

JUNE 2019 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Binding Offtake Pricing Framework Agreements delivered**
- **Enhanced Definitive Feasibility Study**
- **Mahenge ranked in Top 5 Development Projects Globally by Mining Journal**
- **Industry leading concentrate grades replicated at China pilot plant**
- **Ongoing positive financing activity**
- **Battery pre-cursor spheronising trial underway**
- **Board and management teams strengthened**
- **Patersons Securities initiates coverage on BKT**
- **Corporate Social Responsibility activities ongoing ahead of Project Development**

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) ("Black Rock" or "the Company") is pleased to provide its June 2019 Quarterly activities report.

Binding Offtake Pricing Framework Agreements Delivered

On 8th May 2019, Black Rock announced that it had agreed a framework for the determination of pricing in offtake agreements, which are now only dependent on the type and quality of the graphite product to be supplied to each offtaker.

In addition, the Company also secured an additional two new offtake customers for its 100% owned Mahenge Graphite Project with Qingdao Yujinxi New Energy Materials (supply graphite concentrate of up to 20k tonnes per annum by year three), and with Yantai Jinyuan Mining Machinery Co Ltd to (supply up to 30k tonnes per annum by year three).

Product demonstration at the 18 tonne pilot plant operations in China during March 2019 (ASX announcement 3 April 2019) proved Black Rock's capability to produce Mahenge brand premium flake graphite concentrate. This resulted in pricing framework being agreed with four of five offtake partners. The pricing framework is displayed in Table 1 and associated volume in Table 2.

Table 1 | Offtake Pricing Framework *

| | Regular | Premium | Ultra |
|---|----------------|----------------|----------------|
| Nominal Graphite Grade (TGC) | 94.5% - 95.5% | 97.5% - 98.25% | >99% |
| CIF China (ex-duty) (US\$/tonne) | \$1,117 | \$1,490 | \$2,161 |

| | | | |
|---|--|--|--|
| Reference exchange rate | RMB/USD 6.71 | | |
| Rise & fall pricing reference US\$/tonne | 95% TGC - #100 mesh Benchmark Minerals \$950/t as at Nov 2018 | | |

*pricing as released in ASX announcement 08 May 2019

*

Black Rock Mining Ltd
 ACN 094 551 336
 ASX:BKT

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 45 Ventnor Avenue
 West Perth, WA 6005
 Ph: +61 8 9389 4415
 E: info@blackrockmining.com.au

Tanzanian Office
Mahenge Resources Ltd
 Msasani Towers
 Second Floor Wing B
 Dar es Salaam
 Ph +255 719 382 631

Directors
 Richard Crookes
 John de Vries
 Gabriel Chiappini
 Ian Murray

Table 2 | Committed Offtake Volumes by Customer *

| | Year 1 | Year 2 | Year 3 |
|------------------------------------|-----------------------|-----------------------|----------------|
| Heilongjiang Bohao | 20,000 ⁽¹⁾ | 50,000 | 90,000 |
| Qingdao Fujin⁽²⁾ | 10,000 ⁽¹⁾ | 15,000 | 15,000 |
| Taihe Soar | 20,000 ⁽¹⁾ | 55,000 ⁽¹⁾ | 100,000 |
| Qingdao Yujinxi | 20,000 | 20,000 | 20,000 |
| Yantai Jinyuan | 15,000 | 30,000 | 30,000 |
| TOTAL | 85,000 | 170,000 | 255,000 |

(1) Volume has been updated from Black Rock's previous ASX announcement on volume 7 January 2019

(2) pricing to be finalised

** as per ASX announcement 08 May 2019*

Enhanced Definitive Feasibility Study

Black Rock released its Mahenge Graphite Project DFS on 24th October 2018. This study was subsequently enhanced during the June 2019 Quarter to include a fourth production module, compressed development schedule and increased schedule contingency through the introduction of a power redundancy option. Development timing is subject to financing as well as confirmation and documentation of the 16% Tanzanian government free carried interest.

The enhanced Definitive Feasibility Study (eDFS) (refer ASX release dated 25 July 2019) was completed in response to product demand and feedback from customers and financial markets for a more aggressive production schedule and de-risked commissioning plan. Results were announced after the Quarter end but are summarised herein. The eDFS includes the provision for a fourth production module of 85k tonnes per annum, increasing total steady state production to 340,000 – 350,000 tonnes per annum. The development schedule considers four production modules each coming online annually after the first module, rather than three modules, every two years in the original DFS.

Product from Module Four remains uncommitted, creating capacity for industry cornerstone participation in the project development. Black Rock's immediate focus remains on the continued progression on financing discussions for development of Module One, as well as progressing discussions and documentation the 16% Tanzanian government free carried interest.

The Mahenge Graphite Project business model is scalable in that capacity can be added incrementally via the Four Modules which ensures we do not over capitalise the asset with excessive redundant capacity, but can respond to changes in demand, in an effective and efficient manner. This approach ensures the asset is not developed unless market demand is present.

Table 3 | Summary of DFS Financial Metrics – October 2018 vs Enhanced July 2019

| MAHENGE DEFINITIVE FEASIBILITY STUDY FINANCIAL METRICS | | |
|--|--|--|
| Metric | Oct 2018 DFS | Jul 2019 Enhanced DFS |
| Post-tax, unlevered NPV ₁₀ | US\$895m | US\$1.16bn |
| Post-tax, unlevered IRR | 42.80% | 44.80% |
| Forecast Capex for Module 1 *** (85k tonnes per annum; includes 10% contingency) | US\$115M (excludes HV Power Connection Provision) | US\$116M (excludes HV Power Connection Provision) |
| Forecast Capex for Module 2 ***# (85k tonnes per annum; includes 10% contingency) | US\$69.5M | US\$69.5M |
| Forecast Capex for Module 3 ***# (85k tonnes per annum; includes 10% contingency) | US\$84.2M | US\$85.3M |
| Forecast Capex for Module 4 ***# (85k tonnes per annum; includes 10% contingency) | n/a | US\$67.1M |
| Forecast Total Project Capex | US\$268.7 | US\$337.4 |
| Life of Mine C1 Costs, FOB Dar | US\$401/t | US\$397/t |
| Life of Mine All in Sustaining Costs, FOB Dar* | US\$473/t | US\$494/t |
| Concentrate basket FOB Dar es Salaam** | US\$1,301/t | US\$1,301/t |
| Life of Mine | 32 years | 26 years |
| Average steady state production rate | 250k tonnes per year | 340k tonnes per year |
| Total Life of Mine Concentrate production | 6.6M tonnes | 7.4M tonnes |
| Ore reserves | 70M tonnes @ 8.5% TGC*** | 70M tonnes @ 8.5% TGC**** |
| Reserve life | 23 years | 16 years |
| Resources | 212M tonnes @ 7.8% TGC**** | 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
 *** Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE
 **** Total Graphitic Carbon by Loss on Ignition
 # Forecast to be funded from internal cash flow

Mahenge Ranked in Top 5 Development Projects Globally by Mining Journal

On 24th June 2019 prestigious industry publication Mining Journal released their Project Pipeline Handbook which ranked Black Rock's Mahenge Graphite Project in the top five development stage projects globally. Mining Journal used a robust ranking methodology that includes assessment of project economics, geology, engineering, confidence and jurisdiction. The relevant page from the Project Pipeline Handbook is on the next page of this report.

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Mahenge



THE NUMBERS

| | |
|---------------------------------------|-------------------|
| OP/UG | OP |
| LIFE (YEARS) | 32 |
| COMPANY | Black Rock Mining |
| EXISTING PRODUCER | No |
| MARKET CAPITALISATION (USD MILLIONS) | 40.68 |
| PRIMARY LISTING | ASX |
| CEO/MD | John De Vries |
| JURISDICTION | Tanzania |
| COMMODITY | Graphite |
| ANNUAL PRODUCTION (TONNES) | 250,000 |
| CASH AND EQUIVALENTS (USD) | 890,685 |
| COMMODITY PRICE ASSUMPTION (\$/TONNE) | 1,301 |
| BY-PRODUCT | N/A |
| CAPEX (USD MILLIONS) | 115 |
| OPEX (\$/TONNE) | 401 |
| POST-TAX NPV (USD MILLIONS) | 895 |
| POST-TAX IRR % | 42.8 |
| DISCOUNT RATE % | 10 |
| MATURITY (PFS/BFS; OR EQUIVALENT) | DFS |
| STUDY AGE | 2018 |
| PROVEN TECHNOLOGY | Yes |
| RESOURCE (CONTAINED; M&I) (MT) | 9.1 |
| RESOURCE GRADE (%) | 8.1 |
| OWNERSHIP (%) | 100 |

THE RATINGS

| | |
|-------------------------|-----------|
| ECONOMICS | 9.3 |
| JURISDICTION | 4.2 |
| CONFIDENCE | 7.9 |
| FINANCEABILITY | 7.0 |
| GEOLOGY | 8.5 |
| ENGINEERING | 10.0 |
| SCORE OUT OF 100 | 78 |



Black Rock Mining's Mahenge graphite development is in Tanzania's Ulanga district, some 250km north of the border with Mozambique, 250km west of a coastal port, and 300km southwest of Tanzania's largest city, Dar es Salaam.

The definitive feasibility study from last year outlined a three-stage construction schedule to ultimately deliver up to 250,000 tonnes per annum of 98.5% graphite concentrate for 32 years.

Black Rock chief executive John de Vries has described the operation in full flight as a "stunning business" and the headlining economics certainly back that up. The NPV is just short of \$900 million with up-front capital requirements of just \$115 million. The IRR comes back at more than 40%.

Some may be hesitant around Tanzania as a jurisdiction, though much of the angst appears restricted to the gold sector.

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Industry Leading Concentrate Grades Replicated at China Pilot Plant

Final metallurgical performance results were released in April 2019 from steady state operations at the 18 tonne Chinese pilot plant test work (refer ASX release dated 23 April 2019). The industry leading results replicated and improved upon the Company's 90 tonne pilot plant test work performed in Canada in April 2018 (ASX 11th April 2018).

Table 4 | Summary of 18 tonne China Pilot Plant Testworks at Steady State Operation – April 2019

| Product | Particle size | Individual segment reporting | Fixed carbon grade* | Cumulative size distribution |
|-------------|---------------|------------------------------|---------------------|------------------------------|
| Concentrate | +32 | 0.4% | 98.75% | 0.4% |
| | -32+50 | 9.6% | 98.73% | 10.0% |
| | -50+80 | 33.0% | 98.72% | 43.0% |
| | -80+100 | 13.2% | 98.69% | 56.2% |
| | -100 | 43.9% | 98.62% | 100.0% |
| | Total / Ave | 100.00% | 98.67% | |

* Total Graphitic Carbon by Loss on Ignition method

Ongoing Positive Financing Activity

Black Rock Mining has appointed Ironstone Capital as its specialist Financial Advisor to co-ordinate and accelerate progress on financing the Mahenge Graphite project. Ironstone has consolidated existing and established new financing pathways with relevant banks and other potential sources of debt and industry finance.

The Ironstone Capital appointment is in direct response to the number of inbound financing proposals and structures presented to Black Rock in addition to options instigated by the Black Rock management team. A number of options are being pursued, including project level equity, conventional African-domiciled debt financing, convertible/hybrid structures and offtake-related financing proposals. Our focus remains on identifying the least dilutive option for our Shareholders.

Ironstone Capital brings extensive experience in structured mining finance internationally, and have significant experience in the China market which is highly relevant to Black Rock's Mahenge Graphite project. Assessment of opportunities is ongoing.

Battery Pre-Cursor Spheronising and Purification (SPG) Trial Underway

Approximately 700kg of sub #80 mesh material from the 18 tonne March 2019 Pilot Plant run was directed to a commercial scale spheronising and purification trial. The objective of the trial was to validate SPG yield to final products from laboratory trials, which are typically conducted using small jet mills, and to establish productivity parameters at scale in industry standard commercial sized cascade mills. Black Rock will also use the trial to validate "value in use" advantages to further differentiate Mahenge fines from other product brands on the market.

The sample was split in two with one portion being purified using acids, the other portion was purified thermally. The idea in using two purification paths is to compare both paths for SPG yields and residual chemistry. Final results are expected in the September 2019 quarter.

Increased Board and Management Teams Strengthened

The Company announced the appointments of Ian Murray as a Non-Executive Director, and Jeffrey Dawkins as Chief Financial Officer and Joint Company Secretary on 2 May 2019. These appointments will support the Company in operational readiness with respect to financing, development and ultimately production for the Company's Mahenge Graphite Project in Tanzania.

Patersons Securities initiates coverage

Patersons Securities initiated coverage on Black Rock in May with a speculative buy rating and a 12-month target price of 24 cents.

Investment Highlights

- Black Rock Mining Limited (BKT) is an ASX-listed graphite developer, focused on advancing its 100% owned Mahenge Graphite Project, located in south-central Tanzania. The company completed a Definitive Feasibility Study (DFS) on the Mahenge Graphite Project which highlighted strong economics supported by two successful and significant pilot plants (90 kt and 18 kt) underscoring the strong technical approach by the management team, and the company's willingness to demonstrate repeatability of laboratory trials on a larger scale. We are initiating coverage on BKT with a Speculative Buy rating and a \$0.24/share valuation
- **Mahenge: a globally significant project.** Mahenge has a delineated JORC-compliant Mineral Resource of 211.9 Mt at 7.8% total graphitic content (TGC). Importantly, BKT has the second largest JORC Mineral Reserve globally with 69.6 Mt at 8.5% TGC, with 6 Mt of contained graphite. The Mahenge DFS which included a post-tax NPV10 of USD\$895 million with a post-tax internal rate of return (IRR) of 42.8%, inclusive of the Tanzanian government's 16% free carry
- **Geographical and logistics advantage.** The Mahenge Graphite Project is located proximal to key infrastructure including grid power 60km from site and a railway line that feeds directly to the Port of Dar es Salaam. BKT's access to the rail and port enhances logistics and helps to underpin a long-term, low cost operation
- **Leveraging graphite expertise.** The Company has secured the services of CPC Engineering and Yantai Jinyuan Group, a major Chinese mining machinery group, to design and build the process plant, both of whom have significant experience in graphite and Africa-specific skills
- **Funding Mahenge a near term challenge.** Phase 1 of Mahenge is expected to cost US\$115m. The DFS staged development approach is positive in that Stages 2 and 3 can be funded via Stage 1 cash flows. Successful sell down of a stake in the Mahenge Graphite Project would provide a read through valuation for BKT and would provide further credibility to the project
- **Valuation: \$0.24/share.** Our BKT valuation is based on a discounted cash flow analysis of the Mahenge Graphite Project development, risk weighted at 50%. We assume Mahenge is financed with 50% debt and 50% equity.

Corporate Social Responsibility activities ongoing

Mahenge Resources, under its Corporate Social Responsibility program, continued to drive programs engaging with and supporting the local community. In May 2019, we partnered with the community in Ulanga District, Tanzania to support school children by providing 6.5 tons of maize and 1.1 tons of beans to primary and secondary schools in the District. This in addition to ongoing support for food and other essentials for the Mahenge Orphanage, a program Black Rock Mining's 100% owned Tanzanian subsidiary has supported since 2017.

Mahenge Resource yawekezwa milioni 100/- wilayani Ulanga

Mtanzania 13 May 2019 +5 more Na MWANDISHI WETU

KAMPUNI ya Mahenge Resources Ltd inayojihusisha na uchimbaji wa madini ya



MSAADA: Makamu wa Rais wa Kampuni ya Mahenge Resources Ltd, Hekima Raymond, akikabidhi msaada wa mahindi kwa mmoja wa wanafunzi wa Shule ya Msingi Kisewe iliyopo Wilaya ya Ulanga mkoani Morogoro hivi karibuni.

Kinywe (Graphite), imetumia zaidi ya Sh milioni 110 kwa huduma mbalimbali za kijamii kupitia utaratibu wake wa kusaidia maendeleo ya jamii wilayani Ulanga mkoani Morogoro, kwa kipindi cha miaka minne.

Makamu wa Rais wa Kampuni ya hiyo, Hekima Raymond, alisema kampuni hiyo kupitia mpango wake wa kusaidia maendeleo ya jamii, imeunga mkono jitihada za Serikali na wananchi wa wilaya hiyo za kuboresha maisha ya kizazi kipya kwa kutoa tani 6.3 za mahindi na tani 1.1 za maharage kwa shule za msingi na sekondari wilayani humo.

Naye Mkuu wa Wilaya ya Ulanga, Ngollo Malenya, aliishukuru kampuni hiyo kwa

In the lead up to project financing, the company continues to maintain healthy and positive dialogue with local Authorities and potentially affected communities. The company remains committed to supporting our local communities where possible through programs directed at supporting our host communities.

Ends

For more information:

John de Vries
Chief Executive Officer
Black Rock Mining

+61 438 356 590
 jdv@blackrockmining.com.au

Elvis Jurcevic
Investor Relations
irX Advisors

+61 408 268 271
 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 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 resources estimate.

In 24 October 2018, the Company released a Definitive Feasibility Study (DFS) for the Project, which was based on strong customer demand. This was enhanced in July 2019 (refer ASX release dated 25 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 NPV₁₀ of US\$1.16bn (A\$1.65bn**)

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 255,000 tonnes per annum of graphite committed to sale by year three of production, through Pricing Framework Agreements. The company is progressing these agreements into binding offtake commitments.

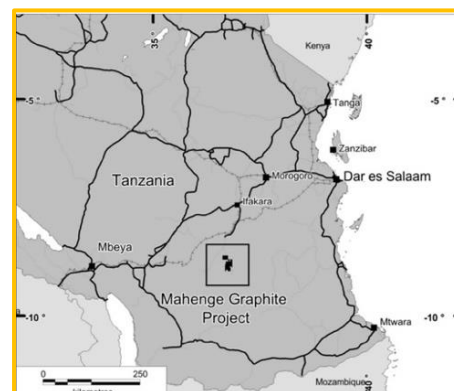
Following release of the DFS on 24 October 2018, the Company confirms that it is not aware of any new data or information that materially affects the results of the eDFS and in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the eDFS market announcement continue to apply and have not materially changed.

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

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

JORC Compliant Mineral Resource Estimate*** and Ore Reserve***

| Ore Reserves | Tonnes (Mt) | Grade (% TGC) | Contained Graphite (Mt) |
|---------------------------|--------------|---------------|-------------------------|
| - Proven | 0 | 0.0 | 0.0 |
| - Probable | 69.6 | 8.5 | 6.0 |
| Total Ore Reserves | 69.6 | 8.5 | 6.0 |
| Mineral Resources | | | |
| - Measured | 25.5 | 8.6 | 2.2 |
| - Indicated | 88.1 | 7.9 | 6.9 |
| Total M&I | 113.6 | 8.1 | 9.1 |
| - Inferred | 98.3 | 7.6 | 7.4 |
| Total M, I&I | 211.9 | 7.8 | 16.6 |



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

** \$AUD/USD 0.70

***Resource and Ore Reserve Estimates as released to ASX on 8 August 2017 Optimised PFS

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

| | |
|-----------------------|--|
| Name of entity | Black Rock Mining Limited |
| ABN | Quarter ended ("current quarter") |
| 59 094 551 336 | 30 June 2019 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (982) | (3,283) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (231) | (594) |
| (e) administration and corporate costs | (476) | (1,934) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 1 | 7 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (1,688) | (5,804) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (8) | (38) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|--|----------------------------|--|
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | 295 |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other – Security deposit | - | (4) |
| 2.6 | Net cash from / (used in) investing activities | 8 | 253 |
| | | | |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 6,000 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | (380) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 0 | 5,620 |
| | | | |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,554 | 1,788 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,689) | (5,805) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (8) | 253 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 0 | 5,620 |
| 4.5 | Effect of movement in exchange rates on cash held | 0 | 1 |
| 4.6 | Cash and cash equivalents at end of period | 1,857 | 1,857 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 1,858 | 448 |
| 5.2 | Call deposits | - | 3,106 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,857 | 3,554 |

| 6. | Payments to directors of the entity and their associates | Current quarter \$A'000 |
|-----|--|----------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 57 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Payments relate to executive director salary, non- executive director, company secretarial and corporate administration fees.

| 7. | Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|-----|--|----------------------------|
| 7.1 | Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 | Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

N/A

| 8. | Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|--|--|---|
| 8.1 | Loan facilities | - | - |
| 8.2 | Credit standby arrangements | - | - |
| 8.3 | Other (please specify) | - | - |
| 8.4 | Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

N/A

| 9. | Estimated cash outflows for next quarter | \$A'000 |
|------------|---|----------------|
| 9.1 | Exploration and evaluation | 557 |
| 9.2 | Development | - |
| 9.3 | Production | - |
| 9.4 | Staff costs | 340 |
| 9.5 | Administration and corporate costs | 390 |
| 9.6 | Other (provide details if material) | 0 |
| 9.7 | Total estimated cash outflows | 1,287 |

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------------|---|--|---------------------------|---|-----------------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | - | - | - | - |

11. Performance securities

| 11.1 Unlisted options | |
|--|---------------|
| Class | Number |
| Options \$0.10: expiring 31 August 2020 | 25,000,000 |
| Options \$0.20: expiring 19 April 2020 | 5,000,000 |
| Options \$0.10: expiring 31 October 2021 | 1,000,000 |
| Options \$0.10: expiring 7 November 2021 | 13,000,000 |
| Options \$0.10: 18 December 2021 | 3,000,000 |
| Options \$0.07: 9 July 2021 | 5,000,000 |
| Options \$0.20: 14 March 2021 | 5,000,000 |
| Options \$0.15: 1 May 2022 | 6,000,000 |

Upon exercise, each unlisted option converts to one (1) ordinary share in Black Rock Mining Limited.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Print name: Jeffrey Dawkins (Chief Financial Officer & Company Secretary)

29 July 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. The Company undertakes that it will disclose the following in each annual report, annual audited accounts, half-yearly report and quarterly cash flow report issued by the Company, in respect of any period during which the Performance Shares remain on issue or are converted or redeemed.
 - (a) The number of Performance Shares on issue during the relevant period.
 - (b) A summary of the terms and conditions of the Performance Shares, including without limitation the number of ordinary shares into which the Performance Shares are convertible and the relevant milestones that have to be satisfied in order for the Performance Shares to be converted.
 - (c) Whether any of the Performance Shares were converted or redeemed during that period.
 - (d) Whether a milestone for the Performance Shares was met during that period.
 - (e)