

## Black Rock signs MOU with POSCO for Mahenge Module 2 offtake for BKT investment of up to US\$40m

### HIGHLIGHTS

- **Non-binding MOU signed with Strategic Alliance Partner, POSCO comprising:**
  - **POSCO to secure long-term fines offtake for Mahenge Module 2**
  - **Subject to POSCO approval, POSCO to provide an additional equity investment in BKT of up to US\$40m, or a stake of 19.99% in BKT (whichever is lower)**
  - **Explore additional opportunities for POSCO and BKT to cooperate further to develop an Inflation Reduction Act compliant anode supply chain**
- **Assuming a binding agreement can be reached, the proceeds from POSCO's investment in BKT would be applied to the construction of Mahenge Module 1**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX: **BKT**) (**Black Rock**, **BKT** or the **Company**) is pleased to announce that it has signed a non-binding Memorandum of Understanding agreement (**Agreement**) with Strategic Alliance Partner, POSCO International Corporation (**POSCO**), in relation to the long-term fines offtake of graphite concentrate from Module 2 of the Mahenge Graphite Project (the **Project** or **Mahenge**).

### Module 2 Fines Offtake MOU Agreement

The Agreement envisages the long-term supply of fines graphite from planned production of Mahenge Module 2 in exchange for an additional POSCO investment in BKT, subject to POSCO approval, of up to US\$40m or an equity stake of 19.99% (whichever is lower). Negotiations are underway to secure a binding agreement.

The Agreement builds on the strategic partnership between Black Rock and POSCO which is working towards developing the Mahenge Graphite Project to provide a significant new source of natural graphite into a highly dependent global market driven by clean energy demand. Importantly, the Agreement also signals further de-risking of the Company's funding strategy to develop Mahenge.

### Commenting on the Agreement with POSCO on Module 2, Black Rock CEO, John de Vries, said:

*"We are extremely pleased to be further deepening our relationship with POSCO and we believe today's announcement represents a strong endorsement of the promising future of the Mahenge Graphite Project.*

*POSCO's confirmed interest in Mahenge Module 2 also represents a major de-risking milestone for the Company, providing increased confidence for all of our stakeholders as well as improved visibility on funding and our pathway to production."*



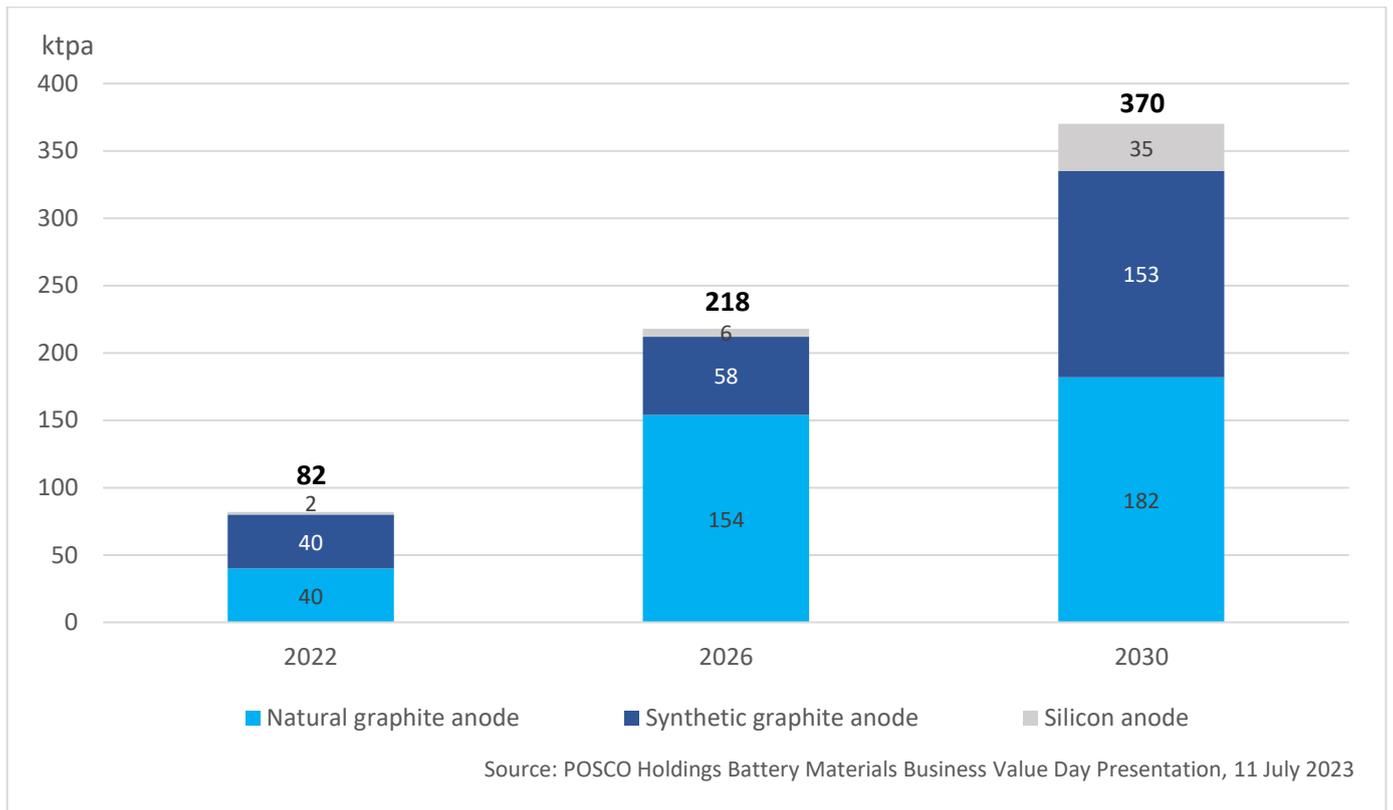
**Photos – The MOU Signing Ceremony in Dar es Salaam on 1 September 2023. Attendees from POSCO International, the Government of Tanzania, Black Rock Mining and Faru Graphite Corporation, the Tanzanian JV which holds the Mahenge Graphite Project (84% Black Rock Mining, 16% Govt of Tanzania)**

**Black Rock Mining Ltd**  
ACN 094 551 336  
ASX: BKT

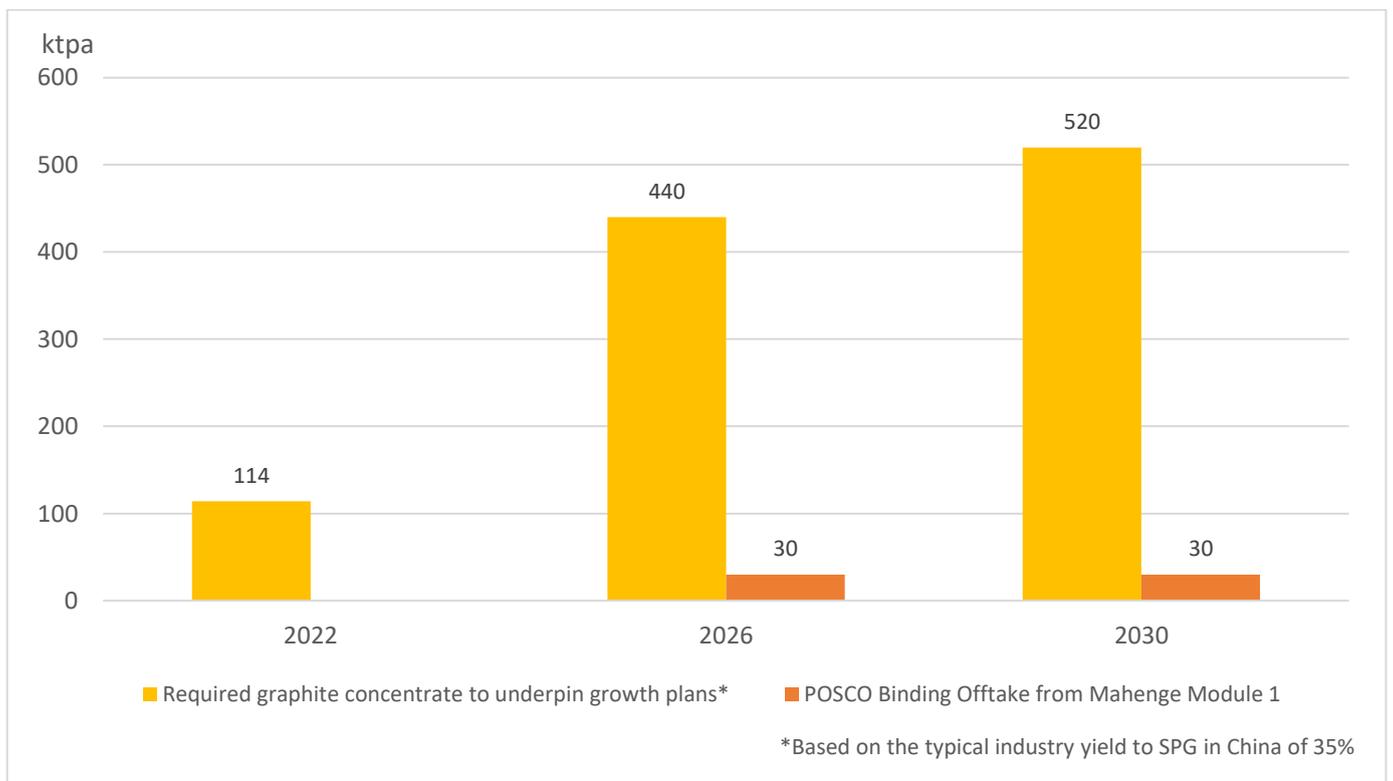
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Dar es Salaam, Tanzania

**Directors**  
Richard Crookes Chairman  
John de Vries Managing Director & CEO  
Ian Murray Non-Executive Director



**Figure 1 - POSCO Future M's growth plans for its anode business**



**Figure 2 - POSCO Future M's required graphite concentrate to support its natural graphite anode growth plans**

**About POSCO**

POSCO Holdings Inc is a large South Korean steel conglomerate with a market capitalisation of over US\$32bn with a large and growing battery materials business. POSCO Holdings Inc's 60%-owned battery business is called POSCO Future M Co., Ltd (previously known as POSCO Chemical). POSCO Future M Co., Ltd produces both cathodes and anodes and in 2022 was the world's largest anode producer outside China. POSCO Future M Co., Ltd plans to grow its anode business from 82ktpa in 2022 to 370ktpa by 2030. POSCO International Corporation is South Korea's largest trading company, is 71%-owned by POSCO Holdings Inc and is responsible for securing raw materials for the group.

In July 2023, POSCO Holdings held its 2<sup>nd</sup> Annual POSCO Group Battery Materials Business Value Day. A video of the presentation is available here: <https://www.youtube.com/watch?v=GFwivqfKXhU>

**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. In October 2018, the Company released a Definitive Feasibility Study (**DFS**) for Mahenge. This was enhanced (**eDFS**) in July 2019 (ASX Announcement 25 July 2019). 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, Black Rock announced a Strategic Alliance with POSCO for the development of Mahenge. This included an equity investment of US\$7.5M, signed in February 2021, followed by an offtake agreement for the fines for Module 1 (32% of volume) plus a US\$10M prepayment facility. POSCO signed the full form Offtake agreement for the fines for Module 1 and full form US\$10M prepay agreement in May 2023. POSCO has also signed an MOU for 6ktpa of large flake graphite from Module 1 (7% of volume) increasing POSCO's offtake interest to almost 40% of Module 1.

In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming a 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licences into a Special Mining Licence (**SML**). The SML for Mahenge was issued in September 2022. The Company is now construction-ready subject to financing.

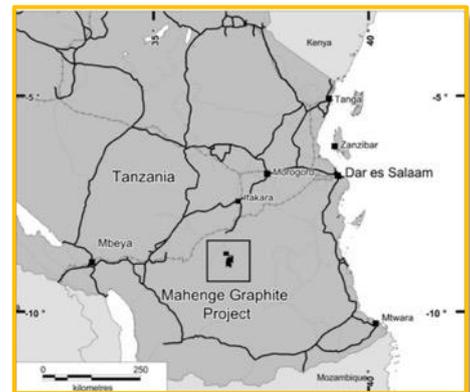
Black Rock completed a FEED process (Front End Engineering Design) in September 2022, re-estimating the capital and operating costs for Mahenge as part of the eDFS Update<sup>1</sup>. The eDFS Update confirmed Mahenge as a robust project with attractive returns. Key project metrics comprise:

- *Tier 1 Scale:* Mahenge has a resource of over 200mt and the 2<sup>nd</sup> largest graphite reserve globally
- *Modular development approach:* Module 1 Capex of US\$182m<sup>2</sup>;
- *1<sup>st</sup> quartile on the global cost curve:* Adjusted C1 Cash cost of US\$359/t<sup>3</sup>
- *Attractive projected returns:* Unlevered IRR post-tax, post free carry of 36%<sup>4</sup>
- *Substantial upside potential:* NPV<sub>10 nominal</sub> post-tax, post free carry of A\$2.1bn or US\$1.4bn<sup>4</sup>

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<sup>5</sup>

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

1 Refer market announcement dated 10 October 2023: Black Rock Completes Front End Engineering Design, Reconfirming Mahenge as Tier 1 scale project with compelling projected returns. The Company confirms that all the material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original market announcement continue to apply and have not materially changed.

2 Excludes US\$33m for the power line upgrade on behalf of TANESCO, the Tanzanian Govt power authority. This outlay is essentially a prepayment of power costs, which are expected to be ~US8c/kWh less a meaningful rebate to recoup the power line cost. Forecast Capex has been classified as a Class 2 estimate with accuracy of ±10% as defined by AACE.

3 Adjusted for larger proportion of higher value large flake compared to global peers. Access to low-cost, hydro-dominated grid power is one of BKT's key competitive advantages.

4 Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

5 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. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources or Ore Reserves in the original market announcements continue to apply and have not materially changed.