECUTIVE DIRECTOR REMUNERATION

The Company's policy is to remunerate NEDs at market rates for comparable companies for time, commitment and responsibilities.

The maximum aggregate amount of fees that can be paid to NEDs is subject to approval by shareholders at the annual general meeting. The current fee pool amounts to AUD600,000 and was approved at the annual general meeting on 28 November 2022. Prior to this the fee pool amounted to AUD300,000.

Fees for NEDs are not linked to the performance of the Group however to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the Company's Employee Securities Incentive Plan.

The base fee for the Chair amounts to AUD152,000 per annum. The fee is split into a cash component (AUD100,000 inclusive of superannuation) and an equity component (AUD52,000). Similarly, the base fees for other directors amounts to AUD95,000 per annum, split between a cash component (AUD63,000 inclusive of superannuation) and an equity component (AUD32,000).

Non-executive directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation (which is included in the base fee).

EXECUTIVE REMUNERATION

TOTAL FIXED REMUNERATION (TFR)

TFR acts as a base-level reward and includes cash, compulsory superannuation (2024: 11%), any salary-sacrificed items (including Fringe Benefits Tax if applicable) and an equity component in the form of Remuneration Performance Rights. TFR levels for the Executives are reviewed annually by the Board. The Board considers variations to the remuneration based on:

- the size and complexity of the role, including role accountabilities;
- the criticality of the role to successful execution of the business strategy;
- skills and experience of the individual;
- period of service; and
- market pay levels for comparable roles.

Remuneration Performance Rights

During the financial year 2024, in order to preserve cash, the Board deferred the approved cash salary increases and instead granted Remuneration Performance Rights as part of the TFR. Vesting of the Remuneration Performance Rights granted was dependent on the earlier of FID or 30 June 2024. If the employee left during the year the Remuneration Performance Rights were pro-rated for the length of service for the year up to the date the employee left the Company.

VARIABLE REMUNERATION APPROACH

Variable Remuneration Philosophy

The Company operates differently from a traditional business, focusing primarily on developing its flagship Mahenge Graphite Project. In the 2024 financial year, a 'fit-for-purpose' incentive approach was developed to better suit a project-based company. This approach was designed to achieve the following:

- **Focused Motivation:** Drives concentrated efforts towards achieving critical, high-impact project objectives.
- **Increased Risk Management:** Ensures rewards are tied to the successful de-risking of the Project, so incentives are only paid when key milestones are met.
- **Enhanced Retention and Commitment:** Promotes retention by linking incentives to project phase completions, encouraging key team members to remain through crucial stages.
- **Better Reflection of Project Complexity:** Tailors rewards to the Project's complexity and challenges, ensuring incentives align with the difficulty of achieving each milestone.
- **Direct Alignment with Project Milestones:** Ties rewards directly to specific project milestones, ensuring a clear connection between management efforts and project success.

This milestone-focused incentive approach motivates employees to deliver successful project outcomes on a non-annual basis, making it more effective than the traditional short-term incentive (STI) and long-term incentive (LTI) plans previously used by the Company. The revised incentive plan was developed to:

- Retain and incentivise the executive team for a period sufficient to transition the Company from project developer to producer.
- Ensure continuity of service by the executive team to implement the business strategy they developed.
- Provide a sufficient timeframe for the Board to secure additional talent over a designated period.
- Provide meaningful rewards based on the successful delivery of the Project, rather than simply performing day-to-day responsibilities.
- Foster a sense of ownership and stewardship, aligning employee interests with those of shareholders while offering retention benefits.

Key factors considered in determining the new variable remuneration approach include:

- Black Rock Mining remains a project development company focused on minimising outgoings and preserving cash efficiently.
- Black Rock Mining does not anticipate engaging in profitable operations in the near term.

Further details regarding the incentive plans are provided in this Remuneration Report.

Variable Remuneration Plan

As illustrated below the incentive plan is structured around three core elements: Internal Project Success, External Market Performance and Leadership Performance and Accountability. Together, these components create a balanced framework that ensures executives are rewarded based on their holistic contribution to the Company's success.

1. Internal Project Success focuses on achieving key milestones that drive the operational and strategic progress of the Project. This ensures that executives are incentivised for delivering tangible results that transitions the Company from a project developer to a producer.
2. External Market Performance ties a portion of the incentive to how the Company is perceived in the market, particularly through shareholder value metrics like Total Shareholder Return (TSR). This ensures that executive efforts are aligned with external benchmarks and market expectations, reflecting the Company's performance relative to peers.
3. Leadership Performance and Accountability now emphasises critical long-term initiatives such as succession planning and developing an organisational strategy that fosters sustainable growth. By focusing on the future leadership pipeline and strategic development, executives are held accountable not only for immediate results but also for laying the groundwork for the Company's continued success.

Each element corresponds to a specific incentive plan: the Project Development Incentive Plan and Operational Readiness Incentive Plan, representing the internal project success component; the Total Shareholder Return Project Plan, which reflects external market performance; and the Leadership Accountability Plan, focusing on executive leadership and strategic impact.

| CORE ELEMENTS | INCENTIVE PLANS | DELIVERABLES |
|-------------------------------|---------------------------------------|---|
| Internal Project Success | Project Development Incentive Plan | Final Investment Decision (Milestone 1) |
| | | First Debt Draw Down (Milestone 2) |
| | | Structural Mechanical Piping (SMP) (Milestone 3) |
| | Operational Readiness Incentive Plan | Project Development Completion (Milestone 4) |
| External Market Performance | Total Shareholder Return Project Plan | BKT Performance against peer group |
| Leadership and Accountability | Leadership Accountability Plan | Emphasises the alignment of individual responsibilities with each executive's role and their contributions to the Company's overall success and continuity. |

The details of each plan are explained further in this report.

INTERNAL PROJECT SUCCESS ELEMENT

PROJECT DEVELOPMENT INCENTIVE PLAN AND OPERATIONAL READINESS PLAN

Why does the Board consider the Project Development Incentive Plan and the Operational Readiness Plan to be appropriate?

Unlike traditional mining producers, which focus on operational activities such as mining sites, mineral processing, and logistics, the Company's primary objective is the development of the Mahenge Graphite Project (the **Project**) up to commercialisation. The employees involved in the Project's build phase may not necessarily be the same individuals who will operate the asset in the future. In light of this, the Board recognised the need for:

- A clear and objective incentive plan applicable to all employees, aligned with their roles and contributions toward project milestones.
- A robust retention mechanism to attract and retain key talent.
- The successful delivery of the Project represents a series of milestones that will transition the Company from an explorer to a project developer to a producer, creating significant value for shareholders. The variable remuneration plan is designed to acknowledge and reward participants who contribute to the successful transformation over a three-year period.

What is the performance period and what mechanism will be utilised to deliver the incentive?

The incentive will be delivered through Performance Rights. Tranches tied to specific milestones have already been granted and are aligned with the performance periods of both the Project Development Incentive Plan and the Operational Readiness Plan.

Each tranche will be assessed at the conclusion of the respective performance periods.

- End of two years being 30 June 2025 for the Project Development Incentive Plan and
- End of three years being 30 June 2026 for the Operational Readiness Incentive Plan.

Upon successful achievement of performance milestones, the corresponding tranches will vest subject to Board approval and as per the *Employee Share Incentive Plan*.

How much can the Executive KMP earn under these plans?

The maximum incentive that can be earned by the MD & CEO and CFO over the life of these Project plans is 118% and 70% as a percentage of TFR respectively. The annualised total incentive opportunity as a percentage of TFR is 56% and 32% for the MD & CEO and CFO respectively.

Maximum Incentive Opportunities as a Percentage of Total Annual Fixed Remuneration

| PLAN | MD & CEO | | CFO | |
|--|---------------------|---------------------|---------------------|---------------------|
| | TOTAL | ANNUALISED | TOTAL | ANNUALISED |
| Final Investment Decision (Milestone 1) | 38% ^{1(a)} | 19% ^{1(a)} | 22% ^{3(a)} | 11% ^{3(a)} |
| First Debt Draw Down (Milestone 2) | 38% ^{1(b)} | 19% ^{1(b)} | 22% ^{3(b)} | 11% ^{3(b)} |
| Structural Mechanical Piping (Milestone 3) | 19% ^{1(c)} | 10% ^{1(c)} | 11% ^{3(c)} | 5% ^{3(c)} |
| Operational Readiness Incentive Plan (3 Years) | 23% ² | 8% ² | 15% ⁴ | 5% ⁴ |
| Maximum Incentive Opportunity | 118% | 56% | 70% | 32% |

- The Project Development Incentive Plan has a two-year performance assessment period. Therefore, for the MD & CEO the maximum incentive for each metric is the Total Incentive over a two-year period:
 - Final Investment Decision (Milestone 1) of 38% over a two-year period is 19% annualised.
 - First Debt Draw Down (Milestone 2) of 38% over a two-year period is 19% annualised.
 - Structural Mechanical Piping (Milestone 3) of 19% over a two-year period is 10% annualised.
- The Operational Readiness Incentive Plan has a three-year performance period. Therefore, the MD & CEO maximum incentive of 23% over a three-year period is 8%.
- The Project Development Incentive Plan has a two-year performance assessment period. Therefore, for the CFO the maximum incentive for each metric is the Total Incentive over a two-year period:
 - Final Investment Decision (Milestone 1) of 22% over a two-year period is 11% annualised.
 - First Debt Draw down (Milestone 2) of 22% over a two-year period is 11% annualised.
 - Structural Mechanical Piping (Milestone 3) of 11% over a two-year period is 5% annualised.
- The Operational Readiness Incentive Plan has a three-year performance period. Therefore, for the CFO the maximum incentive of 15% over a three-year period is 5%.

What represents proof of achievement for each metric?

The milestones and proof of achievement is illustrated below.

Total Scorecard and Annual Maximum Incentive Opportunity

| MEASURE | PROOF OF ACHIEVEMENT |
|--|---|
| Final Investment Decision (Milestone 1) | Binary outcome - All financing, permitting and planning completed to a Board approved decision point. |
| First Debt Draw Down (Milestone 2) | Binary outcome - Technical and Environmental & Social Action Plan (approx. one year after FID) and meets criteria to enable debt draw down. |
| Structural Mechanical Piping (SMP) (Milestone 3) | Binary outcome - SMP contract awarded on detailed design and engineering complete; and mobilised on site. |
| Project Completion (Milestone 4) | Binary outcome - Safe, performing to quality specifications and product to customer is within guidance, measured from first delivery. Performance tested against loan documentation. |

As previously mentioned, Milestone 1, 2 and 3 will be assessed at 30 June 2025 while Milestone 4 will be assessed at 30 June 2026. Upon successful achievement of performance milestones, the corresponding tranches will vest, subject to Board approval.

EXTERNAL MARKET SUCCESS ELEMENT

TOTAL SHAREHOLDER RETURN PROJECT PLAN

Why does the Board consider the Total Shareholder Return Project Plan to be appropriate?

Whilst the Project Development Incentive Plan and Operational Readiness Incentive Plan is primarily focused on project-based milestones that reflect the progression and completion of the Company's development, the inclusion of a market-based measure like TSR ensures alignment with the broader financial success of the Company.

TSR provides a direct link between the Executive's remuneration and the Company's market performance relative to peers, ensuring that management is incentivised not only to achieve Project milestones but also to drive shareholder value. The primary objective of peer selection is to accurately measure the Company's performance relative to peers by stripping away as many external factors as possible that are beyond the Company's control. In order to do this the Company uses a peer group comprising of companies in the development stage, graphite developers and in Tanzania.

However, as the Company wants to ensure it stays competitive in the global graphite market and aspires to graphite companies with higher market capitalisation, the peer group includes one graphite producer and one graphite developer with higher market capitalisation to balance the peer group.

It is proposed to use the following peers.

| | |
|---------------------------------------|-------------------------------------|
| Magnis Energy Technologies (ASX: MNS) | Walkabout Resources (ASX: WKT) |
| Ecograf Limited (ASX: EGR) | Evolution Energy Minerals (ASX:EV1) |
| Armadale Capital Plc (AIM: ACP) | Syrah Resources (ASX: SYR) |
| Renascor Resources (ASX: RNU) | |

By incorporating TSR, the plan ensures that management is accountable for the Company's competitive positioning in the market, aligning their interests with both Project success and long-term shareholder returns.

What are the performance metrics?

A proportional vesting of TSR Plan Performance Rights will occur where the TSR exceeds the median TSR i.e. 51% of the peer group, between 1 July 2023 and 30 June 2025. The TSR performance will be assessed after market close on 30 June 2025.

Relative TSR Performance

| TSR IS BELOW 50TH PERCENTILE | TSR IS BETWEEN THE 50TH AND THE 75TH PERCENTILE | TSR IS >75TH PERCENTILE |
|---------------------------------|---|-----------------------------------|
| 0% of the Plan Rights will vest | Pro rata vesting will occur between 0-100% of the Plan Rights | 100% of the Plan Shares will vest |

Why does the Total Shareholder Project Plan represent a two-year performance period and not a three-year performance period to coincide with the Operational Readiness Incentive Plan?

Given the Company's near-term focus, this shorter period ensures Executive incentives are directly tied to the immediate success of critical initiatives. It also reflects the industry's rapid pace and market conditions, allowing the Company to retain and motivate key Executives during a crucial phase while providing flexibility for future adjustments to the incentive structure.

Although the Company has implemented a two-year TSR plan to ensure alignment with shareholder interests and to provide Executives with meaningful equity in the business before the final milestone of the Project Development Incentive Plan is met, it is also planning to introduce a separate three-year LTI plan once the Company has progressed through FID. This three-year plan will have a distinct focus on long-term shareholder value creation and will further align executive rewards with sustained Company performance and strategic growth beyond the immediate project milestones.

From a retention perspective, part of the rationale for providing the opportunity to earn equity before the final milestone is reached is to ensure that the participants have a meaningful ownership stake in the business, fostering a sense of "skin in the game." This approach aligns their personal financial interests with the long-term success of the Company, motivating them to work toward achieving the final milestone and driving sustained value creation for shareholders.

How much can the Executive KMP earn under this plan?

The maximum incentive that can be earned by the MD & CEO and CFO over the life of this plan is 96% and 54% as a percentage of TFR respectively. The annualised total incentive opportunity as a percentage of TFR is 48% and 27% for the MD & CEO and CFO respectively.

Maximum Incentive Opportunities as a Percentage of Total Fixed Remuneration

| PLAN | MD & CEO | | CFO | |
|------------------------------|----------|------------|-------|------------|
| | TOTAL | ANNUALISED | TOTAL | ANNUALISED |
| TSR Project Plan (Two Years) | 96% | 48% | 54% | 27% |

The Total Shareholder Return Project Plan has a two-year performance period. Therefore, for the:

- MD & CEO the maximum incentive for over a two-year period is 96% as a percentage of TFR over a two-year period and 48% annualised.
- CFO the maximum incentive for over a two-year period is 54% as a percentage of TFR over a two-year period and 27% annualised.

LEADERSHIP PERFORMANCE AND ACCOUNTABILITY PLAN

Why does the Board consider the Plan to be appropriate?

The Plan emphasises the alignment of individual responsibilities with each executive's role and their contributions to the Company's overall success.

What are the performance metrics?

This is illustrated below for the MD & CEO and CFO.

MD & CEO Personal Objectives

| MEASURE | WEIGHT | METRICS | PROOF OF ACHIEVEMENT |
|---------------------------|-------------|--|---|
| Personal: Succession Plan | 50% | Successful transition plan for role replacement before end of Module 1 commissioning. | Board endorsed resolution supporting transition plan. |
| Business Development | 50% | Develop Organisational Strategy for Black Rock Mining growth beyond Module 1, consistent with loan conditions. | 1) Develop a pathway to subsequent Modules 2,3, and 4. 2) Articulate core competencies and how the Company is leveraging its core competencies for sustained value growth. 3) Strategy delivered before end of commissioning. |
| Total | 100% | | |

CFO Personal Objectives

| MEASURE | WEIGHT | METRICS | PROOF OF ACHIEVEMENT |
|---|-------------|---|--|
| Personal: Succession Plan | 35% | Succession plan for CFO aligned with CEO succession plan. | Role replacement before Module 1 commissioning approved by Board. |
| Personal: Enterprise Resource Management Plan (ERMP) Implementation | 35% | ERMP fully tested and implemented to enable Faru business unit development to 'report in' to Black Rock Mining. | Mine operation modules of the Enterprise Resource Plan system passes all tests prior to commissioning. |
| Business Development | 30% | Articulate strategy for value accretive opportunities within the sector and how to react to these opportunities. Thorough plan developed before end of commissioning. | Board approved strategy and plan. |
| Total | 100% | | |

How much can the Executive KMP earn under this plan?

The maximum incentive that can be earned by the MD & CEO and CFO over the life of this plan is 41% and 36% as a percentage of TFR respectively. The annualised total incentive opportunity as a percentage of TFR is 21% and 18% for the MD & CEO and CFO respectively.

Maximum Incentive Opportunities as a Percentage of Total Fixed Remuneration

| DELIVERABLES | MD & CEO | | CFO | |
|--|----------|------------|-------|------------|
| | TOTAL | ANNUALISED | TOTAL | ANNUALISED |
| Leadership Performance and Accountability Plan | 41% | 21% | 36% | 18% |

The Leadership Performance and Accountability Plan has a two-year performance period. Therefore, for the:

- MD & CEO the maximum incentive for over a two-year period is 41% as a percentage of TFR over a two-year period and 21% annualised.
- CFO the maximum incentive for over a two-year period is 36% as a percentage of TFR over a two-year period and 18% annualised.

SUMMARY INCENTIVE PLAN ALLOCATION BY CORE ELEMENTS (ANNUALISED)

INCENTIVE STRUCTURE FOR MD & CEO AND CFO

The illustration below reflects that each element is aligned with specific incentive plans and weighted based on its importance for the overall incentive structure.

MD & CEO

- The highest weight is placed on Internal Project Success (46%), reflecting the significant role the MD & CEO plays in advancing projects.
- External Market Performance (37%) follows closely, indicating that the MD & CEO's performance is also heavily tied to the Company's market performance and shareholder returns.
- Leadership and Accountability (17%) is the smallest component, which focuses on maintaining effective leadership and ensuring alignment with strategic goals.

Chief Financial Officer

- For the CFO, the focus shifts slightly. Internal Project Success (43%) remains important but is slightly lower than for the MD & CEO, reflecting their role in supporting the financial aspects of the Project.
- External Market Performance (34%) remains a significant part of the CFO's incentive plan.
- Leadership and Accountability (23%) holds more weight for the CFO than for the MD & CEO, suggesting a stronger emphasis on internal leadership and management.

| CORE ELEMENTS | INCENTIVE PLANS | MD & CEO | | CFO | |
|-------------------------------|--|---------------|-------------|---------------|-------------|
| | | MAX INCENTIVE | WEIGHT | MAX INCENTIVE | WEIGHT |
| Internal Project Success | Project Development Incentive & Operational Readiness Incentive Plan | 56% | 46% | 32% | 43% |
| External Market Performance | Total Shareholder Return Project Plan | 48% | 37% | 27% | 34% |
| Leadership and Accountability | Leadership Accountability Plan | 21% | 17% | 18% | 23% |
| | | 125% | 100% | 77% | 100% |

Remuneration Structure: Fixed vs Incentive-Based Remuneration for MD & CEO and CFO

The table on the next page illustrates the proportion of TFR versus the Maximum Incentive Opportunity for both the MD & CEO and CFO.

- For the MD & CEO
 - 44% of their total remuneration comes from TFR (base salary and benefits).
 - 56% comes from the Maximum Incentive Opportunity, indicating that a significant portion of the MD & CEO's compensation is performance-based and variable.

- For the CFO
 - 56% of their total remuneration is TFR, suggesting a more substantial focus on guaranteed pay.
 - 44% comes from the Maximum Incentive Opportunity, meaning a slightly smaller portion of the CFO's total remuneration is tied to performance-based incentives compared to the MD & CEO.

This table shows that the MD & CEO's compensation is more heavily weighted towards incentives, implying that their role is more directly tied to performance outcomes, while the CFO has an opposite distribution between fixed and incentive-based pay, potentially reflecting their role's focus on financial stability and operational leadership.

| REMUNERATION ELEMENTS | MD & CEO | CFO |
|-------------------------------|----------|-----|
| TFR | 44% | 56% |
| Maximum Incentive Opportunity | 56% | 44% |

Maximum Total Remuneration Package for MD & CEO and CFO

The tables below demonstrate the maximum incentive opportunities as a percentage of TFR.

| REMUNERATION ELEMENTS | MD & CEO | CFO |
|------------------------------------|------------------------|------------------------|
| TFR | \$438,700 | \$363,800 |
| Maximum Incentive Opportunity | \$548,375 ¹ | \$280,126 ² |
| Total Incentive Opportunity | \$987,075 | \$643,926 |

1. 125% of TFR
2. 77% of TFR

PRIOR YEAR PLANS

Options

No options were issued in the current year. During the prior financial year, options, which vest subject to service conditions, were allocated to the NEDs and Executives.

Non-Executive Directors' Options

The Non-Executive Directors' options were issued in lieu of a portion of cash fees payable for the three year period beginning 1 July 2022 and ending on 30 June 2025. The options were issued in three equal classes and vesting is subject to continued membership of the Board on 30 June 2023, 30 June 2024 and 30 June 2025 respectively.

Executive Options

The executive options issued will vest in three equal tranches subject to the service condition of continued employment on 25 April 2023, 25 April 2024 and 23 April 2025 respectively.

Performance Rights

During the prior financial year, performance rights which will vest subject to pre-defined performance hurdles were allocated to Executives. The performance rights were issued under a STI and LTI plan.

Performance Measures to Determine Vesting of Performance Rights

Vesting of the rights granted under the STI Plan were dependent on the following performance criteria being met.

- Project execution schedule compliant (within % master schedule);
- >90% of Project expenditure to be tied into Project PO's (Project budget v Project unbudget expenditure);
- Mahenge Module 1 Fully Financed (Debt & Equity in place);
- Strategy beyond Module 1 and, business case on priority target;
- RAP implementation plan; and
- Publish an updated document on principles and program on ESG.

These vesting conditions were assessed and tested subsequent to 30 June 2023 with the vesting of the relevant portion of these performance rights were approved by the Board on 2 August 2023.

Vesting of the rights granted under the LTI Plan are dependent on the following performance criteria being met.

- One Growth project identified (to be assessed 20 June 2025); and
- Absolute TSR Measure (Three Year Assessment) (to be assessed on 1 January 2025).

QUESTIONS COMMON TO ALL PLANS

All Executive KMP are eligible to participate in the Plans at the Board's discretion.

Who is eligible to participate in the Incentive Plans?

All Executive KMP are eligible to participate in the Plans at the Board's discretion.

Is there a gateway?

Yes. Participants will not qualify for an award unless all the qualification criteria are met.

- Safety: No fatalities / total or permanent disabling injuries.
- Environment: No 'material' environmental breaches (defined by the Environmental incident rating and classification of event).
- ESG: No material community or reputational issues.
- Service: Participants must be employed by Black Rock Mining at the time the incentive is to be awarded.

What happens in the event of a change of control?

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the participant's performance rights will be dealt with, including, without limitation, allowing the participant to participate in and/or benefit from any transaction arising from the change of control event.

What happens to performance rights when an Executive KMP ceases employment?

Unvested performance rights (excluding Remuneration Performance Rights) will automatically be forfeited by the participant, unless the Board uses discretion to permit some or all of the performance rights to vest or to allow the participant to hold the award to be tested against performance conditions at the end of the performance period. Examples of the circumstances when the Board may decide to exercise its discretion includes where a participant becomes a leaver due to death, redundancy, permanent disability, mental incapacity, or retirement.

Malus and Clawback

The Board has absolute discretion to reduce or clawback all vested and unvested awards in certain circumstances to ensure Executives do not obtain an inappropriate benefit. The circumstances in which the Board may exercise this discretion are extensive and include situations where an Executive has engaged in misconduct, where there has been a material misstatement of the Company's results in determining vesting, behaviours of Executives that bring the Company into disrepute or any other reasonable factor as determined by the Board.

The Board also has discretion, where appropriate, to reduce the amount of the incentive otherwise payable taking into consideration the interests of the Company and its shareholders.

In the event of a critical or serious safety or environmental incident, the Board will assess all available information relating to the incident and apply discretion where appropriate.

No hedging of Performance Rights or Options

As part of the Company's Securities Trading Policy, executives are prohibited from entering into arrangements to protect the value of unvested awards. This includes entering into contracts to hedge exposure to options, performance rights or shares granted as part of their remuneration package.

PLANNED EXECUTIVE REMUNERATION CHANGES FOR FY25

In FY25, changes will be made to the incentive remuneration framework to ensure it remains fit for purpose as the Company continues to evolve and moves into Project development.

A new Long-Term Incentive Plan (**LTIP**) will be introduced with a three-year performance period extending beyond operational readiness. This plan is designed to reward sustained value creation while ensuring key individuals remain with the Company during the critical early stages of operation. Additionally, it establishes an accountability trail, holding Executives responsible for the continued success of the Project. Should performance falter after completion, their incentives would be reduced, aligning their outcomes with those of shareholders and reinforcing their responsibility for ongoing operational success.

STATUTORY DISCLOSURES

REMUNERATION OF KEY MANAGEMENT PERSONNEL

No non-monetary short-term benefits, prescribed retirement benefits or other post-employment benefits were paid.

The following table discloses the remuneration of the Directors and Executives of the Company.

| 2024 | SHORT-TERM EMPLOYEE BENEFITS – SALARY AND FEES | OTHER | POST EMPLOYMENT BENEFITS – SUPER-ANNUATION | SHARE BASED PAYMENT | TOTAL | % LINKED TO PERFORMANCE |
|--------------------------------|--|--------------------------|--|---------------------|------------------|-------------------------|
| | AUD | AUD | AUD | AUD | AUD | |
| NON-EXECUTIVE DIRECTORS | | | | | | |
| Richard Crookes | 90,045 | 453 | 9,955 | 49,805 | 150,258 | - |
| Ian Murray | 106,969 ⁽ⁱ⁾ | 285 | 6,271 | 30,649 | 144,174 | - |
| EXECUTIVES | | | | | | |
| John de Vries | 382,601 | (559) ⁽ⁱⁱ⁾ | 27,395 | 341,370 | 750,807 | 45.5% |
| Paul Sims | 312,315 | (2,325) ⁽ⁱⁱⁱ⁾ | 27,685 | 291,794 | 629,469 | 41.7% |
| | 891,930 | (2,146) | 71,306 | 713,618 | 1,674,708 | |

(i) Included in Mr Murray's fees is an amount of AUD50,240 relating to his Non-Executive Chair's fees for Faru.

(ii) Long service leave (AUD5,748) offset by annual leave net reduction (AUD6,307).

(iii) Annual leave net reduction (AUD2,325).

| 2023 | SHORT-TERM EMPLOYEE BENEFITS – SALARY AND FEES | OTHER | POST EMPLOYMENT BENEFITS – SUPER-ANNUATION | SHARE BASED PAYMENT | TOTAL | % LINKED TO PERFORMANCE |
|-----------------------------------|--|-------------------------|--|---------------------|------------------|-------------------------|
| | AUD | AUD | AUD | AUD | AUD | |
| NON-EXECUTIVE DIRECTORS | | | | | | |
| Richard Crookes | 92,081 | - | 9,669 | 80,373 | 182,123 | - |
| Ian Murray | 121,446 ⁽ⁱ⁾ | - | 6,144 | 48,018 | 175,608 | - |
| Gabriel Chiappini ^(iv) | 20,072 | - | - | 1,563 | 21,635 | - |
| EXECUTIVES | | | | | | |
| John de Vries | 384,729 | 201,396 ⁽ⁱⁱ⁾ | 25,309 | 85,049 | 696,483 | 24.9% ^(iv) |
| Paul Sims | 274,700 | 19,615 ⁽ⁱⁱⁱ⁾ | 25,300 | 103,101 | 422,716 | 8.3% |
| | 893,028 | 221,011 | 66,422 | 318,104 | 1,498,565 | |

(i) Included in Mr Murray's fees is an amount of AUD62,935 relating to his Non-Executive Director's fees for Faru.

(ii) Bonus awarded (AUD184,500), long service leave (AUD27,996), sick leave benefit (AUD9,400) and annual leave net reduction (AUD20,500).

(iii) Annual leave benefit (AUD19,615).

(iv) Based on a weighted average.

(v) Mr Chiappini resigned on 30 September 2022.

No KMP appointed during the prior year received a payment as part of their consideration for agreeing to hold the position.

KEY TERMS OF EMPLOYMENT CONTRACTS

The Directors and Executives are employed under contracts, which have no fixed term.

The contract binding the Executive Director may be terminated by the individual or the Board by giving six-months' notice in writing to terminate the Employment Agreement under which his services are contracted.

The Non-Executive Directors are bound by letter of appointments. The contract of the Non-Executive Director may be terminated at any time by them by notice in writing or by shareholders acting by majority vote.

Managing Director and Chief Executive Officer Employment Contract

Effective 10 September 2019, Mr John de Vries was promoted to the position of the Managing Director and Chief Executive Officer and was employed under an Executive Services Agreement with the material terms and conditions detailed below.

| | |
|--------------------------|--|
| Status | Full time |
| Term | Rolling contract |
| Notice period | Three-months' notice by either party, notice period extends to 12 months under certain circumstances. |
| Total Fixed Remuneration | AUD438,700 per annum split between cash (AUD411,996) and Remuneration Performance Rights (AUD26,704). (Effective 1 July 2024 Total Fixed Remuneration AUD438,700 cash only) |
| Leave | 20 days annual leave, eight weeks long service leave after 10 years' service. |
| Short-Term Incentive | Ability to earn up to 45% of TFR as an STI per annum. ⁽ⁱ⁾ |
| Long-Term Incentives | Ability to earn up to 70% of TFR as an LTI over three years. ⁽ⁱ⁾ |
| Other Benefits | Indemnity & Access Deed D&O Insurance. |

Chief Financial Officer Employment Contract

Effective 26 April 2022, Mr Paul Sims was appointed to the position of the Chief Financial Officer and was employed under an Executive Services Agreement with the material terms and conditions detailed below.

| | |
|--------------------------|---|
| Status | Full time |
| Term | Rolling contract |
| Notice period | Three-months' notice by either party. |
| Total Fixed Remuneration | AUD363,800 per annum split between cash (AUD340,000) and Remuneration Performance Rights (AUD23,800). (Effective 1 July 2024 Total Fixed Remuneration AUD363,800 cash only) |
| Leave | 20 days annual leave, eight weeks long service leave after 10 years' service. |
| Short-Term Incentive | Ability to earn up to 30% of TFR as an STI per annum. ⁽ⁱ⁾ |
| Long-Term Incentives | Ability to earn up to 45% of TFR as an LTI. ⁽ⁱ⁾ |
| Other Benefits | Indemnity & Access Deed D&O Insurance. 1.5 million Options granted and valued upon commencement date. Exercise price to be calculated at 40% premium to the 10 day volume weighted average share price of the Company for the 10 days up to and including commencement date. |

(i) During the current year, the Project Development Plan and Leadership Accountability Plan were based on the STI% for two years plus two thirds of the LTI%. The balance of the LTI% was utilised by the Operational Readiness Plan.

SHARE-BASED PAYMENTS

Details of share-based payments granted as compensation to KMP during the current financial year.

| NAME | PLAN | INSTRUMENT | DURING THE FINANCIAL YEAR | | | |
|---------------|--------------------------------------|------------|---------------------------|---------------|-------------------|----------------------|
| | | | NUMBER GRANTED | NUMBER VESTED | % OF GRANT VESTED | % OF GRANT FORFEITED |
| John de Vries | Remuneration Rights | Rights | 241,379 | 241,379 | 100% | - |
| | Operational Readiness Incentive Plan | Rights | 848,621 | - | - | - |
| | Project Development Incentive Plan | Rights | 3,542,069 | - | - | - |
| | TSR Project Plan | Rights | 3,542,069 | - | - | - |
| | Leadership Accountability Plan | Rights | 1,512,759 | - | - | - |
| Paul Sims | Remuneration Rights | Rights | 200,168 | 200,168 | 100% | - |
| | Operational Readiness Incentive Plan | Rights | 458,957 | - | - | - |
| | Project Development Incentive Plan | Rights | 1,652,246 | - | - | - |
| | TSR Project Plan | Rights | 1,652,246 | - | - | - |
| | Leadership Accountability Plan | Rights | 1,101,496 | - | - | - |

RELATIONSHIP BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to 30 June 2024.

| | 2024 AUD | 2023 AUD | 2022 AUD | 2021 AUD | 2020 AUD |
|------------------------------|---------------------|-------------|-------------|-------------|-------------|
| Total income | 104,845 | 83,614 | 3,336 | 52,162 | 2,870 |
| Net loss before tax | (10,603,154) | (9,347,559) | (6,076,894) | (2,850,250) | (3,387,285) |
| Net loss after tax | (10,604,359) | (9,347,559) | (6,076,894) | (2,850,250) | (3,387,285) |
| Share Price at start of year | 0.110 | 0.145 | 0.140 | 0.048 | 0.084 |
| Share Price at year end | 0.058 | 0.110 | 0.145 | 0.140 | 0.048 |
| Loss per share | 0.0089 | 0.0092 | 0.0074 | 0.0040 | 0.0054 |

Remuneration, in the form of performance rights, is dependent on the performance of the Company, in particular the absolute TSR expressed as the movement in the Company's share price.

Terms and conditions of share based payment arrangements affecting remuneration of KMP in the current financial and future financial years.

| INSTRUMENT | CODE | GRANT DATE | NUMBER | VALUE PER RIGHT AT GRANT DATE (CENTS) | EXERCISE PRICE (CENTS) | EXPIRY DATE | VESTING DATE |
|---|--------|------------|-----------|---------------------------------------|------------------------|-------------|--------------|
| RICHARD CROOKES | | | | | | | |
| Options | BKTAAC | 28 Nov 22 | 315,534 | 15.50 | - | 30 Jun 26 | 30 Jun 24 |
| Options | BKTAAD | 28 Nov 22 | 315,534 | 15.50 | - | 30 Jun 27 | 30 Jun 25 |
| IAN MURRAY | | | | | | | |
| Options | BKTAAC | 28 Nov 22 | 194,175 | 15.50 | - | 30 Jun 26 | 30 Jun 24 |
| Options | BKTAAD | 28 Nov 22 | 194,174 | 15.50 | - | 30 Jun 27 | 30 Jun 25 |
| JOHN DE VRIES | | | | | | | |
| Rights (LTIP) | BKTAAA | 28 Nov 22 | 435,377 | 15.50 | - | 30 Nov 27 | 20 Jun 25 |
| Rights (LTIP) | BKTAAA | 28 Nov 22 | 435,376 | 13.43 | - | 30 Nov 27 | 1 Jan 25 |
| Rights (Remuneration Rights) | BKTAAA | 24 Nov 23 | 241,379 | 9.60 | - | 30 Jun 26 | 30 Jun 24 |
| Rights (Operational Readiness Incentive Plan) | BKTAAA | 24 Nov 23 | 848,621 | 9.60 | - | 29 Sep 28 | 30 Jun 26 |
| Rights (Project Development Incentive Plan) | BKTAAA | 24 Nov 23 | 3,542,069 | 9.60 | - | 29 Sep 28 | 30 Jun 25 |
| Rights (TSR Incentive Plan) | BKTAAA | 24 Nov 23 | 3,542,069 | 13.00 | - | 29 Sep 28 | 30 Jun 25 |
| Rights (Leadership Accountability Plan) | BKTAAA | 24 Nov 23 | 1,512,759 | 9.60 | - | 29 Sep 28 | 30 Jun 25 |
| PAUL SIMS | | | | | | | |
| Options | BKTAZ | 11 Aug 22 | 500,000 | 6.78 | 40.00 | 26 Apr 25 | 25 Apr 24 |
| Options | BKTAZ | 11 Aug 22 | 500,000 | 6.78 | 40.00 | 26 Apr 25 | 25 Apr 25 |
| Rights (LTIP) | BKTAAA | 30 Nov 22 | 204,794 | 15.50 | - | 30 Nov 27 | 20 Jun 25 |
| Rights (LTIP) | BKTAAA | 30 Nov 22 | 204,793 | 13.43 | - | 4 Mar 24 | 1 Jan 25 |
| Rights (Remuneration Rights) | BKTAAA | 10 Oct 23 | 200,168 | 8.50 | - | 30 Jun 26 | 30 Jun 24 |
| Rights (Operational Readiness Incentive Plan) | BKTAAA | 23 Oct 23 | 458,957 | 13.00 | - | 29 Sep 28 | 30 Jun 26 |
| Rights (Project Development Incentive Plan) | BKTAAA | 23 Oct 23 | 1,652,246 | 13.00 | - | 29 Sep 28 | 30 Jun 25 |
| Rights (TSR Incentive Plan) | BKTAAA | 23 Oct 23 | 1,652,246 | 10.53 | - | 29 Sep 28 | 30 Jun 25 |
| Rights (Leadership Accountability Plan) | BKTAAA | 23 Oct 23 | 1,101,496 | 13.00 | - | 29 Sep 28 | 30 Jun 25 |

There has been no alteration of the terms and conditions of the above share based payment arrangements since grant date.

During the year, the following KMP exercised rights that were granted to them as part of their compensation. Each right converts into one ordinary share of Black Rock Mining Limited.

| NAME | NO. OF RIGHTS EXERCISED | NO. OF ORDINARY SHARES ISSUED | AMOUNT PAID (AUD) | AMOUNT UNPAID (AUD) |
|---------------|-------------------------|-------------------------------|-------------------|---------------------|
| John de Vries | 187,500 | 187,500 | - | - |
| Paul Sims | 109,223 | 109,223 | - | - |

The following table summarises the number of options and performance rights that expired during the financial year, in relation to options granted to KMP as part of their remuneration.

| NAME | INSTRUMENT | FINANCIAL YEAR IN WHICH OPTIONS WERE GRANTED | NO. OF OPTIONS EXPIRED DURING THE CURRENT YEAR |
|-----------------|------------|--|--|
| Richard Crookes | Options | 2020 | 2,000,000 |
| Ian Murray | Options | 2020 | 2,000,000 |
| John de Vries | Options | 2020 | 5,000,000 |
| | Rights | 2023 | 512,212 |
| Paul Sims | Rights | 2023 | 232,100 |

EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

Shareholdings

The numbers of shares in the Company held during the financial year by each NED of Black Rock Mining and Executives of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

| ORDINARY SHARES | BALANCE AT START OF THE YEAR | RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS AND RIGHTS | NUMBER ACQUIRED DURING THE YEAR | NUMBER DISPOSED DURING THE YEAR | OTHER CHANGES | BALANCE AT END OF THE YEAR |
|--------------------------------|------------------------------|--|---------------------------------|---------------------------------|---------------|----------------------------|
| NON-EXECUTIVE DIRECTORS | | | | | | |
| Richard Crookes | 6,266,150 | 213,079 | - | - | - | 6,479,229 |
| Ian Murray | 5,466,801 | 194,548 | - | - | - | 5,661,349 |
| EXECUTIVES | | | | | | |
| John de Vries | 10,712,199 | 187,500 | - | - | - | 10,899,699 |
| Paul Sims | 173,913 | 109,223 | - | - | - | 283,136 |

Option and Rights Holdings

The numbers of options and rights over ordinary shares in the Company held during the financial year by each NED of Black Rock Mining and Executives of the Group, including their personally related parties, are set out below.

| | BALANCE AT START OF THE YEAR | GRANTED AS COMPENSATION | EXERCISED | EXPIRED | OTHER CHANGES | BALANCE AT END OF THE YEAR | VESTED AND EXERCISABLE | UNVESTED |
|--------------------------------|------------------------------|-------------------------|-----------|-------------|---------------|----------------------------|------------------------|------------|
| NON-EXECUTIVE DIRECTORS | | | | | | | | |
| Richard Crookes | | | | | | | | |
| Options | 3,159,681 | - | (213,079) | (2,000,000) | - | 946,602 | 631,068 | 315,534 |
| Ian Murray | | | | | | | | |
| Options | 2,777,072 | - | (194,548) | (2,000,000) | - | 582,524 | 388,349 | 194,175 |
| EXECUTIVES | | | | | | | | |
| John de Vries | | | | | | | | |
| Options | 5,000,000 | - | - | (5,000,000) | - | - | - | - |
| Rights | 2,441,217 | 9,686,897 | (187,500) | (512,212) | - | 11,428,402 | 241,379 | 11,187,023 |
| Paul Sims | | | | | | | | |
| Options | 1,557,971 | - | - | - | - | 1,557,971 | 1,057,971 | 500,000 |
| Rights | 1,160,498 | 5,065,113 | (109,223) | (232,100) | - | 5,884,288 | 200,168 | 5,684,120 |

OTHER INFORMATION

Financial Transactions with Key Management Personnel

Other than the remuneration disclosed above, there were no other financial transactions with Key Management Personnel during the year.

Loans to Key Management Personnel

There were no loans to KMP during the year.

END OF REMUNERATION REPORT

The Directors' Report is signed in accordance with a resolution of Directors made pursuant to s. 298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Richard Crookes

Chairman

20 September 2024



AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION



The Board of Directors
Black Rock Mining Limited
Level 1, 1 Walker Avenue,
West Perth WA 6005

20 September 2024

Dear Directors,

Auditor's Independence Declaration to 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 audit of the financial report of Black Rock Mining Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Penelope Pink
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.



FINANCIAL REPORT

For the year ended 30 June 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

| | NOTES | CONSOLIDATED | |
|---|-----------|---------------------|--------------------|
| | | 30 JUNE 2024 | 30 JUNE 2023 |
| | | AUD | AUD |
| Continuing operations | | | |
| Interest income | | 100,726 | 83,614 |
| Rental income | | 4,119 | - |
| Administration expenses | | (1,227,675) | (420,237) |
| Employee benefit expense | 6 | (3,406,336) | (4,210,992) |
| Share-based payment expense | 18, 21(e) | (1,350,083) | (501,651) |
| Consulting expense | | (3,529,617) | (3,311,091) |
| Depreciation and amortisation expense | 6 | (350,177) | (285,695) |
| Net foreign currency exchange gain | | 71,084 | 408,238 |
| Travel expenses | | (399,374) | (723,848) |
| Other expenses from ordinary activities | | (515,821) | (385,897) |
| Loss before tax | | (10,603,154) | (9,347,559) |
| Income tax expense | 7 | (1,205) | - |
| LOSS FOR THE PERIOD | | (10,604,359) | (9,347,559) |
| Other comprehensive income, net of income tax | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences for foreign operations | | (208,547) | 626,049 |
| Other comprehensive (loss)/income for the period (net of tax) | | (208,547) | 626,049 |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | | (10,812,906) | (8,721,510) |
| Loss for the period attributable to: | | | |
| Owners of the Company | | (10,077,929) | (9,053,234) |
| Non-controlling interests | | (526,430) | (294,325) |
| | | (10,604,359) | (9,347,559) |
| Total comprehensive loss attributable | | | |
| to: Owners of the Company | | (10,297,085) | (8,421,652) |
| Non-controlling interests | | (515,821) | (299,858) |
| | | (10,812,906) | (8,721,510) |
| Loss per share | | | |
| Basic and diluted loss per share (cents per share) | 26 | (0.89) | (0.92) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

| | | CONSOLIDATED | |
|---|-------|-------------------|-------------------|
| | | 30 JUNE 2024 | 30 JUNE 2023 |
| | NOTES | AUD | AUD |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 8,901,800 | 11,459,227 |
| Other receivables | 9 | 662,693 | 1,319,022 |
| Other assets | 10 | - | 481,182 |
| Total current assets | | 9,564,493 | 13,259,431 |
| Non-current assets | | | |
| Exploration and evaluation asset | 11 | 52,596,115 | 46,793,567 |
| Plant and equipment | 12 | 476,132 | 578,421 |
| Right of use assets | 13 | 469,667 | 686,826 |
| Total non-current assets | | 53,541,914 | 48,058,814 |
| Total assets | | 63,106,407 | 61,318,245 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 15 | 1,944,854 | 2,083,033 |
| Lease liabilities | 13 | 197,180 | 207,933 |
| Provisions | 16 | 1,091,499 | 1,002,773 |
| Total current liabilities | | 3,233,533 | 3,293,739 |
| Non-current liabilities | | | |
| Lease liabilities | 13 | 280,759 | 478,413 |
| Provisions | 16 | 73,096 | 51,640 |
| Total current liabilities | | 353,855 | 530,053 |
| Total liabilities | | 3,587,388 | 3,823,792 |
| Net assets | | 59,519,019 | 57,494,453 |
| Equity | | | |
| Issued capital | 17 | 122,901,779 | 111,535,841 |
| Foreign currency translation reserve | 18 | 1,759,649 | 1,978,805 |
| Share-based payment reserve | 18 | 2,334,265 | 1,488,262 |
| Accumulated losses | 19 | (66,661,509) | (57,209,111) |
| Equity attributable to owners of the Company | | 60,334,184 | 57,793,797 |
| Non-controlling interest | 20 | (815,165) | (299,344) |
| Total equity | | 59,519,019 | 57,494,453 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

| | ISSUED CAPITAL | | ACCUMULATED LOSSES | | SHARE-BASED PAYMENT RESERVE | | FOREIGN CURRENCY RESERVE | | ATTRIBUTABLE TO OWNERS OF THE PARENT | | NON-CONTROLLING INTEREST | | TOTAL EQUITY | |
|--|--------------------|---------------------|--------------------|------------------|-----------------------------|------------------|--------------------------|------------------|--------------------------------------|---------------------|--------------------------|------------------|-------------------|---------------------|
| | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD | AUD |
| Balance as at 1 July 2022 | 100,907,652 | (48,555,281) | 1,318,908 | 1,347,223 | 55,018,502 | - | - | - | 55,018,502 | (9,053,234) | (294,325) | - | 55,018,502 | (9,347,559) |
| Loss for the period | - | (9,053,234) | - | - | - | - | - | - | (9,053,234) | - | - | - | (9,053,234) | - |
| Other comprehensive income/(loss) for the period, net of tax | - | - | - | 631,582 | 631,582 | - | - | 631,582 | 631,582 | - | (5,533) | - | 626,049 | - |
| Total comprehensive loss for the period | - | (9,053,234) | - | 631,582 | (8,421,652) | - | - | 631,582 | (8,421,652) | - | (299,858) | - | (8,721,510) | - |
| Issue of ordinary shares from capital raisings | 10,000,000 | - | - | - | 10,000,000 | - | - | - | 10,000,000 | - | - | - | 10,000,000 | - |
| Issue of ordinary shares from options exercised | 1,213,130 | - | - | - | 1,213,130 | - | - | - | 1,213,130 | - | - | - | 1,213,130 | - |
| Cost of share-based payments issued to Directors and employees | - | - | 569,272 | - | 569,272 | - | - | - | 569,272 | - | - | - | 569,272 | - |
| Issuance of 16% interest to non-controlling interest | - | (514) | - | - | (514) | - | - | - | (514) | - | 514 | - | - | - |
| Cost of share capital issued | (584,941) | - | - | - | (584,941) | - | - | - | (584,941) | - | - | - | (584,941) | - |
| Options expired during the period | - | 399,918 | (399,918) | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2023 | 111,535,841 | (57,209,111) | 1,488,262 | 1,978,805 | 57,793,797 | (299,344) | (299,344) | 1,978,805 | 57,793,797 | (10,077,929) | 10,609 | (299,344) | 57,494,453 | (10,604,359) |
| Balance as at 1 July 2023 | 111,535,841 | (57,209,111) | 1,488,262 | 1,978,805 | 57,793,797 | (299,344) | (299,344) | 1,978,805 | 57,793,797 | (10,077,929) | 10,609 | (299,344) | 57,494,453 | (10,604,359) |
| Loss for the period | - | (10,077,929) | - | - | (10,077,929) | - | - | - | (10,077,929) | - | - | - | (10,077,929) | - |
| Other comprehensive (loss)/income for the period, net of tax | - | - | - | (219,156) | (219,156) | - | - | (219,156) | (219,156) | - | - | - | (208,547) | - |
| Total comprehensive loss for the period | - | (10,077,929) | - | (219,156) | (10,297,085) | - | - | (219,156) | (10,297,085) | - | - | - | (10,812,906) | - |
| Issue of ordinary shares from capital raisings | 10,000,000 | - | - | - | 10,000,000 | - | - | - | 10,000,000 | - | - | - | 10,000,000 | - |
| Issue of ordinary shares from options exercised | 1,793,994 | - | - | - | 1,793,994 | - | - | - | 1,793,994 | - | - | - | 1,793,994 | - |
| Cost of share-based payments issued to Directors and employees | - | - | 1,583,741 | - | 1,583,741 | - | - | - | 1,583,741 | - | - | - | 1,583,741 | - |
| Cost of share capital issued | (540,263) | - | - | - | (540,263) | - | - | - | (540,263) | - | - | - | (540,263) | - |
| Options exercised or expired during the period | 112,207 | 625,531 | (737,738) | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2024 | 122,901,779 | (66,661,509) | 2,334,265 | 1,759,649 | 60,334,184 | (815,165) | (815,165) | 1,759,649 | 60,334,184 | (10,604,359) | 10,609 | (815,165) | 59,519,019 | (10,604,359) |

Note

Balance as at 1 July 2022
Loss for the period
Other comprehensive income/(loss) for the period, net of tax
Total comprehensive loss for the period
Issue of ordinary shares from capital raisings
Issue of ordinary shares from options exercised
Cost of share-based payments issued to Directors and employees
Issuance of 16% interest to non-controlling interest
Cost of share capital issued
Options expired during the period
Balance as at 30 June 2023
Balance as at 1 July 2023
Loss for the period
Other comprehensive (loss)/income for the period, net of tax
Total comprehensive loss for the period
Issue of ordinary shares from capital raisings
Issue of ordinary shares from options exercised
Cost of share-based payments issued to Directors and employees
Cost of share capital issued
Options exercised or expired during the period
Balance as at 30 June 2024

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The above Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

| | NOTE | CONSOLIDATED | |
|--|------|---------------------------------------|---------------------------------------|
| | | FOR THE YEAR ENDED 30 JUNE 2024 | FOR THE YEAR ENDED 30 JUNE 2023 |
| | | AUD | AUD |
| Cash flow from operating activities | | | |
| Payments to suppliers and employees | | (8,102,064) | (8,388,025) |
| Interest received | | 99,604 | 81,659 |
| Net cash flows used in operating activities | 8 | (8,002,460) | (8,306,366) |
| Cash flow from investing activities | | | |
| Payments for exploration and evaluation expenditure | 11 | (5,837,214) | (16,563,203) |
| Payments for term and security deposits | | (96,558) | (96,451) |
| Proceeds for term and security deposits | | 141,558 | - |
| Proceeds on sale of plant and equipment | | - | 810 |
| Payments for plant and equipment | | (30,823) | (696,137) |
| Net cash flows used in investing activities | | (5,823,037) | (17,354,981) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares and options | | 11,793,994 | 11,213,130 |
| Payment of share issue costs | | (581,775) | (584,941) |
| Net cash flows provided by financing activities | | 11,212,219 | 10,628,189 |
| Net decrease in cash held | | (2,613,278) | (15,033,158) |
| Cash and cash equivalents at the beginning of the financial year | | 11,459,227 | 26,093,637 |
| Effect of exchange movement on cash balances | | 55,851 | 398,748 |
| Cash and cash equivalents at the end of the year | 8 | 8,901,800 | 11,459,227 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS Accounting Standards).

A description of the nature of the operations of the Group's operations and its principal activities are included in the Directors' Report. Which is not part of the Financial Report.

The financial statements were authorised for issue by the Directors on 20 September 2024.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred net losses of AUD10,604,359 (2023: AUD9,347,559) and experienced net cash outflows from operating and investing activities of AUD13,825,497 (2023: AUD25,661,347) for the year ended 30 June 2024. As at 30 June 2024 the Group had net assets of AUD59,519,019 (2023: AUD57,494,453) and net current assets of AUD6,330,960 (2023: AUD9,965,692). As at 30 June 2024, the Group had a cash balance of AUD8,901,800 (2023: AUD11,459,227).

The Directors have prepared two cash flow forecasts for the period ending 30 September 2025 in their determination that the application of the going concern basis of accounting is appropriate.

The first forecast assumes that both the debt and equity is in place for the Final Investment Decision (**FID**) in respect of the Mahenge Project to be made by the Board. The following progress has been made in this respect:

- Facilities Agreement (Agreement) agreed subsequent to 30 June 2024 with a consortium of funders for USD153 million, refer note 29.
- Subscription agreement entered into subsequent to 30 June 2024 with POSCO for USD40 million, refer note 29.
- Prepayment agreement with POSCO for USD10m on 29 May 2023.

However, all three agreements and ultimately FID are conditional on raising additional equity funds and any additional funds necessary to develop the Mahenge Project currently estimated to be approximately USD135 million. The Board continues to work through their assessment of the most appropriate means to raise these funds through an equity raise or bringing in a partner at the Project level, considering shareholder dilution, market conditions, commodity prices, any necessary regulatory and shareholder approvals, any material adverse tax implications and the cash flow implications of the options being considered.

Due to the uncertainty surrounding the timing and occurrence of FID as a result of the matters outlined above, the Directors have prepared a second forecast which assumes expenditure on programmes required to advance the Mahenge Project towards FID, however the cash flow forecast does not assume that development activities at Mahenge commence prior to 30 September 2025. This cash flow forecast indicates that the Group will be required to raise additional funding progressively from March 2025 of at least AUD4.7 million through the issue of equity, debt or a combination of these to meet the Group's non-discretionary expenditure.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above, including the ability of the Group to secure additional funding, and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION (continued)

Going Concern (continued)

Should the Directors not be successful in achieving the additional funding referred to above, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

New and amended Australian Accounting Standards that are effective for the current year

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

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

| Pronouncement | Impact |
|--|---|
| AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates | Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements. |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

New and amended Australian Accounting Standards that are not yet effective for the current year

At the date of the authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective for the current year that are relevant to the Group include:

| Standard/Amendment | Effective for annual reporting periods beginning on or after | Nature of the change and expected impact |
|--|--|--|
| AASB 2014-10 <i>Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an investor and its Associate or Joint Venture</i> (as amended) | 1 January 2025 | <p>Limits the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.</p> <p>These amendments may impact the Group's consolidated financial statements in future periods should such transactions arise.</p> |
| AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i> | 1 January 2024 | <p>Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.</p> <p>The Group does not currently have sale and leaseback arrangements. The group will apply the amendments if sale and leaseback arrangements are entered into in the future.</p> |
| AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i> | 1 January 2025 | <p>Amends AASB 121 <i>The Effects of Changes in Foreign Exchange Rates</i> by specifying how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under the prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p> <p>An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.</p> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

New and amended Australian Accounting Standards that are not yet effective for the current year (continued)

| Standard/Amendment | Effective for annual reporting periods beginning on or after | Nature of the change and expected impact |
|---|--|--|
| AASB 2022-6 <i>Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants</i> | 1 January 2024 | Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. The amendments may impact the classification of the Group's financial liabilities in future periods if those liabilities are subject to covenants. |

In addition, at the date of the authorisation of the financial statements, the following IFRS Accounting Standards were on issue for which equivalent Australian Accounting Standards has not been issued:

| Standard/Amendment | Effective for annual reporting periods beginning on or after | Nature of the change and expected impact |
|--|--|--|
| IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> | 1 January 2027 | This Standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements. |

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.2 Comparative Information

Right of use assets have been disaggregated from plant and equipment in the statement of financial position to match the presentation in the current period. This change was made to provide clearer and more relevant information to users of the financial statements as the Group continues to evolve.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's fair value on initial recognition.

3.5 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars (**AUD**), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5 Foreign currencies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at the undiscounted amounts of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long term benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3.7 Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed, or where applicable capitalised to exploration and evaluation asset, on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments that will eventually vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.9 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.10 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.10 Deferred Tax (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.11 Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

3.12 Depreciation

Depreciable non-current assets are depreciated over their expected economic life using the straight-line method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets sits between the following range:

| | |
|---------------------|--------|
| Plant and equipment | 6%-33% |
| Office equipment | 25% |
| Motor vehicles | 10% |

3.13 Group as lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3.14 Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.14 Measurement and recognition of leases as a lessee (continued)

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.15 Exploration Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, costs associated with the resettlement action plan, sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs where they are related directly to operational activities in a particular area of interest.

These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, otherwise costs are expensed.

No exploration and evaluation impairments arose in the year ended 30 June 2024. Accumulated costs in relation to an abandoned area are written off in full in which the decision to abandon the area is made.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.17 Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and deposits held at call which are subject to insignificant risk of changes in value.

3.18 Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Other Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

If collection of amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. As the majority of other receivables are short term in nature, their carrying value is assumed to be the same as their fair value.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) in financial assets that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.18 Financial Instruments

Other Receivables (continued)

The Group recognises lifetime ECL on other receivables when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

3.19 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

4. CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale or whether activities have not reached a stage with permits a reasonable assessment of the existence of reserves. This requires management to make certain estimates and assumptions as to future events and circumstances, including the maintenance of title, ongoing expenditure and whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available. See note 11 for the disclosure on the carrying values of exploration and evaluation assets at reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

Accounting for Free Carried Interest (FCI)

In prior years, the Group has assessed the key terms and conditions in which the Special Mining Licence (SML) for Mahenge Graphite Project was granted and in its application of the relevant accounting standards has recognised the following accounting judgments:

- At the Group level, the FCI has been disclosed as a non-controlling interest (NCI) in the consolidated statement of financial position and the consolidated statement of changes in equity.
- Subsequent to acquisition, the carrying amount of NCI is the amount of those interests at initial recognition plus the NCI's share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the NCI. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the NCI even if this results in the NCI having a deficit balance.

Share-based payments

The Consolidated Entity measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate model based on assumptions detailed in note 21.

Recognition of deferred tax balances

Judgement is required to determine whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, included those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the timing and generation of sufficient future taxable profits in the same taxing jurisdiction to offset future expenditure such as rehabilitation costs.

Determining if there will be future taxable profits depend on management's estimates of the timing and quantum of future cash flows, which in turn depend on estimates of future production, sales volumes, exploration discoveries, economics, commodity prices, operating costs, rehabilitation costs, capital expenditure, dividends and other capital management transactions.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to income tax expense within the income statement.

The Group has unrecognised temporary differences and carry forward losses for which no deferred tax asset is recognised in the Consolidated Statement of Financial Position of AUD12.6m (tax effected) (2023: AUD10.4m) as the requirement for recognising those deferred tax assets have not been met.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the geographical location of resources being explored for and evaluated. The Group's principal activity and focus is that of Graphite in Tanzania.

| Segment revenues and results | GRAPHITE | CORPORATE | CONSOLIDATED |
|--------------------------------------|-------------|-------------|--------------|
| 2024 | AUD | AUD | AUD |
| Interest | - | 100,726 | 100,726 |
| Rental income | - | 4,119 | 4,119 |
| Total income | - | 104,845 | 104,845 |
| Loss before tax | (4,105,969) | (6,497,185) | (10,603,154) |
| Fixed asset additions | 28,038 | 2,568 | 30,606 |
| Depreciation and amortisation | (232,837) | (117,340) | (350,177) |
| Exploration and evaluation additions | 6,026,584 | - | 6,026,584 |
| Total segment assets | 54,149,188 | 8,957,219 | 63,106,407 |
| Total segment liabilities | (2,683,895) | (903,493) | (3,587,388) |
| 2023 | | | |
| Interest | - | 83,614 | 83,614 |
| Total income | - | 83,614 | 83,614 |
| Loss before tax | (3,302,868) | (6,044,691) | (9,347,559) |
| Fixed asset additions | 923,405 | 22,452 | 945,857 |
| Depreciation and amortisation | (168,669) | (117,026) | (285,695) |
| Total segment assets | 49,118,757 | 12,199,488 | 61,318,245 |
| Total segment liabilities | (3,012,940) | (810,852) | (3,823,792) |

6. EXPENSES

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| <i>Employment benefit expense</i> | | |
| Director fees | 709,566 | 947,542 |
| Wages and salaries | 2,287,213 | 2,215,596 |
| Superannuation and National Social Security Fund Contributions | 282,273 | 247,423 |
| Annual leave, long service leave and on costs | 127,284 | 800,431 |
| | 3,406,336 | 4,210,992 |
| <i>Depreciation and amortisation expense</i> | | |
| Depreciation on plant and equipment | 131,974 | 93,435 |
| Depreciation on right of use asset | 218,203 | 192,260 |
| | 350,177 | 285,695 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. INCOME TAXES

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|------------------|------------------|
| | AUD | AUD |
| (a) Income tax expense | | |
| Current tax | 1,205 | - |
| Deferred tax | - | - |
| | 1,205 | - |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable | | |
| Loss for the year | (10,603,154) | (9,347,559) |
| Loss from operations | (10,603,154) | (9,347,559) |
| Prima facie tax benefit at 25% (2023: 25%) | (2,650,788) | (2,336,890) |
| Difference arising on foreign tax rates | (165,232) | (168,569) |
| Share-based payments | 337,521 | 125,413 |
| Non-deductible expenditure | 144,608 | 322,604 |
| Movement in unrecognised temporary differences | 2,335,096 | 2,057,442 |
| Income tax expense | 1,205 | - |
| (c) Recognised deferred tax assets and liabilities | | |
| Recognised deferred tax assets comprise: | | |
| Net right of use asset/liability | 7,381 | 5,278 |
| Provisions and accruals | 670,470 | 226,589 |
| Tax losses available for offset against future taxable income | 6,423,829 | 5,578,038 |
| | 7,101,680 | 5,809,905 |
| Recognised deferred tax liabilities comprise: | | |
| Exploration and evaluation | 7,044,590 | 5,673,977 |
| Unrealised foreign exchange movements | - | 73,623 |
| Prepayments | 56,321 | 61,816 |
| Other | 769 | 489 |
| | 7,101,680 | 5,809,905 |

The Group recognises deferred tax assets up to the level of deferred tax liabilities. Deferred tax assets recognised reverse in the same entity and jurisdiction as the deferred tax liabilities that they are offsetting.

Unrecognised deferred tax assets

Unused tax losses for which no deferred tax asset has been recognised are AUD48,202,800 (2023: AUD40,493,026). Potential tax benefit is AUD12,545,695 (2023: AUD10,383,788). Other deferred tax assets not recognised have a potential tax benefit of AUD733,202 (2023: AUD402,177).

(d) Franking credits

The Company has no franking credits available as at 30 June 2024 (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

8. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|------------------------|------------------|-----------------|
| | AUD | AUD |
| Cash and bank balances | 8,901,800 | 11,459,227 |
| | 8,901,800 | 11,459,227 |

Reconciliation of loss for the year to net cash flows from operating activities

| | | |
|-------------------------------|---------------------|-------------|
| Loss after income tax | (10,604,359) | (9,347,559) |
| Depreciation and amortisation | 350,177 | 285,695 |
| Share-based payments | 1,350,083 | 501,651 |
| Net foreign exchange gain | (71,084) | (408,238) |
| Interest income | (100,726) | (83,614) |
| Other | 29,964 | - |
| | (9,045,945) | (9,052,065) |

Movements in working capital:

| | | |
|--|--------------------|-------------|
| Decrease / (increase) in trade and other receivables | 562,908 | (557,734) |
| Increase in trade and other payables | 370,395 | 438,950 |
| Increase in provisions | 110,182 | 864,483 |
| | 1,043,485 | 745,699 |
| Net cash used in operating activities | (8,002,460) | (8,306,366) |

Non Cash transactions

Operating Activity

| | | |
|---|----------------|---------|
| Options expired/exercised during the year in relation to services rendered by employees and consultants (note 18) | 737,738 | 399,918 |
|---|----------------|---------|

Investing Activity

| | | |
|----------------------------------|---|---------|
| Additions to right of use assets | - | 345,527 |
|----------------------------------|---|---------|

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

| | 30 JUNE 2024 | 30 JUNE 2023 |
|-----------------------------------|-----------------|------------------|
| | AUD | AUD |
| Prepayments | 295,841 | 310,734 |
| GST and VAT | 151,207 | 751,706 |
| Other receivables | 19,087 | 15,024 |
| Term deposits | 196,558 | 241,558 |
| Balance at end of the year | 662,693 | 1,319,022 |

10. OTHER ASSETS

| | 30 JUNE 2024 | 30 JUNE 2023 |
|-------------------------------|-----------------|-----------------|
| | AUD | AUD |
| Tenement licence fee | - | 481,182 |
| Balance at end of year | - | 481,182 |

During the prior year the Company, through its subsidiary Mahenge Resources Limited (incorporated in Tanzania), entered into an option agreement for the purchase of copper tenements in Tanzania. As part of the option agreement, Mahenge Resources Limited was responsible for the tenement licence fees. This transaction will not be proceeding, so the Company has written this amount off during the year.

11. EXPLORATION AND EVALUATION ASSET

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-------------------|-------------------|
| | AUD | AUD |
| In the exploration phase: | | |
| Balance at beginning of year | 46,793,567 | 29,748,305 |
| Expenditure incurred during the year (at cost) | 6,026,584 | 16,203,262 |
| Expenditure written off during the year | - | - |
| Foreign exchange effect | (224,036) | 842,000 |
| Balance at end of year | 52,596,115 | 46,793,567 |
| Reconciliation of Expenditure incurred during the year (at cost): | | |
| Cash paid for exploration and evaluation (including GST and VAT) | 5,837,214 | 16,563,203 |
| Trade payables and accruals in prior year | (935,967) | (111,740) |
| Trade payables and accruals in current year | 469,186 | 935,967 |
| Share-based payments capitalised | 233,658 | 67,621 |
| Non cash adjustments | 694,573 | - |
| Adjust for GST and VAT | (272,080) | (1,251,789) |
| Total expenditure incurred during the year (at cost) (excluding GST and VAT) | 6,026,584 | 16,203,262 |

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

The balance of AUD52,596,115 (2023: AUD46,793,567) at reporting date represents the carrying value of its Graphite assets in Tanzania.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

| | PLANT & EQUIPMENT | OFFICE EQUIPMENT | MOTOR VEHICLES | TOTAL |
|---------------------------------|----------------------|---------------------|-------------------|----------------|
| | AUD | AUD | AUD | AUD |
| COST | | | | |
| As at 1 July 2022 | 25,792 | 102,663 | - | 128,455 |
| Additions | 56,195 | 235,222 | 308,913 | 600,330 |
| Disposals | - | (1,709) | - | (1,709) |
| Exchange differences | 1,491 | 2,951 | 4,100 | 8,542 |
| As at 30 June 2023 | 83,478 | 339,127 | 313,013 | 735,618 |
| Additions | 23,480 | 7,126 | - | 30,606 |
| Disposals | - | - | - | - |
| Exchange differences | (733) | (1,081) | (1,399) | (3,213) |
| As at 30 June 2024 | 106,225 | 345,172 | 311,614 | 763,011 |
| ACCUMULATED DEPRECIATION | | | | |
| As at 1 July 2022 | 22,616 | 40,334 | - | 62,950 |
| Charge for the year | 8,663 | 57,552 | 27,220 | 93,435 |
| Disposals | - | (899) | - | (899) |
| Exchange differences | 836 | 514 | 361 | 1,711 |
| As at 30 June 2023 | 32,115 | 97,501 | 27,581 | 157,197 |
| Charge for the year | 19,905 | 78,887 | 33,182 | 131,974 |
| Disposals | - | - | - | - |
| Exchange differences | (419) | (1,174) | (699) | (2,292) |
| As at 30 June 2024 | 51,601 | 175,214 | 60,064 | 286,879 |
| CARRYING VALUE | | | | |
| As at 30 June 2024 | 54,624 | 169,958 | 251,550 | 476,132 |
| As at 30 June 2023 | 51,363 | 241,626 | 285,432 | 578,421 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

13. LEASES (GROUP AS LESSEE)

Right of use assets

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---------------------------------|-----------------|-----------------|
| | AUD | AUD |
| COST | | |
| As at 1 July | 911,588 | 561,475 |
| Additions | - | 345,527 |
| Exchange differences | (1,565) | 4,586 |
| As at 30 June | 910,023 | 911,588 |
| ACCUMULATED DEPRECIATION | | |
| As at 1 July | 224,762 | 31,192 |
| Charge for the year | 218,203 | 192,260 |
| Exchange differences | (2,609) | 1,310 |
| As at 30 June | 440,356 | 224,762 |
| Carrying amount | 469,667 | 686,826 |

The Company has entered into leases for the current business premises both in Australia and Tanzania. These leases are reflected on the balance sheet as right of use assets and lease liabilities. The average lease term is 0.8 years (30 June 2023: 1.8 years), excluding the extension of term options available to the Company.

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| Amounts recognised in profit and loss | | |
| Depreciation expense on right of use assets | 218,203 | 192,260 |
| Interest expense on lease liabilities (included in other expenses) | 111,849 | 36,265 |
| Expense relating to short-term leases | 47,668 | 1,857 |

At 30 June 2024, the Group is committed to AUD22,484 short-term leases (2023: AUD20,703).

Lease liabilities

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--------------------------|-----------------|-----------------|
| | AUD | AUD |
| Maturity analysis | | |
| Year 1 | 214,784 | 238,127 |
| Year 2 | 108,592 | 215,275 |
| Year 3 | 111,849 | 108,592 |
| Year 4 | 76,611 | 111,849 |
| Year 5 | - | 76,612 |
| More than 5 years | - | - |
| | 511,836 | 750,455 |
| Less unearned interest | (33,897) | (64,109) |
| | 477,939 | 686,346 |
| Analysed as | | |
| Current | 197,180 | 207,933 |
| Non-current | 280,759 | 478,413 |
| | 477,939 | 686,346 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

| NAME OF SUBSIDIARY | PLACE OF INCORPORATION AND OPERATION | PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD BY THE GROUP | |
|-----------------------------------|---|--|-----------------|
| | | 30 JUNE 2024 | 30 JUNE 2023 |
| Mahenge Resources Limited | Tanzania | 100% | 100% |
| Mahenge Resources Limited | United Kingdom | 100% | 100% |
| Faru Graphite Corporation Limited | Tanzania | 84% | 84% |

15. TRADE AND OTHER PAYABLES

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| Trade creditors | 1,363,802 | 1,441,399 |
| Accruals | 420,156 | 540,087 |
| Other liabilities | 160,896 | 101,547 |
| Total current trade creditors and other payables | 1,944,854 | 2,083,033 |

Included in trade creditors and accruals is an amount of AUD469,186 (2023: AUD935,967) relating to exploration expenditure.

16. PROVISIONS

| | 30 JUNE 2024 | 30 JUNE 2023 |
|------------------------------------|-----------------|-----------------|
| | AUD | AUD |
| Current | | |
| Employee entitlements | 273,585 | 274,104 |
| Provision - General ⁽ⁱ⁾ | 817,914 | 728,669 |
| | 1,091,499 | 1,002,773 |

(i) The following provisions are included in the balance:

- During prior periods, on 19 September 2022, the Group received a notice from Tanzania Revenue Authority (**TRA**) with respect to audit findings on employment taxes for the years of income 2018 to 2022. The TRA issued five Pay As You Earn assessments as a result of the tax audit. The Group has provided for this amount and is in the process of preparing an appeal to the Tax Revenue Appeals Board to review this matter and therefore uncertainty remains as to the probability, timing and amount of any future outflow of resources.
- During prior periods, on 9 August 2022, the Company, and one of its subsidiaries, Mahenge Resources Limited (incorporated in Tanzania), received a form of referral of an employment dispute to the Commission for Mediation and Arbitration (the **Commission**) in Tanzania from a former Tanzanian based consultant (the **Consultant**). During the year, the Commission awarded the Consultant USD261,000. The Group has applied to the High Court for a revision of this ruling. Judgement is expected in September 2024. The Group has considered the best estimate of any outflow of resources in relation to this matter and provided accordingly, but uncertainty remains as to the probability, timing and amount of any payments.

Non-Current

| | 30 JUNE 2024 | 30 JUNE 2023 |
|-----------------------|-----------------|-----------------|
| | AUD | AUD |
| Employee entitlements | 73,096 | 51,640 |
| | 73,096 | 51,640 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. ISSUED CAPITAL

1,251,318,559 ordinary shares issued and fully paid (2023: 1,075,183,955)

| 30 JUNE 2024 | 30 JUNE 2023 |
|--------------------|-----------------|
| AUD | AUD |
| 122,901,779 | 111,535,841 |

Fully paid ordinary shares

Balance at 30 June 2022

Shares issued under Placement 19 June 2023 (AUD0.115 per share)
 Shares issued upon exercise of options – (BKTAG AUD0.15 per share)
 Shares issued upon exercise of options – (BKTAU AUD0.084 per share)
 Shares issued upon exercise of options – (BKTAI AUD0.0785 per share)
 Less: capital raising costs

Balance at 30 June 2023

Shares issued upon exercise of options – (BKTAU AUD0.084 per share)
 Shares issued upon exercise of performance rights – (BKTAAB AUD0.00 per share)
 Shares issued under Placement 3 April 2024 (AUD0.065 per share)
 Less: capital raising costs

Balance at 30 June 2024

| SHARE CAPITAL | |
|----------------------|--------------------|
| NUMBER OF SHARES | AUD |
| 977,255,646 | 100,907,652 |
| 86,956,525 | 10,000,000 |
| 4,666,666 | 700,000 |
| 3,305,118 | 277,630 |
| 3,000,000 | 235,500 |
| - | (584,941) |
| 1,075,183,955 | 111,535,841 |
| 21,357,069 | 1,793,994 |
| 931,382 | 112,207 |
| 153,846,153 | 10,000,000 |
| - | (540,263) |
| 1,251,318,559 | 122,901,779 |

Options

As at 30 June 2024, there were 36,514,639 unlisted options (2023: 77,007,674).

| UNLISTED OPTIONS | CODE | OPENING BALANCE | EXERCISED IN PERIOD | GRANTED IN PERIOD | EXPIRED / FORFEITED IN PERIOD | CLOSING BALANCE |
|--|--------|--------------------|------------------------|----------------------|-------------------------------------|--------------------|
| | | No. | No. | No. | No. | No. |
| Expiring 10 August 2023 at AUD0.084 | BKTAU | 26,993,035 | (21,357,069) | - | (5,635,966) | - |
| Expiring 21 December 2023 at AUD0.116 | BKTAJ | 11,000,000 | - | - | (11,000,000) | - |
| Expiring 24 January 2024 at AUD0.116 | BKTAV | 1,000,000 | - | - | (1,000,000) | - |
| Expiring 1 June 2024 at AUD0.20 | BKTAX | 1,500,000 | - | - | (1,500,000) | - |
| Expiring 1 July 2024 at AUD0.224 | BKTAW | 1,500,000 | - | - | - | 1,500,000 |
| Expiring 25 October 2024 at AUD0.29 | BKTAY | 3,000,000 | - | - | - | 3,000,000 |
| Expiring 26 April 2025 at AUD0.40 | BKTAZ | 1,500,000 | - | - | - | 1,500,000 |
| Expiring 26 June 2025 at AUD0.20 | BKTAAB | 28,985,513 | - | - | - | 28,985,513 |
| Expiring 30 June 2025 at AUD0.00 | BKTAAC | 509,709 | - | - | - | 509,709 |
| Expiring 30 June 2026 at AUD0.00 | BKTAAD | 509,709 | - | - | - | 509,709 |
| Expiring 30 June 2027 at AUD0.00 | BKTAAD | 509,708 | - | - | - | 509,708 |
| | | 77,007,674 | (21,357,069) | - | (19,135,966) | 36,514,639 |

The weighted average exercise price of options at 30 June 2024 is AUD0.19 (2023: AUD0.14). The weighted average remaining contractual life of options as at 30 June 2024 is 1.16 years (2023 1.57 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. ISSUED CAPITAL (continued)

Performance Rights

As at 30 June 2024, there were 36,757,270 unlisted performance rights (2023: 8,769,655).

| UNLISTED PERFORMANCE RIGHTS | CODE | OPENING BALANCE | EXERCISED IN PERIOD | GRANTED IN PERIOD | EXPIRED / FORFEITED IN PERIOD | CLOSING BALANCE |
|-----------------------------|--------|------------------|---------------------|-------------------|-------------------------------|-------------------|
| | | No. | No. | No. | No. | No. |
| Expiring 30 November 2027 | BKTAAA | 8,769,655 | (778,618) | - | (2,414,912) | 5,576,125 |
| Expiring 30 June 2026 | BKTAAA | - | (152,764) | 1,165,685 | (41,517) | 971,404 |
| Expiring 29 September 2028 | BKTAAA | - | - | 36,950,102 | (6,740,361) | 30,209,741 |
| | | 8,769,655 | (931,382) | 38,115,787 | (9,196,790) | 36,757,270 |

The weighted average remaining contractual life of performance rights outstanding at the end of the period was 3.5 years (2023: 4.4 years). Performance rights have nil exercise price. Refer to note 21 for terms of the Employee Securities Incentive Plan.

18. RESERVES

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---|------------------|-----------------|
| | AUD | AUD |
| Share-based payments reserve ⁽ⁱ⁾ | 2,334,265 | 1,488,262 |
| Foreign translation reserve ⁽ⁱⁱ⁾ | 1,759,649 | 1,978,805 |
| | 4,093,914 | 3,467,067 |

(i) Share-Based Payments Reserve

The share-based payments reserve comprises any equity settled share-based payment transactions and other options transactions. The reserve will be reversed against accumulated losses when the underlying rights are exercised or expire.

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|------------------|-----------------|
| | AUD | AUD |
| Balance at the beginning of the year | 1,488,262 | 1,318,908 |
| Add: Amounts expensed in the current year | 1,350,083 | 501,651 |
| Add: Amounts capitalised to the exploration and evaluation asset in the current year | 233,658 | 67,621 |
| Less: Options expired in the current year | (737,738) | (399,918) |
| Balance at the end of the year | 2,334,265 | 1,488,262 |

(ii) Foreign Translation Reserve

The foreign translation reserve arises on the consolidation of the Group's overseas subsidiaries, Mahenge Resources Limited (incorporated in Tanzania), Faru Graphite Corporation Limited (incorporated in Tanzania) and Mahenge Resources Limited (incorporated in the United Kingdom). Refer to consolidated statement of changes in equity for reconciliation of movement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. ACCUMULATED LOSSES

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| Balance at beginning of the year | 57,209,111 | 48,555,281 |
| Net loss attributable to members | 10,077,929 | 9,053,234 |
| Issuance of 16% interest to non-controlling interest | - | 514 |
| Transfer from share-based payment reserve | (625,531) | (399,918) |
| Balance at end of year | 66,661,509 | 57,209,111 |

20. NON-CONTROLLING INTEREST

The Group incorporated Faru, a new Tanzanian company in which Black Rock Mining's subsidiary, Mahenge Resources Limited (UK), holds an 84% interest and the Government of Tanzania holds a 16% free carried interest. The Framework and Shareholders Agreements were signed on 14 December 2021. Faru was incorporated to receive the SML for Mahenge which was issued on 5 September 2022. The Framework and Shareholders Agreements between Mahenge Resources Limited (UK) and the Government of Tanzania specify the key rights and obligations of the parties, as shareholders of Faru, with respect to the development and management of the Project. At the date of grant of the SML, 16% of the fair value of the Faru shares has been attributed to the Government of Tanzania and recorded as a non-controlling interest.

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| Balance at beginning of the year | (299,344) | - |
| Issuance of 16% interest to non-controlling interest | - | 514 |
| Loss for the year attributable to non-controlling interest | (526,430) | (294,325) |
| Other comprehensive loss for the period attributable to non-controlling interest | 10,609 | (5,533) |
| Balance at end of year | (815,165) | (299,344) |

21. SHARE-BASED PAYMENTS

(a) Employee Share Incentive Option Plan

The establishment of the Black Rock Mining Employee Share Incentive Option Plan (the **ESIOP**) was initially approved by special resolution at a General Meeting of shareholders of the Company held on 21 November 2006 and approval renewed by shareholders on 18 November 2009 and 28 November 2013. All eligible Directors, executive officers and employees of Black Rock Mining are eligible to participate in the ESIOP.

The Plan allows the Company to issue options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the ESIOP.

The fair value of the equity-settled share options granted is estimated as at the date of grant using a Black Scholes model taking into account the terms and conditions upon which the options were granted.

There were no options granted during the year. In the prior year, 1,500,000 options with AUD0.40 exercise price and an expiry of 2.7 years were granted. The average fair value of the options granted during the prior period was AUD0.0678.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. SHARE-BASED PAYMENTS (continued)

(a) Employee Share Incentive Option Plan (continued)

Fair value of options granted

The weighted average fair value of the options granted during the prior year was 6.78 cents. The price was calculated by using the Black-Scholes European Option Pricing Model taking into account the terms and conditions upon which the options were granted.

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---|-----------------|-----------------|
| Weighted average exercise price (cents) | - | 40.0 |
| Weighted average life of the option (years) | - | 2.7 |
| Weighted average underlying share price (cents) | - | 19.5 |
| Expected share price volatility | - | 82.6% |
| Risk free interest rate | - | 3.25% |

Historical volatility has been used as the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate.

(b) Employee Securities Incentive Plan

The Group has provided benefits to employees of the Company in the form of performance rights under the Company's Employee Securities Incentive Plan (the **Plan**) as approved at the annual general meeting on 28 November 2022, constituting a share-based payment transaction.

During the period, the following performance rights with a nil exercise price were granted:

| | NUMBER | WEIGHTED AVERAGE LIFE |
|---|-------------------|--------------------------|
| Remuneration Rights | 1,165,685 | 2.7 years |
| Operational Readiness Incentive Plan | 3,152,405 | 5 years |
| Project Development Incentive Plan | 12,715,063 | 5 years |
| Leadership Accountability Plan | 8,367,571 | 5 years |
| Total Shareholder Return Project Plan | 12,715,063 | 5 years |
| TOTAL PERFORMANCE RIGHTS GRANTED | 38,115,787 | |

The vesting of performance rights is subject to the attainment of defined key performance indicators (**KPIs**), chosen to align the interests of the employees with shareholders, representing key drivers for long term value.

The following performance criteria relate to the performance rights issued in the current period :

- Remuneration rights will vest subject to the service condition of continued employment on 30 June 2024.
- Operational Readiness Incentive Plan performance rights vest on the performance test of the project completed and passed.
- Vesting of the Project Development Incentive Plan performance rights is dependent on the following KPIs being met:
 - Final investment Decision;
 - First debt draw down; and
 - Start Structural Mechanical Piping.
- Vesting of the Leadership Accountability Plan performance rights is dependent on personal KPIs based on the employee's role within the Company being met.
- Vesting of the Total Shareholder Return Project Plan performance rights is dependent on absolute total shareholder return measure (two year assessment).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. SHARE-BASED PAYMENTS (continued)

During the prior period, 8,769,655 performance rights with a nil exercise price and expiry of 5 years were granted. The average fair value of the performance rights granted during the period is AUD0.148 (2023: AUD0.148).

Performance rights granted carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share of the Company with full dividend and voting rights.

(c) Summary of Share-Based Payments

Details of the share options outstanding during the year are as follows:

| OPTIONS | 2024 | | 2023 | |
|---|-------------------|---|-------------------|---|
| | NUMBER OF OPTIONS | WEIGHTED AVERAGE EXERCISE PRICE (CENTS) | NUMBER OF OPTIONS | WEIGHTED AVERAGE EXERCISE PRICE (CENTS) |
| Balance at the beginning of the financial year | 21,029,126 | 16.6 | 33,600,000 | 14.5 |
| Granted during the financial year: | - | - | 3,029,126 | 19.8 |
| Expired during the year | (13,500,000) | 12.5 | (5,933,334) | 15.0 |
| Forfeited during the year | - | - | (2,000,000) | 7.8 |
| Exercised | - | - | (7,666,666) | 12.2 |
| Balance at the end of the financial year | 7,529,126 | 24.0 | 21,029,126 | 16.6 |
| Vested and Exercisable at the end of the year | 5,019,418 | 24.0 | 17,509,709 | 15.4 |

The share options outstanding and exercisable at the end of the financial year under the Plan and ESOIP had a weighted average exercise price of AUD0.240 (2023: AUD0.166) and a weighted average remaining contractual life of 1.2 years (2023: 1.7 years).

PERFORMANCE RIGHTS

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---|------------------------------|------------------------------|
| | NUMBER OF PERFORMANCE RIGHTS | NUMBER OF PERFORMANCE RIGHTS |
| Balance at the beginning of the financial year | 8,769,655 | - |
| Granted during the financial year: | 38,115,787 | 8,769,655 |
| Expired during the year | (1,974,653) | - |
| Forfeited during the year | (7,222,137) | - |
| Exercised | (931,382) | - |
| Balance at the end of the financial year | 36,757,270 | 8,769,655 |
| Vested and Exercisable at the end of the year | 1,068,491 | - |

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 3.5 years (2023: 4.4 years). Performance rights have nil exercise price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. SHARE-BASED PAYMENTS (continued)

(c) Summary of Share-Based Payments (continued)

Share-based payment arrangements relating to Directors and employees:

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE AUD | NUMBER AT THE BEGINNING OF THE YEAR | GRANTED THIS YEAR | EXERCISED THIS YEAR | EXPIRED/ FORFEIT THIS YEAR | NUMBER AT THE END OF THE YEAR | EXERCISABLE AT THE END OF THE YEAR | FAIR VALUE AT GRANT DATE |
|---------------------------|-------------|--------------------|-------------------------------------|-------------------|---------------------|----------------------------|-------------------------------|------------------------------------|--------------------------|
| OPTIONS | | | | | | | | | |
| 23/11/2020 | 21/12/2023 | 0.116 | 11,000,000 | - | - | (11,000,000) | - | - | - |
| 25/01/2021 | 24/01/2024 | 0.116 | 1,000,000 | - | - | (1,000,000) | - | - | - |
| 1/06/2021 | 1/06/2024 | 0.20 | 1,500,000 | - | - | (1,500,000) | - | - | - |
| 1/07/2021 | 1/07/2024 | 0.224 | 1,500,000 | - | - | - | 1,500,000 | 1,000,000 | 0.0643 |
| 25/10/2021 | 25/10/2024 | 0.29 | 3,000,000 | - | - | - | 3,000,000 | 2,000,000 | 0.0968 |
| 11/08/2022 | 26/04/2025 | 0.40 | 1,500,000 | - | - | - | 1,500,000 | 1,000,000 | 0.0678 |
| 28/11/2022 | 30/06/2025 | 0.00 | 509,709 | - | - | - | 509,709 | 509,709 | 0.1550 |
| 28/11/2022 | 30/06/2026 | 0.00 | 509,709 | - | - | - | 509,709 | 509,709 | 0.1550 |
| 28/11/2022 | 30/06/2027 | 0.00 | 509,708 | - | - | - | 509,708 | - | 0.1550 |
| | | | 21,029,126 | - | - | (13,500,000) | 7,529,126 | 5,019,418 | |
| PERFORMANCE RIGHTS | | | | | | | | | |
| 28/11/2022 | 30/11/2027 | 0.00 | 2,005,841 | - | (187,500) | (512,212) | 1,306,129 | - | 0.155 |
| 28/11/2022 | 30/11/2027 | 0.00 | 435,376 | - | - | - | 435,376 | - | 0.1343 |
| 30/11/2022 | 30/11/2027 | 0.00 | 5,177,489 | - | (557,038) | (1,719,895) | 2,900,556 | 97,087 | 0.150 |
| 30/11/2022 | 30/11/2027 | 0.00 | 1,044,448 | - | - | (110,384) | 934,064 | - | 0.1343 |
| 21/6/2023 | 30/11/2027 | 0.00 | 106,501 | - | (34,080) | (72,421) | - | - | 0.115 |
| 24/11/2023 | 30/06/2026 | 0.00 | - | 241,379 | - | - | 241,379 | 241,379 | 0.096 |
| 10/10/2023 | 30/06/2026 | 0.00 | - | 924,306 | (152,764) | (41,517) | 730,025 | 730,025 | 0.085 |
| 24/11/2023 | 29/09/2028 | 0.00 | - | 5,903,449 | - | - | 5,903,449 | - | 0.096 |
| 23/10/2023 | 29/09/2028 | 0.00 | - | 18,331,591 | - | (4,463,877) | 13,867,714 | - | 0.130 |
| 24/11/2023 | 29/09/2028 | 0.00 | - | 3,542,069 | - | - | 3,542,069 | - | 0.0662 |
| 23/10/2023 | 29/09/2028 | 0.00 | - | 9,172,993 | - | (2,276,484) | 6,896,509 | - | 0.1053 |
| | | | 8,769,655 | 38,115,787 | (931,382) | (9,196,790) | 36,757,270 | 1,068,491 | |

(d) Shares issued to suppliers

No shares were issued to suppliers during the current financial year (2023: Nil).

(e) Expenses arising from share-based payment transactions

During the year, the share based payments totalled AUD1,583,741 (2023: AUD569,272), with AUD1,350,083 (2023: AUD501,651) expensed and AUD233,658 (2023: AUD67,621) was capitalised as part of exploration and evaluation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

22. KEY MANAGEMENT PERSONNEL COMPENSATION

Details of the remuneration of key management personnel are set out as follows:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|-----------------------------|------------------|------------------|
| | AUD | AUD |
| Short-term employee benefit | 891,930 | 893,028 |
| Post-employment benefits | 71,306 | 66,422 |
| Share-based payments | 713,618 | 318,104 |
| Bonus | - | 184,500 |
| Other | (2,146) | 36,511 |
| | 1,674,708 | 1,498,565 |

23. REMUNERATION OF AUDITORS

During the year the following fees were paid or were payable for services provided by the Auditor of the Group, its network firms and non-related audit firms:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|-----------------|-----------------|
| | AUD | AUD |
| Audit or review of the financial statements (Parent Auditor) | 114,000 | 96,865 |
| Audit or review of the financial statements (Other group entities Auditor) | 46,204 | 41,458 |
| | 160,204 | 138,323 |

The Auditor of Black Rock Mining is Deloitte Touche Tohmatsu.

24. RELATED PARTY TRANSACTIONS

Remuneration details for Directors and Executives are included in the Remuneration Report and have been audited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. EXPENDITURE COMMITMENTS

(a) Exploration

The Group has certain commitments relating to the licence conditions with the Tanzanian Energy and Minerals Department. Outstanding exploration commitments are as follows:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---------------------------------|------------------|------------------|
| | AUD | AUD |
| Within one year | 278,270 | 293,698 |
| Within one to five years | 1,072,104 | 1,093,293 |
| After five years ⁽ⁱ⁾ | 5,032,802 | 5,319,310 |
| | 6,383,176 | 6,706,301 |

(i) Relates to the Special Mining Licence granted for a period of 26 years.

Minimum exploration expenditure commitments are required as original conditions to acquire the exploration licences. These have all been met by 30 June 2024.

In the prior period as part of the contract to acquire the graphite exploration licenses, under certain milestone conditions the Company will be obliged to make additional payments. These payments are subject to the following conditions:

Exploration licence PL10427/2014

- AUD250,000 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
- AUD375,000 cash and the equivalent value (AUD375,000) 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 Black Rock Mining 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.

The required targets have not been met and hence no liability has been recognised.

Exploration Program

There are no commitments to exploration as at the date of this report.

(b) Capital Commitments

As at 30 June 2024, the Group has capital commitments of AUD3,529,623 for the Resettlement Action Plan (2023: AUD3,646,267).

| | 30 JUNE 2024 | 30 JUNE 2023 |
|-------------------|------------------|------------------|
| | AUD | AUD |
| Within one year | 2,053,663 | 85,500 |
| One to five years | 1,475,960 | 3,560,767 |
| After 5 years | - | - |
| | 3,529,623 | 3,646,267 |

(c) Lease Commitments

Refer to note 13.

(d) Contractual Commitments

As at 30 June 2024, the Group had contractual expenditure commitments of AUD987,672 (2023: AUD3,075,399).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

26. LOSS PER SHARE

The following reflects the loss and share details used in the calculation of basic and diluted loss per share:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--|----------------------|-----------------|
| | AUD | AUD |
| Loss used in calculating basic and diluted loss per share | (10,077,929) | (9,053,234) |
| Weighted average number of ordinary shares used in calculating basic and diluted loss per share: | 1,132,133,626 | 984,387,383 |
| Basic and diluted loss per share (cents per share) | (0.89) | (0.92) |

Basic Loss Per Share (**LPS**) amounts are calculated by dividing the net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted LPS amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Consolidated Entity's options and performance rights potentially dilute basic earnings per share in the future. However, they have been excluded from the calculations of diluted earnings per share because they are anti-dilutive for the years presented.

27. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from 2023.

The Group holds the following financial instruments, all of which the fair value is equal to the carrying value:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|------------------------------------|--------------------|--------------------|
| | AUD | AUD |
| Financial assets | | |
| Cash and cash equivalents | 8,901,800 | 11,459,227 |
| Other receivables | 215,646 | 256,582 |
| Total financial assets | 9,117,446 | 11,715,809 |
| Financial liabilities | | |
| Trade and other payables | (1,944,854) | (2,083,033) |
| Lease liabilities | (477,939) | (686,346) |
| Total financial liabilities | (2,422,793) | (2,769,379) |
| Net financial instruments | 6,694,653 | 8,946,430 |

The capital structure of the Group consists of net debt (current liabilities offset by cash and bank balances as detailed in notes 8,13 and 15) and equity of the Group (comprising issued capital, reserves and accumulated losses as detailed in notes 17, 18 and 19).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

27 FINANCIAL INSTRUMENTS (continued)

(a) Capital Management

The main focus of the Group's capital management policy is to ensure adequate working capital to fund the development activities of its Mahenge Graphite Project. This is done through the close monitoring of cash flow projections.

The Group's working capital as at balance date was:

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---------------------------|------------------|------------------|
| | AUD | AUD |
| Cash and cash equivalents | 8,901,800 | 11,459,227 |
| Other receivables | 215,646 | 256,582 |
| Trade and other payables | (1,944,854) | (2,083,033) |
| | 7,172,592 | 9,632,776 |

Refer to Going Concern assumption disclosure (note 1) for further details on working capital management.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to recognise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments.

Risk management is the responsibility of the Board of Directors.

Market risk

Foreign exchange risk

The Group transacts in US Dollars and Tanzanian Shillings in relation to its Tanzanian operations is exposed to foreign exchange currency movements arising from various currency exposures, primarily with respect to the US Dollar and the Tanzanian Shilling.

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group's exposure to foreign currency risk at the reporting date was as follows:

Group sensitivity

The parent entity advances funds to the Tanzanian subsidiaries in US Dollars. The foreign exchange is recognised in the parent entity.

The Consolidated Entity's pre-tax loss for the year would have been AUD500,573 higher/lower (2023: AUD231,278 higher/ lower) had the Australian dollar strengthened/weakened by 10% against the US Dollar.

Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through cash and cash equivalents AUD8,901,800 (2023: AUD11,459,227).

At 30 June 2024, if the interest rates had weakened/strengthened by 100 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been AUD10,073 lower/higher (2023: AUD8,361 lower/higher) mainly as a result of interest income decreases/increases.

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables and committed transactions.

Cash and cash equivalents are held with recognisable banking and financial institutions. The maximum exposure to credit risk for cash and cash equivalents is the carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

27. FINANCIAL INSTRUMENTS (continued)

(a) Capital Management (continued)

Credit risk (continued)

Other receivables are due from third parties considered credit worthy. The maximum exposure to credit risk for other receivables at the reporting date is the carrying amount. The ageing analysis of receivables is as follows:

| DEBTOR | < 30 DAYS |
|-------------------|------------|
| Other receivables | AUD19,088 |
| Term deposits | AUD196,558 |

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure that the Group's liabilities can be settled as and when they become due.

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Refer to note 13 for maturity groupings for lease liabilities.

| CREDITOR | <1 MONTH |
|----------------|--------------|
| Trade payables | AUD1,944,854 |

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying values of other receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

28. CONTINGENT LIABILITIES

The Group has agreements with consultants assisting in the project financing arrangements. The fee is payable in part through a success fee, which will be settled 50% in cash and 50% in shares in the Company at 1.5% of the debt facilities executed. Subsequent to year end, the Group signed a Facility Agreement with The Development Bank of Southern Africa (**DBSA**), The Industrial Development Corporation of South Africa (**IDC**) and Tanzania's largest commercial bank, CRDB Bank (**CRDB**) to provide USD179m in funding to develop the Project. The estimated success fee is calculated to be USD2.8m. The estimated fee is calculated on the Facility Agreement above of USD179m plus a prepayment facility from POSCO totalling USD10m. The success fee is only payable at financial close on finalisation of the equity raise the timing and success of which remains uncertain.

During the period, on 11 October 2022, the Company issued a notice of demand for compensation for breach of the Consultant Services Agreement (the **Agreement**) between the Company and the Consultant⁽ⁱ⁾ who was party to this Agreement. The breach of the Agreement relates to a conflict of interest, the failure to disclose said conflict and divulging intellectual property and confidential information of the Company. Subsequent to this, on 24 October 2022, the Group received a pre-litigation letter for defamation from the Consultant demanding compensation. The Consultant has not filed any court case in relation to this matter. The Board and Management, based on advice received from legal advisors, are of the opinion that the Consultant's case has no reasonable prospect of success. Accordingly, no adjustment has been made to the financial report with respect to this matter.

Other than reported above, there are no other contingent liabilities for the financial year (2023: nil).

(i) Due to privacy the Consultant has not been named.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. EVENTS AFTER THE REPORTING DATE

Other than the below, the Directors are not aware of any matter or circumstance that has significant or may significantly affect the operation of the Consolidated Entity or the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Subsequent to year end, on 17 July 2024, Black Rock Mining signed a mining services contract with TAIFA Mining and Civils Limited for an initial term of three years, subject to Final Investment Decision. Under the terms of the contract, Black Rock Mining has the option to extend the contract term by an additional two years.

On 3 September 2024, Black Rock Mining signed a binding agreement with POSCO for a USD40m equity investment in Black Rock Mining in exchange for the offtake rights for the long-term fines for Mahenge Module 2. The equity investment, which is subject the final equity raise, is expected to take place via two tranches:

- Tranche 1: AUD9.0m investment in 155.3m shares at a price of AUD0.058, a 10% premium to the 10 day volume weighted average price, increasing POSCO's stake in Black Rock Mining from 10.1% to 19.99%.
- Tranche 2: The balance of POSCO's USD40m investment will be at the same price as other investors in the final equity raising to build Module 1 on the Final Investment Decision, capped at a maximum stake in Black Rock Mining of 19.99%.

The equity investment remains subject to regulatory approvals as well as confirmation all necessary funding to build Mahenge Module 1 is in place.

On 13 September 2024, Black Rock Mining signed a Facilities Agreement (**Agreement**) with DBSA, IDC and Tanzania's largest commercial bank, CRDB to provide USD179m in funding to develop the Project. The Agreement is subject to satisfaction of customary conditions precedent, which includes being subject to the finalisation of the equity raise. The Agreement comprises of:

- USD113m Construction Term Loan;
- USD20m Revolving Credit Facility (working capital);
- USD20m Cost Overrun Facility; and
- USD26m Bank Guarantee Facility (rehabilitation bonding).

The Agreement contains terms and conditions typical for facilities of this kind. The debt is contingent on the Project being fully funded.

On 26 July 2024, Grafiti Resources Pty Ltd was incorporated as a wholly owned subsidiary of Black Rock Mining and the entity is currently dormant.

Subsequent to year end, performance rights (nil exercise price) were converted into ordinary fully paid shares as follows:

| DATE | NUMBER |
|----------------|----------------|
| 17 July 2024 | 376,787 |
| 26 July 2024 | 176,619 |
| 13 August 2024 | 176,619 |
| TOTAL | 730,025 |

Effective 1 July 2024, 1,500,000 options (AUD0.224 per option) expired unexercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

30. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of material account policies.

Financial Position

| | 30 JUNE 2024 | 30 JUNE 2023 |
|--------------------------|-------------------|-------------------|
| | AUD | AUD |
| Assets | | |
| Current assets | 44,461,845 | 43,985,986 |
| Non-current assets | 16,429,853 | 15,255,286 |
| Total assets | 60,891,698 | 59,241,272 |
| Liabilities | | |
| Current liabilities | 1,018,824 | 1,322,531 |
| Non-current liabilities | 353,855 | 424,288 |
| Total liabilities | 1,372,679 | 1,746,819 |
| Equity | | |
| Issued capital | 122,901,779 | 111,535,841 |
| Retained earnings | (68,668,083) | (57,625,970) |
| Reserves | 5,285,323 | 3,584,582 |
| Total equity | 59,519,019 | 57,494,453 |

Financial Performance

| | 30 JUNE 2024 | 30 JUNE 2023 |
|---------------------------------|-------------------|------------------|
| | AUD | AUD |
| Loss for the year | 11,042,113 | 6,044,649 |
| Other comprehensive income | - | - |
| Total comprehensive loss | 11,042,113 | 6,044,649 |

Commitments and contingent liabilities are consistent with Notes 25 and 28.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2024

BASIS OF PREPARATION AND DETERMINATION OF TAX RESIDENCY

This Consolidated Entity Disclosure Statement has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Section 295(3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

| ENTITY NAME | ENTITY TYPE | BODY CORPORATE | | COUNTRY OF TAX RESIDENCE |
|-----------------------------------|----------------|--------------------------|-------------------------|--------------------------|
| | | COUNTRY OF INCORPORATION | % OF SHARE CAPITAL HELD | |
| Black Rock Mining Limited | Body Corporate | Australia | n/a | n/a |
| Mahenge Resources Limited | Body Corporate | United Kingdom | 100% | United Kingdom |
| Faru Graphite Corporation Limited | Body Corporate | Tanzania | 84% | Tanzania |
| Mahenge Resources Ltd | Body Corporate | Tanzania | 100% | Australia ⁽ⁱ⁾ |

- (i) Mahenge Resources Ltd is also a tax resident and complete annual tax lodgements in their country of incorporation, Tanzania, and meets all Tanzanian tax obligations.



DIRECTORS' DECLARATION

For the year ended 30 June 2024

DIRECTORS' DECLARATION

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For the Year Ended 30 June 2024

In accordance with a resolution of the Directors of Black Rock Mining Limited, I state that:

1. In the opinion of the Directors:
 - a. the financial statements and notes thereto of the Consolidated Entity are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - ii. complying with accounting standards and the *Corporations Act 2001*; and
 - b. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable; and
 - c. The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.
2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
3. The Directors have been given a declaration required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

On behalf of the Board



Richard Crookes

Chairman

20 September 2024



INDEPENDENT AUDITOR'S REPORT

For the year ended 30 June 2024

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Black Rock Mining Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to going concern

We draw attention to Note 1 in the financial report which indicates that the Group incurred net losses of AU\$10,604,359 (30 June 2023: AU\$9,347,559), and experienced net cash outflows from operating and investing activities of AU\$13,825,497 (30 June 2023: AU\$25,661,347) during the year ended 30 June 2024. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty relating to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|--|---|
| <p>Accounting for Exploration and Evaluation Assets</p> <p>As at 30 June 2024, the carrying value of exploration and evaluation assets amounts to \$52,596,115 including additions of \$6,026,584 as disclosed in Note 11.</p> <p>Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:</p> <ul style="list-style-type: none"> • treatment of exploration and evaluation expenditure during the year; <ul style="list-style-type: none"> ○ whether the conditions for capitalisation are satisfied; ○ which elements of exploration and evaluation expenditure qualify for capitalisation; and ○ whether the costs associated with exploration and evaluation expenditure are complete. • whether the carrying value of exploration and evaluation assets is recoverable; <ul style="list-style-type: none"> ○ the Group’s intention and ability to proceed with a future work program; ○ the likelihood of licence renewal or extension; and ○ the expected or actual success of resource evaluation and analysis. • the classification of Exploration & Evaluation Assets vs. Development Assets. | <p>Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the Group’s key controls over the capitalisation or expensing of exploration and evaluation expenditure; and • testing, on a sample basis, exploration and evaluation expenditure to confirm the nature of the costs incurred, and the appropriateness of the classification between asset and expense. • assessing the completeness of costs capitalised including those relating to the resettlement action plan. <p>Our procedures associated with the carrying value of exploration and evaluation assets included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the Group’s key controls relating to the identification of indicators of impairment; • evaluating management’s impairment indicator assessment, including consideration as to whether any events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable: <ul style="list-style-type: none"> ○ obtaining a schedule of the area of interest held by the Group and confirming whether the rights to tenure of that area of interest remained current at balance date; ○ holding discussions with management as to the status of ongoing exploration programs in the respective area of interest; and ○ assessing whether any facts or circumstances existed to suggest impairment testing was required. <p>Our procedures associated with the classification of Exploration & Evaluation Assets included, but were not limited to:</p> <ul style="list-style-type: none"> • holding discussions with management in relation to any commitments; • review of board minutes and contracts to assess whether these would indicate that a final investment decision has been made; and • performing subsequent events procedures to identify if any final investment decision has been made after the reporting date. <p>We also assessed the adequacy of the disclosures in Note 4 and 11 to the financial statements.</p> |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 39 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Black Rock Mining Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Penelope Pink
Partner
Chartered Accountants
Perth, 20 September 2024





ADDITIONAL ASX INFORMATION

ADDITIONAL ASX INFORMATION



Additional information required by the Australian Securities Exchange and shown elsewhere in this report is set out below. The information is current as at 3 September 2024.

Distribution – Ordinary Fully Paid Shares

| BLACK ROCK MINING LIMITED | | ORDINARY FULLY PAID SHARES (Total) | |
|---------------------------------|---------------|------------------------------------|---------------|
| Range of Units As Of 03/09/2024 | | Composition : ORD | |
| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
| 1 - 1,000 | 193 | 55,561 | 0.00 |
| 1,001 - 5,000 | 612 | 2,046,750 | 0.16 |
| 5,001 - 10,000 | 589 | 4,804,317 | 0.38 |
| 10,001 - 100,000 | 2,048 | 83,787,976 | 6.69 |
| 100,001 Over | 908 | 1,161,353,980 | 92.76 |
| Total | 4,350 | 1,252,048,584 | 100.00 |

Unmarketable Parcels

| | MINIMUM PARCEL SIZE | HOLDERS | UNITS |
|--|---------------------|---------|-----------|
| Minimum \$ 500.00 parcel at \$ 0.0550 per unit | 9,091 | 1,164 | 4,625,802 |

Voting Rights

The voting rights for each class of security on issue are:

Ordinary Fully Paid Shares

Each ordinary shareholder is entitled to one vote for each share held.

Options

The holders of Options have no rights to vote at a general meeting of the Company.

Performance Rights

The holders of Performance Rights have no rights to vote at a general meeting of the Company.

BLACK ROCK MINING LIMITED
ORDINARY FULLY PAID SHARES (Total)
Top Holders (Grouped) As Of 03/09/2024
Composition : ORD

| RANK | NAME | UNITS | % UNITS |
|---|--|--------------------|--------------|
| 1 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 132,326,847 | 10.57 |
| 2 | POSCO LTD | 126,020,001 | 10.07 |
| 3 | NORTHROCK CAPITAL PTY LTD <NORTHROCK CAPITAL UNIT A/C> | 57,912,347 | 4.63 |
| 4 | EYEON INVESTMENTS PTY LTD <EYEON INVESTMENTS FAMILY A/C> | 49,423,467 | 3.95 |
| 5 | CITICORP NOMINEES PTY LIMITED | 38,768,934 | 3.10 |
| 6 | JB TURNER MUD GUARDS PTY LTD | 26,757,428 | 2.14 |
| 7 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 19,465,383 | 1.55 |
| 8 | DANIEL TURNER CAPITAL PTY LTD <DANIEL TURNER FAMILY A/C> | 18,000,000 | 1.44 |
| 9 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 16,129,942 | 1.29 |
| 10 | MR CHIN YONG CHONG | 14,612,741 | 1.17 |
| 11 | WESTPARK OPERATIONS PTY LTD <WESTPARK OPERATIONS UNIT A/C> | 14,359,420 | 1.15 |
| 12 | SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C> | 13,851,778 | 1.11 |
| 13 | BNP PARIBAS NOMS PTY LTD | 13,008,862 | 1.04 |
| 14 | DANIEL TURNER HOLDINGS PTY LTD <DANIEL TURNER SUPERFUND A/C> | 12,889,413 | 1.03 |
| 15 | GASMERE PTY LTD | 11,602,661 | 0.93 |
| 16 | MR BASIL CATSIPORDAS | 11,550,000 | 0.92 |
| 17 | MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN | 8,532,500 | 0.68 |
| 18 | TISDELL FAMILY SUPER PTY LTD <TISDELL FAMILY SUPER A/C> | 8,060,000 | 0.64 |
| 19 | BRENT TURNER NEST EGG PTY LTD <BRENT TURNER SUPER A/C> | 6,845,446 | 0.55 |
| 20 | MR ANDREW ALASTAIR JONES + MRS JULIA VINCKX <WISHFUL THINKING S/F A/C> | 6,500,000 | 0.52 |
| Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total) | | 606,617,170 | 48.45 |
| Total Remaining Holders Balance | | 645,431,414 | 51.55 |

Substantial Shareholders

Substantial Shareholders as disclosed in substantial shareholder notices provided to the Company as at 3 September 2024.

| HOLDER | NUMBER OF ORDINARY SHARES | % OF SHARES |
|----------------------------|---------------------------|-------------|
| Copulos Group ¹ | 136,543,111 | 10.91 |
| POSCO ² | 126,020,001 | 10.07 |

¹ As lodged on 22 May 2024

² As lodged on 26 April 2024

Unquoted Securities

Set out below are the classes of unquoted securities currently on issue:

| NUMBER | HOLDERS | CLASS |
|------------|---------|---|
| 3,000,000 | 1 | Unlisted Options Expiring 25/10/2024 at AUD0.29 |
| 1,500,000 | 1 | Unlisted Options Expiring 26/04/2025 at AUD0.40 |
| 28,985,513 | 87 | Unlisted Options Expiring 19/06/2025 at AUD0.20 |
| 509,709 | 2 | Unlisted Options Expiring 30/06/2025 at AUD0.00 |
| 509,709 | 2 | Unlisted Options Expiring 30/06/2026 at AUD0.00 |
| 509,708 | 2 | Unlisted Options Expiring 30/06/2027 at AUD0.00 |
| 36,027,245 | 11 | Performance Rights |

Distribution – Unlisted Options Expiring 25/10/2024 at AUD0.29

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|------------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 0 | 0 | 0.00 |
| 100,001 Over | 1 | 3,000,000 | 100.00 |
| Rounding | | | 0.00 |
| Total | 1 | 3,000,000 | 100.00 |

1. Mining Securities Pty Ltd holds 3,000,000 Options, comprising 100.00 % of this class.

Distribution – Unlisted Options Expiring 26/04/2025 at AUD0.40

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|------------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 0 | 0 | 0.00 |
| 100,001 Over | 1 | 1,500,000 | 100.00 |
| Rounding | | | 0.00 |
| Total | 1 | 1,500,000 | 100.00 |

1. Mr Paul Raymond Sims holds 1,500,000 Options, comprising 100.00 % of this class.

Distribution – Unlisted Options Expiring 19/06/2025 at AUD0.20

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|-------------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 2 | 6,093 | 0.02 |
| 5,001 - 10,000 | 10 | 78,098 | 0.27 |
| 10,001 - 100,000 | 44 | 1,449,290 | 5.00 |
| 100,001 Over | 31 | 27,452,032 | 94.71 |
| Rounding | | | 0.00 |
| Total | 87 | 28,985,513 | 100.00 |

Distribution – Unlisted Options Expiring 30/06/2025 at AUD0.00

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|----------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 0 | 0 | 0.00 |
| 100,001 Over | 2 | 509,709 | 100.00 |
| Rounding | | | 0.00 |
| Total | 2 | 509,709 | 100.00 |

Distribution – Unlisted Options Expiring 30/06/2026 at AUD0.00

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|----------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 0 | 0 | 0.00 |
| 100,001 Over | 2 | 509,709 | 100.00 |
| Rounding | | | 0.00 |
| Total | 2 | 509,709 | 100.00 |

Distribution – Unlisted Options Expiring 30/06/2027 at AUD0.00

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|----------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 0 | 0 | 0.00 |
| 100,001 Over | 2 | 509,708 | 100.00 |
| Rounding | | | 0.00 |
| Total | 2 | 509,708 | 100.00 |

Distribution – Performance Rights

| RANGE | TOTAL HOLDERS | UNITS | % UNITS |
|------------------|---------------|-------------------|---------------|
| 1 - 1,000 | 0 | 0 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 1 | 97,087 | 0.27 |
| 100,001 Over | 10 | 35,930,158 | 99.73 |
| Rounding | | | 0.00 |
| Total | 11 | 36,027,245 | 100.00 |

On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

Securities Subject to Escrow

As at 3 September 2024 there are no securities currently subject to escrow.

Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: <https://blackrockmining.com.au/about-us/#corporate-governance>





ANNUAL MINERAL RESOURCES AND ORE RESERVES STATEMENT

ANNUAL MINERAL RESOURCES AND ORE RESERVES STATEMENT



Black Rock Mining Limited (the **Company** or **Black Rock Mining**) presents its Mineral Resource Statement as at 30 June 2024 for the Mahenge Graphite Project (the **Project**). There has been no change to the Mineral Resource and Ore Reserve previously disclosed.

The Company's Exploration Results, Mineral Resource and Ore Reserve estimates are reported in accordance with the ASX Listing Rules and the requirements and guidelines of the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves – the JORC Code. The Company's Mineral Resource and Ore Reserve estimates for 30 June 2024 are listed in the tables below.

As released on ASX on 3 February 2022 (*refer to ASX Announcement: Black Rock Mining confirms 25% increase in Measured Mineral Resource, now the largest in class globally*), following the completion of assays from the Company's 2019 infill metallurgical drilling and bulk sampling program, the JORC Compliant Mineral Resource Estimate and Ore Reserve at the Project was updated.

Those announcements contain the relevant statements, data and consents referred to in this Mineral Resource Statement. The Company is not aware of any other new information or data that materially affects the information included in this Mineral Resource Statement and confirms that the material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Mineral Resource Estimate Table as at 30 June 2024

| PROJECT | CATEGORY | TONNES | TGC | CONTAINED GRAPHITE |
|--------------------------|--------------|--------------|------------|--------------------|
| | | (MT) | (%) | (MT) |
| Mahenge Graphite Project | Measured | 31.8 | 8.6 | 2.7 |
| | Indicated | 84.6 | 7.8 | 6.6 |
| | Inferred | 96.7 | 7.4 | 7.2 |
| | TOTAL | 213.1 | 7.8 | 16.6 |

Note: Appropriate rounding applied

Ore Reserve Estimate Table as at 30 June 2024

| PROJECT | CATEGORY | TONNES | TGC | CONTAINED GRAPHITE |
|--------------------------|--------------|-------------|------------|--------------------|
| | | (MT) | (%) | (MT) |
| Mahenge Graphite Project | Proved | - | - | - |
| | Probable | 70.5 | 8.5 | 6.0 |
| | TOTAL | 70.5 | 8.5 | 6.0 |

Note: Appropriate rounding applied

Tenement Schedule as at 30 June 2024

| LICENCE TYPE | LICENCE NUMBER | TOTAL AREA | DATE GRANTED | EXPIRY DATE | BKT OWNERSHIP |
|------------------------|----------------|------------|--------------|-------------------------|---------------|
| | | (SQ KM) | | | (%) |
| Special Mining Licence | SML676/2022 | 34.96 | 09.09.2022 | 08.09.2048 | 84% |
| Prospecting Licence | PL12139/2022 | 108.46 | 23.12.2022 | 22.12.2026 | 84% |
| Prospecting Licence | PL10427/2014 | 111.33 | 02.12.2014 | 01.12.2023 [#] | 100% |

[#] Renewal in progress

Annual Mineral Resources and Ore Reserves Statement

Governance and Internal Controls

The Company's geology department have a set of guidelines and working practices to control the Mineral Resources and Ore Reserves estimation and reconciliation process, as well as the quality of the data used. The Company's risk management program includes assessment of the risks associated with the estimations of Mineral Resources and Ore Reserves and the controls in place to ensure that robust Resource and Reserve estimates are reported.

The Company, through its senior geological and mining engineering staff ensures that all Mineral Resource and Ore Reserve estimations are subject to appropriate levels of governance and internal controls. Exploration results are collected and managed by a competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management. Mineral Resource and Ore Reserve estimates are prepared by appropriately qualified Competent Persons. If there is a material change in the estimate of a Mineral Resource or Ore Reserve, the estimate and supporting documentation in question is reviewed by a suitably qualified Competent Person and announced to the ASX in accordance with the Listing Rules. The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the JORC Code 2012 Edition. The Company's Competent Persons are members of the Australasian Institute of Mining and Metallurgy (AUSIMM) and qualify as Competent Persons under the JORC Code 2012.

Competent Person Statement

The information in this report that relates to Mineral Resources prepared by Mr Lauritz Barnes, consultant with Trepanier Pty Ltd. Mr Barnes is a member of the Australian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The information in this report that relates to the Ore Reserve Statement, has been compiled by Mr Beng Ko, under the direction of Mr John de Vries and in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code – 2012 Edition). Mesrns de Vries and Ko are both employees of Black Rock Mining and members of the Australasian Institute of Mining and Metallurgy. Mr de Vries takes overall responsibility for this information. Mr de Vries holds securities in the Company. Mr de Vries has the requisite experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Mineral Resources and Ore Reserves.

The annual Mineral Resources and Ore Reserves Statement disclosed in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by a competent person or persons. The Mineral Resources and Ore Reserves Statement as a whole has been approved by John de Vries. Mr de Vries is a full-time employee of Black Rock Mining and holds securities in Black Rock Mining. Mr de Vries is a Member of the Australasian Institute of Mining and Metallurgy.

Mesrns Barnes, Ko and de Vries consent to the inclusion in this report of the matters based on the information in the form and context in which they appear.





BLACK ROCK
MINING LIMITED

Level 1
1 Walker Avenue
West Perth WA 6005
T: +61 (08) 6383 6200
blackrockmining.com.au