

# **BLACK ROCK PROGRESSES FREE CARRIED INTEREST NEGOTIATIONS WITH GOVERNMENT OF TANZANIA**

## **HIGHLIGHTS**

- **Black Rock progresses formal negotiations on Free Carried Interest with a Draft Framework Agreement received from Government of The United Republic of Tanzania**
- **Mahenge Graphite Project expected to generate significant benefits for all stakeholders**

**Tanzanian graphite developer Black Rock Mining Limited** (ASX:BKT) (**Black Rock** or the **Company**) is pleased to announce, that further to the announcement on 29 April 2020, that it has progressed formal negotiations to resolve the structure and nature of the Free Carried Interest (**FCI**) with the Government of the United Republic of Tanzania (**Tanzanian Government**).

Formal negotiations have commenced and a Draft Framework Agreement (**DFA**), as prepared by the Tanzanian Government, has been received by Black Rock. The DFA is currently being reviewed. The Company continues to work constructively with the Tanzanian Government and is pleased with the progress made to date, however, as at the date of this announcement, the Company is unable to provide any indication as to if or when these negotiations will be successfully concluded.

This development follows other recent milestones achieved with the completion of the Resettlement Action Plan (**RAP**) field activities, initiation of due diligence by TIB Development Bank, and the signing of a Strategic Alliance and Development MOU with POSCO Group.

Development of the Mahenge Graphite Project will provide significant economic and social benefits for Tanzania driven by the creation of full-time jobs, direct contribution to the Tanzanian economy, and new opportunities for Tanzanian businesses including ports, rail and power supply.

Black Rock is focused on resolving the FCI agreement with the Tanzanian Government, which is a critical step in achieving financing conditions precedent.

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

John de Vries, Managing Director & CEO

### **For more information:**

John de Vries  
**Chief Executive Officer**  
**Black Rock Mining**  
+61 438 356 590  
[jdvd@blackrockmining.com.au](mailto:jdvd@blackrockmining.com.au)

Elvis Jurcevic  
**Investor Relations**  
**irX Advisors**  
+61 408 268 271  
[ej@irxadvisors.com](mailto:ej@irxadvisors.com)

## About Black Rock Mining

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX:BKT). The Company currently 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 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 the Project, which was based on strong customer demand. This DFS was enhanced 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 110 tonnes; and
- *Superior Economics*: IRR of 44.8% with NPV<sub>10</sub> of US\$1.16bn (A\$1.65bn\*\*).

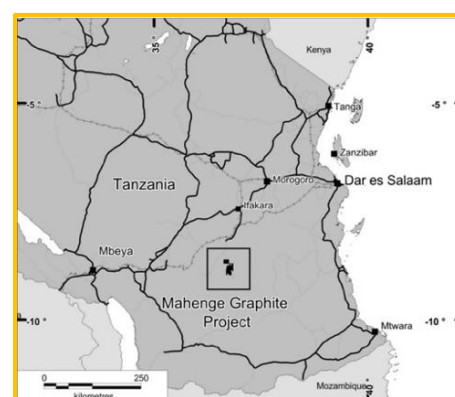
Following release of the Enhanced DFS in July 2019, the Company confirms that it is not aware of any new data or information that materially affects the results of the Enhanced DFS and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

In February 2019, the Company announced receipt of its mining licence for the DFS Project. In May 2019, the Company announced it had substantially allocated planned production with up to 255k tonnes per annum of graphite committed to sale by year three of production, through Pricing Framework Agreements.

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

### 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	8.5	6.0
<b>Total Ore Reserves</b>	<b>70</b>	<b>8.5</b>	<b>6.0</b>
Mineral Resources			
- 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>8.1</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)

\* Forecast Capex has been classified as a Class 3 estimate with accuracy of  $\pm 10\%$  as defined by AACE  
 \*\* \$AUD/USD 0.70