

## Black Rock Mining Granted Mining Licence for Mahenge Graphite Mine

### HIGHLIGHTS

- Black Rock Mining's 100% owned Tanzanian subsidiary Mahenge Resources has been granted two contiguous mining licenses ML 00668/2018 and ML 00669/2018 for development of the Mahenge Graphite Mine
- Combined area of the two mining licenses is 19.68 km<sup>2</sup> covering the entire Mahenge Graphite Mine project development program consistent with DFS released on 24 October 2018
- Mining licence also includes Epanko area and intermediate areas considered as prospective for extensional mineralisation not included in DFS mine development
- Licences are normal mining licences with a term of 10 years before mandatory renewal

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) ("Black Rock" or "the Company") is pleased to announce that its 100% owned Tanzanian subsidiary Mahenge Resources has been granted by the Mining Commission of the Tanzanian Ministry of Minerals, two contiguous mining licences, ML 00668/2018 and ML 00669/2018, over the Mahenge Graphite Mine development area. The Mining Licences compliment the Environmental Permit that was awarded on 5 September 2018.

Subject to the completion of detailed engineering and financing, Black Rock Mining is now in a position to commence construction of the Mahenge Graphite Mine that has the following exceptional financial metrics:

Post-tax, unlevered NPV <sub>10</sub>	US\$895m
Post-tax, unlevered IRR	42.80%
Capex for Phase One (83k tonnes per annum)	US\$115m (including 10% contingency)
Capex for Phase Two (83k tonnes per annum)	US\$69.5m (including 10% contingency)
Capex for Phase Three (83k tonnes per annum)	US\$84.2m (including 10% contingency)
Life of Mine C1 Costs, FOB Dar	US\$401 /t
Life of Mine All in Sustaining Costs, FOB Dar*	US\$473 /t
Concentrate basket FOB Dar es Salaam**	USD \$1,301/t
Life of Mine	32 years
Average steady state production rate	250k tonnes per annum
Total Life of Mine Concentrate production	6.6m tonnes
Ore reserves	70m tonnes @ 8.5% TGC
Reserve life	23 years
Resources	212m tonnes @ 7.8% TGC

\* AISC includes all post start up capex including module 2&3 expansion

\*\*Basket is LOM average price for 97.5% LOI sized concentrate packed in 1 tonne bulka bags

**Commenting on the significance of the granting of Mining Licences, Black Rock Mining CEO, John de Vries, said** “This milestone is a significant step in delivering the Mahenge Graphite Mine. Licencing gives all stakeholders comfort that Tanzania wants this project to be developed. Securing the Mining Licences is the final step in allowing us to obtain financing to construct the Mine.



We remain convinced this is the most compelling graphite development project globally. We have best in class financial metrics supported by a 90 tonne pilot plant delivering eight tonnes of product to over 20 global customers, the only project capable of delivering a concentrate grade of over 99% without the use of acid, the second largest graphite reserve supporting a 32 year mine life at 250k tonnes per annum with a study underway to increase this, best in class logistics supported by rail to the largest port in the region, and binding offtakes for up to 205k tonnes per annum in our third year of operation.

Our next steps are to close out ongoing financing discussions and to complete the detailed engineering to enable the commencement of construction.”

**For more information:**

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## About Black Rock Mining

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX:BKT). The Company has a 100% interest in the Mahenge Graphite Project (the "Project") located in Tanzania. The Project has a JORC compliant Mineral Resource Estimate of 212m tonnes at 7.8% TGC. It also has Reserves of 70m tonnes at 8.5% TGC. The Reserve supports a mine life of 250k tonnes of graphite per annum for 25 years. Since the release of the Resource Estimate, the Company confirms that it is not aware of any new information or data that materially affects the resources estimate.

In October 2018, the Company released a Definitive Feasibility Study for the Project demonstrating exceptional financial metrics including:

- *Low Capex:* Lowest peak capital expenditure of US\$115M for phase one;
- *High Margin:* AISC margin of 63.6%;
- *Low Technical Risk:* Substantial pilot plant run of 90 tonnes delivering eight tonnes of product; and
- *Superior Economics:* IRR of 42.8% with NPV<sub>10</sub> of US\$895m

Following release of the DFS, the Company confirms that it is not aware of any new data or information that materially affects the results of the DFS and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In January 2019 the Company announced it had substantially sold out of production with up to 205k tonnes of graphite subjected to binding offtakes in year three of production. In February 2019 it also announced receipt of its mining licence for the DFS project.

The Company is currently progressing financing discussions and detailed engineering with a view to commencing construction of the mine in 2019.

<b>JORC Compliant Mineral Resource Estimate and Reserve</b>			
<b>Reserves</b>	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	70	8.5	6.0
<b>Total Reserves</b>	<b>70</b>	<b>8.5</b>	<b>6.0</b>
<b>Resources</b>			
- Measured	25.5	8.6	2.2
- Indicated	88.1	7.9	6.9
<b>Total M&amp;I</b>	<b>113.6</b>	<b>16.5</b>	<b>9.1</b>
- Inferred	98.3	7.6	7.4
<b>Total M, I&amp;I</b>	<b>211.9</b>	<b>7.8</b>	<b>16.6</b>



Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit [www.blackrockmining.com.au](http://www.blackrockmining.com.au)