

Black Rock Commences Resettlement Activities at Mahenge Graphite Project

HIGHLIGHTS

- **Commencement of compensation process pursuant to the Mahenge Graphite Project Resettlement Action Plan**
- **Process will deliver a higher standard of living with vastly improved amenities, aligned with international standards and endorsed by the local communities and the Tanzanian Government**
- **Provides access on ground for potential start of early works program ahead of planned commencement of mine construction**

Tanzanian graphite developer **Black Rock Mining Limited (BKT: ASX) (Black Rock or the Company)** is pleased to announce that its 84% owned Tanzanian subsidiary, Faru Graphite Corporation (**Faru**), has commenced initial resettlement activities for its agreed Resettlement Action Plan (**RAP**) at the Mahenge Graphite Project.

Background

As part of project development activities, Black Rock has agreed to acquire land proximal to mining operations. This has been well communicated to all stakeholders as part of ongoing community and Environmental, Social and Governance (**ESG**) initiatives. Black Rock previously finalised field activities with Project Affected Persons (**PAPs**) associated with the Mahenge RAP (refer ASX Announcement 11 May 2020).

Black Rock's RAP program was completed in accordance with Tanzanian National Environmental Management Council guidelines and is legislated under the Environment Act of 2004, Mining Act of 2010, Land Act No.5 of 1999, Land acquisition Act of 1970 and Valuation and Valuers Registration no.7 of 2016. The process is designed to meet the International Finance Corporation's (**IFC**) Performance Standards on Social and Environmental Sustainability and Equator Principles (**EP**) and is a typically mandated condition precedent for debt funding and Mining Licenses.

Resettlement Action Plan Compensation

Black Rock, via Faru Graphite Corporation, has commenced the first tranche of the compensation process with PAPs who will be compensated, where appropriate, for the transition to better quality properties with vastly improved amenities. The initial payment will be \$US1.8m and covers priority areas required for the mill, dry tailings storage and open pits for planned Modules One and Two. The total compensation package is US\$7.9m including Top Ups required to meet IFC Performance Standard 4 and EP2 (Social Impact) and EP5 (Stakeholder Engagement) standards.

The resettlement process is expected to take up to 90 days, after which Faru will be able to access ground for the potential start of an early works program. The Company is continuing to progress the project financing process and sees the commencement of multilateral compliant resettlement compensation as a positive step toward completing financial closure ahead of a Final Investment Decision.

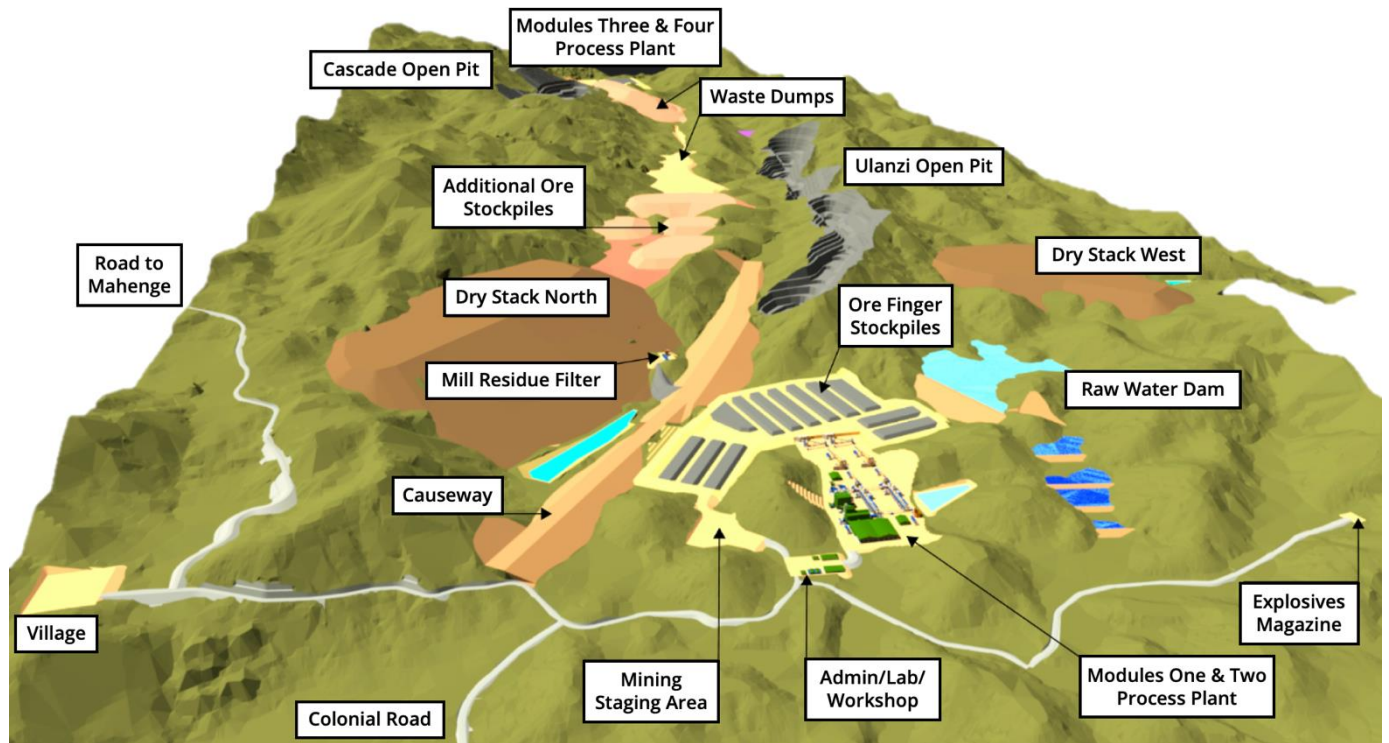


Figure 1 - Mahenge Graphite Project proposed mine site plan



Figure 2 - BKT MD/CEO John de Vries and Faru CEO Alimiya (Ali) Osman presenting the initial RAP payment ceremonial cheque to local village leaders and government officials

Commenting on the commencement of resettlement compensation, Black Rock CEO, John de Vries, said:

“Following our recent announcement regarding the Board and executive leadership of Faru Graphite Corporation, the Company continues to put in place the elements needed to progress a debt process, to support of development of the Mahenge Graphite Project.

It is very pleasing to commence the RAP compensation process after a very detailed planning process spanning several years of proactive and in-depth stakeholder engagement. This marks the start of a new and exciting journey to production. I commend all who have worked alongside us through this process and express my personal thanks for the effort you have put in.

Being able to deliver this RAP compensation process through our joint venture company, Faru Graphite Corporation, strongly highlights the transformative environment in Tanzania since the Company negotiated our Framework Agreement in December 2021.”

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

John de Vries, Managing Director & CEO

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About Black Rock

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX:**BKT**). The Company has an 84% interest in the world-class Mahenge Graphite Project (**Mahenge**) located in Tanzania. Mahenge has a JORC compliant Mineral Resource Estimate of 213m tonnes at 7.8% TGC. It also has Ore Reserves of 70m tonnes at 8.5% TGC. The Ore Reserves support a mine life of up to 350k tonnes of graphite per annum for a reserve life of 16 years. Since the release of the Mineral Resource Estimate, the Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource Estimate.

In October 2018, the Company released a Definitive Feasibility Study (**DFS**) for Mahenge. The DFS was enhanced (**eDFS**) in July 2019^{****} and demonstrates exceptional financial metrics including:

- *Low Capex*: Lowest peak capital expenditure of US\$116M for phase one*;
- *High Margin*: AISC margin of 63.1%;
- *Low Technical Risk*: Substantial pilot plant operations run of 600 tonnes; and
- *Superior Economics*: IRR of 44.8% with NPV_{10 nominal} of US\$1.5bn (A\$2.1bn^{**})

Black Rock is currently completing a FEED process (Front End Engineering Design) and re-estimating the capital and operating costs at Mahenge as part of financing process. The costs, process constraints and ESG are currently subject to peer review from an Independent Technical Expert (**ITE**) as part of this process. Black Rock will update the market once the ITE review is complete and updated estimates are finalised.

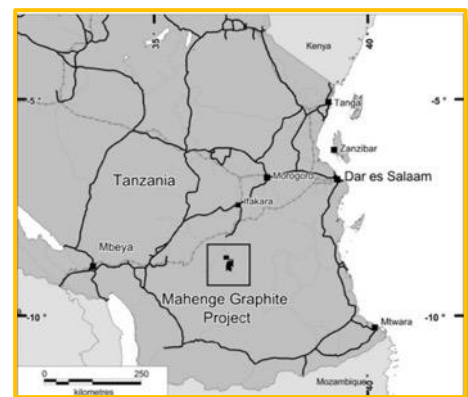
Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan with clear title to the eDFS project area.

In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of Mahenge. This included an equity investment of US\$7.5M, signed in February 2021, followed by an offtake agreement, with a US\$10M prepayment facility. In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming their 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licences into a Special Mining Licence (SML) and committed to jointly develop Mahenge. The Company is construction-ready subject to financing and issue of the SML.

The estimated Ore Reserves and Mineral Resources underpinning the production target has been prepared by competent persons in accordance with the requirements in Appendix 5A (JORC Code).

JORC Compliant Mineral Resource Estimate and Ore Reserve^{***}

Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	70.5	8.5	6.0
Total Ore Reserves	70.5	8.5	6.0
Mineral Resources			
- Measured	31.8	8.6	2.7
- Indicated	84.6	7.8	6.6
Total M&I	116.4	8.0	9.3
- Inferred	96.7	7.4	7.2
Total M, I&I	213.1	7.8	16.6



Location of Black Rock's Mahenge Graphite Project in Tanzania

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

* Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE

** \$AU/US 0.70

*** Resource Estimate as released to ASX on 3 February 2022: BKT Confirms 25% increase in Measured Resources and Ore Reserve Estimates as released to ASX on 8 August 2017: BKT delivers Exceptional Optimised PFS. All material assumptions underpinning the Resource Estimate and Ore Reserve Estimate continue to apply and have not materially changed.

**** Refer ASX announcement released on 25 July 2019. All material assumptions underpinning the eDFS continue to apply and have not materially changed. BKT is currently completing a FEED process and re-estimating the capital and operating costs at Mahenge as part of financing process and will update the market once complete

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