

# DECEMBER 2024 QUARTERLY ACTIVITIES REPORT

## HIGHLIGHTS

- **Key regulatory approvals received for POSCO's US\$40m equity investment in Black Rock, including:**
  - Foreign Investment Review Board (FIRB) approval secured; and
  - Fair Competition Commission (FCC) of Tanzania approval secured
- **Approval received from Bank of Tanzania for the US\$179m in debt facilities agreed with DBSA, IDC and CRDB**
- **Ms Ursula Phillips appointed as Non-Executive Director of Black Rock**
- **The Black Rock AGM was held on 25 November 2024 with all resolutions carried**
- **A\$2.1m cash at bank at 31 December 2024**

**Tanzanian graphite developer Black Rock Mining Limited** (ASX: BKT) (**Black Rock** or the **Company**) is pleased to provide an update on activities at its Mahenge Graphite Project (**Mahenge** or the **Project**) in Tanzania for the quarter ending 31 December 2024 (the **Quarter**).

### Appointment of Non-Executive Director, Ursula Phillips

On 1 October 2024, Black Rock announced the appointment of Ms Ursula Phillips as Non-Executive Director.

Ms Phillips has over a decade's experience in the executive management of major organisations spanning technology, operations and risk, and more than twenty years' in complex program management and transformation.

Ms Phillips is Co-Founder and Executive Director of Batea Consulting which provides digital, risk and cyber capabilities to organisations experiencing high growth and transformation. Ms Phillips' prior experience includes tenure as Chief Technology Officer for Tattarang, owner of Wyloo Metals and Squadron Energy, Chief Information Officer at PepsiCo ANZ and Chief Information / Chief Risk Officer at Real Pet Food Company.

Ms Phillips graduated in 2003 with BA Hons Politics from the University of Newcastle-upon-Tyne and is a Graduate of the Australian Institute of Company Directors.

### Commenting on Ms Phillips appointment, Black Rock Chairman, Richard Crookes, said:

*"We are delighted to welcome Ursula to the Board of Black Rock as a Non-Executive Director. Ursula is an experienced corporate executive with a wide and unique skill set which will be invaluable to the Company as we transition to the development of the Mahenge Graphite Project."*

## Update on the Partner Process

During the Quarter, the Company continued to work with its debt and equity advisors in relation to project funding, and in parallel, the Company continued discussions on alternate financing opportunities, including potentially bringing in a partner at the Project level as a less dilutive option than equity.

While potential partner discussions continued during the Quarter, there can be no guarantee an outcome will be achieved in the partner process.

## Regulatory Approvals

During the Quarter, the Company received confirmation of approval from FIRB and FCC for POSCO International Corporation's (**POSCO**), agreed US\$40m equity investment in Black Rock.

As announced on 3 September 2024, the Company has executed a binding agreement with POSCO pursuant to which POSCO has agreed to invest US\$40m in Black Rock (**Subscription Agreement**). In exchange, Faru Graphite Corporation Limited (**Faru**) (the 84% subsidiary of Black Rock and 100% owner of the Mahenge Graphite Project) agreed to grant POSCO the long-term fines offtake of graphite concentrate from Module 2. Proceeds from POSCO's investment are proposed to be used to fund the development of Module 1 of the Mahenge Graphite Project, which POSCO has previously secured offtake for 100% of fines graphite produced.

Faru and POSCO have also executed a marketing agreement which grants POSCO the non-exclusive right to market large flake graphite produced by Faru to purchasers located outside of China. POSCO will be paid a commission for sales arranged by it and may also acquire small flake graphite on commercial terms where it wishes to trade that product. The marketing agreement is terminable by either party in the event the voting power of the POSCO Group in Black Rock falls below 10%.

The Subscription Agreement and associated marketing and offtake agreements remain subject to shareholder approval and confirmation of all necessary funding to build Module 1 of the Mahenge Graphite Project.

During the Quarter, the Company also received approval from the Bank of Tanzania for the US\$179m in debt facilities agreed with DBSA, IDC and CRDB. As announced on 16 September 2024, Black Rock and Faru have executed a Facilities Agreement with DBSA, IDC and CRDB to provide US\$179m in funding to develop the Mahenge Graphite Project. The Facilities Agreement includes four facilities and contains terms and conditions typical for facilities of this kind. The key terms are summarised in Schedule 1 in Black Rock's ASX announcement on 16 September 2024.

The last remaining regulatory approvals obtained during the Quarter took longer than expected and, subject to a Final Investment Decision, the Company is now planning to begin construction of the Mahenge Graphite Project in 2025, delaying first production from Module 1 into 2027.

## Environment, Social and Governance (ESG)

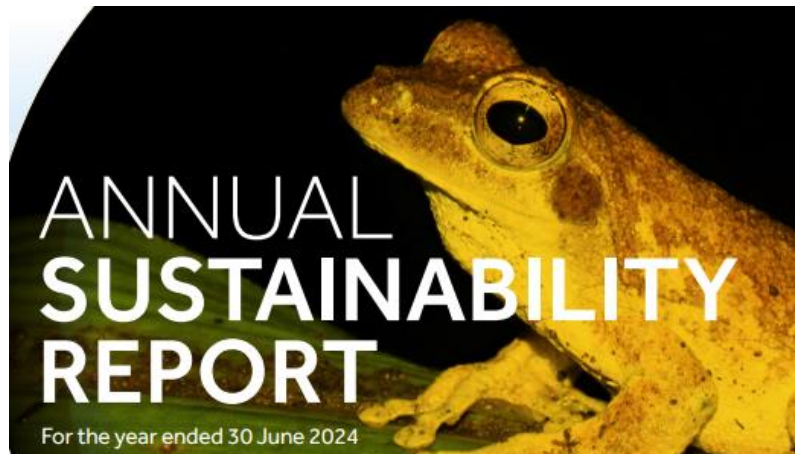
ESG activity undertaken during the Quarter included the area site survey with the Tanzanian Forest Service Agency (**TFS**) for the detailed tree survey.

The Environmental and Social Impact Assessment (**ESIA**) for the Idenke Settlement area (in the Ulanga District Council) was approved by the National Environment Management Council (**NEMC**) and certified by the Minister.

The Corporate Social Responsibility Plan for calendar year 2025 has been approved by the Ulanga District Council as per the Mining (Corporate Social Responsibility) Regulations 2023 and is with the Minister for endorsement. The Local Content plan was also approved by the Mining Commission in November 2024.

A copy of Black Rock's first Annual Sustainability Report was completed in September 2024 and is available on our website:

<https://blackrockmining.com.au/sustainability/>



### Tanzania Local Activities

On 24 December 2024, the Tanzanian Deputy Prime Minister and Minister of Energy, Dr. Doto Biteko, confirmed that five of the nine turbines have now been switched on for the 2,115MW Julius Nyerere Hydropower Plant (**JNHPP**)<sup>1</sup>, adding 1,175 MW to the national grid.

#### Image 1: The 2.1GW Julius Nyere Hydropower Plant – Third turbine switched on



Source: <https://dailynews.co.tz/jnhpp-dodoma-shift-tz-realises-nyereres-vision/>

<sup>1</sup> Source: <https://dailynews.co.tz/2024-joy-as-jnhpp-safe-from-effects-of-rains-bitekoadds-1000mw-to-national-grid/>

The JNHPP is expected to generate a total of 2,115 MW from nine turbines, each with a capacity of 235 MW. As of December 2024, overall construction progress has reached 99.6 per cent complete.

JNHPP was funded by the Government of Tanzania at a cost of 6.55 trillion Tanzanian Shillings (~US\$2.7bn). Prior to the commissioning of JNHPP, grid power in Tanzania was ~40% hydroelectricity / ~60% gas-fired power. Once JNHPP is running at full capacity the percentage of grid power made up by hydroelectricity is expected to increase to up to 60-70%, which has the potential to make Black Rock's Mahenge graphite products some of the lowest carbon emissions per tonne in the world.

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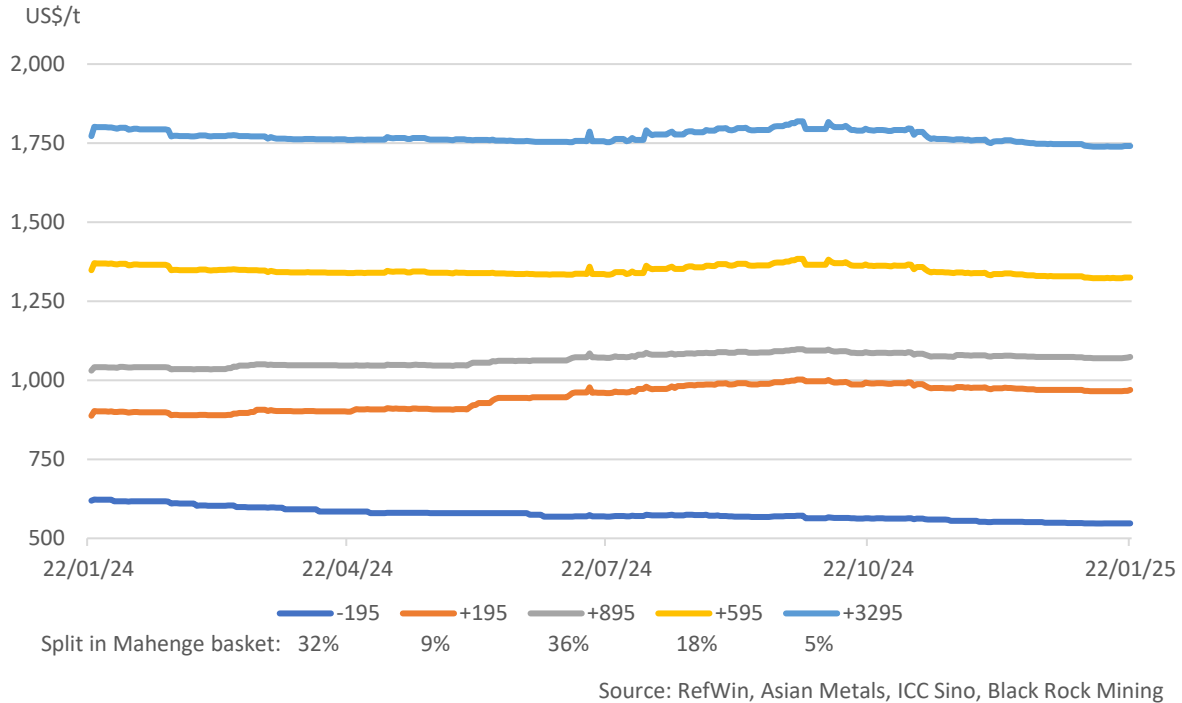
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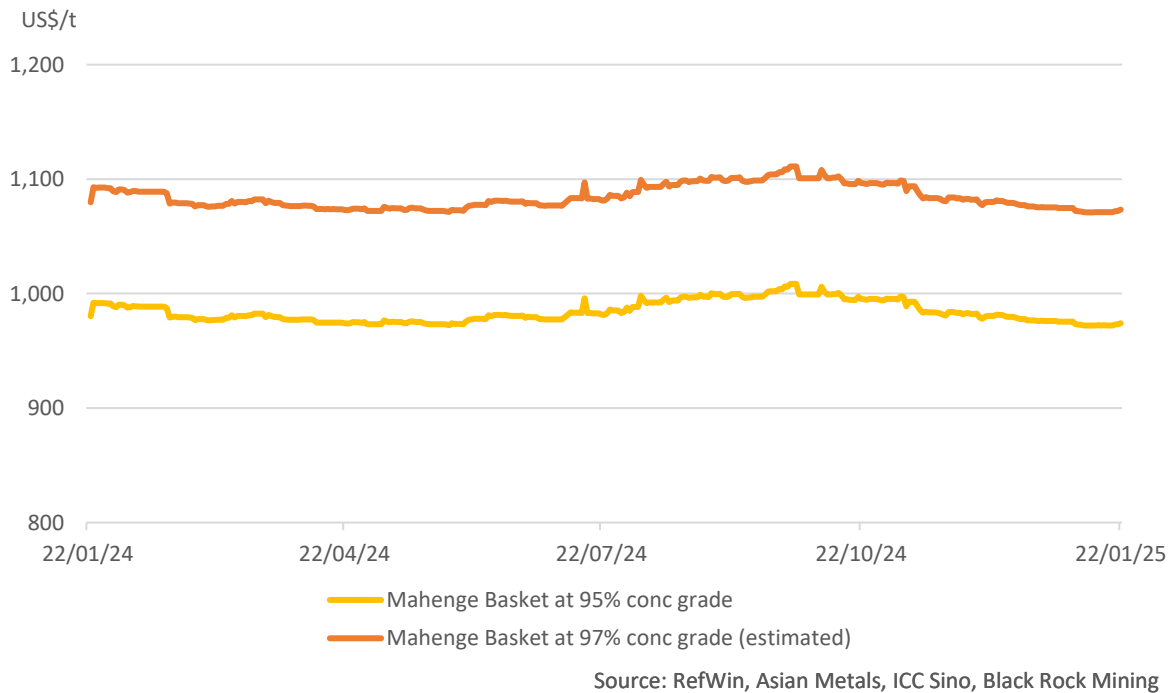
Chairman  
Managing Director & CEO  
Non-Executive Director  
Non-Executive Director

## Graphite Market

Mahenge's basket price (shown in Figure 2) has been relatively steady over the last 12-months, as the continued fall in -195 prices (fines) has been more than offset by an improvement in +195 and +895 prices. Figure 3 shows this recent trend in more detail.



**Figure 1 – Graphite Prices over last 12-months for Mahenge's five products**



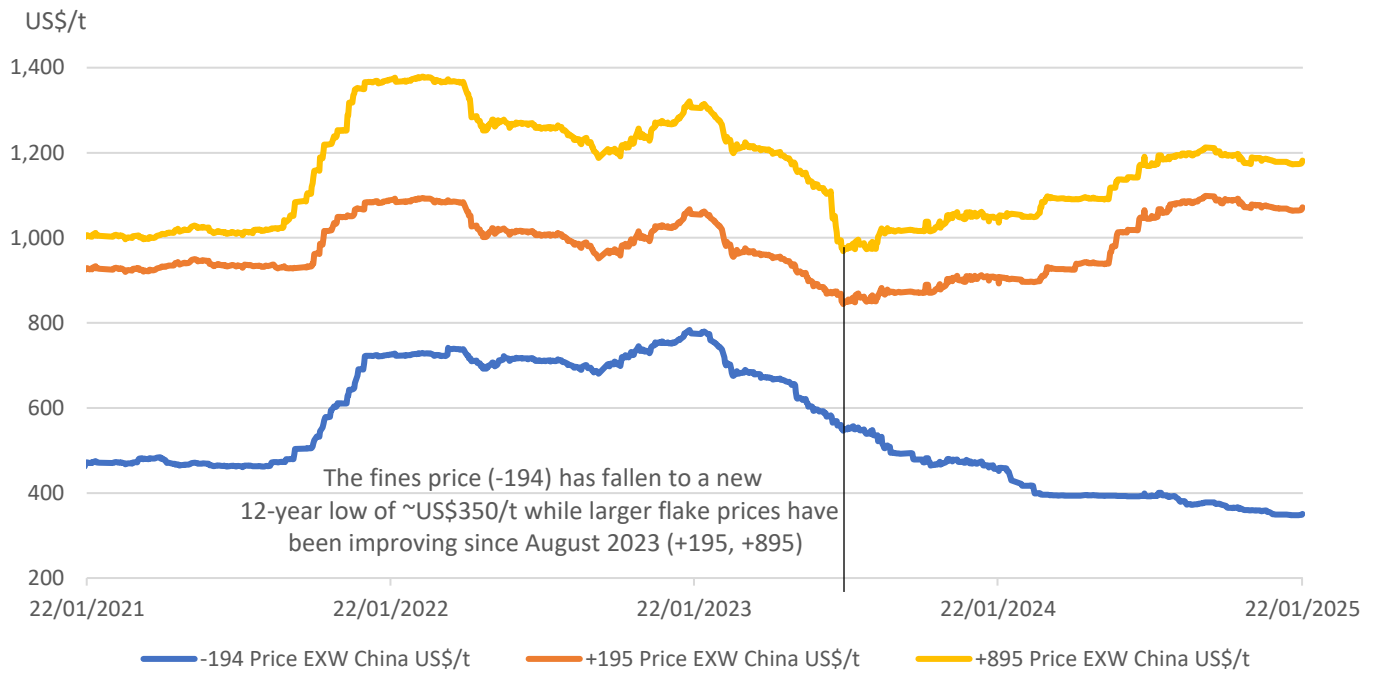
**Figure 2 – Graphite Prices over last 12-months for Mahenge's basket**

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 John de Vries Managing Director & CEO  
 Ian Murray Non-Executive Director  
 Ursula Phillips Non-Executive Director



**Figure 3 – Flake graphite prices over last 4 years (Asian Metals)**

### Capital Management

The Company had cash reserves of A\$2.1m and no drawn debt at 31 December 2024.

### Payments to, or to an associate of, a related party of the entity during quarter.

During the Quarter A\$180,000 was paid to related parties of the Company relating to executive director salary, non-executive director fees and company secretary fee.

### Summary of the exploration expenditure incurred during the Quarter

	A\$'000
Consulting	194
Site Costs	317
Tenement Administration	281
ESIA	197
RAP	11
<b>Total</b>	<b>1,000</b>

**Tenement summary**

License number	Opening	Additions	Disposals	Closing
PL 10427/2014*	100%	-	-	100%
SML 676/2022*	84%	-	-	84%
PL 12139/2022*	84%	-	-	84%

\* Located in the Mahenge region of Tanzania. No farm-in or farm-out agreements were entered into during the Quarter.

In accordance with ASX Listing Rule 5.3, the Company confirms that there were no substantive mining production and development activities undertaken during the Quarter.

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

John de Vries, Managing Director & CEO

**For more information:**

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## Forward looking statements disclaimer

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “estimate”, “target”, “outlook”, and other similar expressions and include, but are not limited to, the timing, outcome and effects of the financing process. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this release speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

## Competent Person(s) Statement

The information in this report that relates to estimates of Mineral Resources and Ore Reserves has been extracted from the Company's ASX announcements released on 3 February 2022 titled “BKT Confirms 25% increase in Measured Resources.” The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources or Ore Reserves in the original market announcement continue to apply and have not materially changed.

## Production Target

The information in this report that relates to a production target, or forecast financial information derived from a production target has been extracted from the Company's ASX announcement released on 10 October 2022 titled “Black Rock Completes FEED and eDFS Update”. The Company confirms that all material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original announcement continue to apply and have not materially changed.

## About POSCO

POSCO Holdings Inc is a large South Korean steel conglomerate with a market capitalisation of over US\$20bn 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 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.



## 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 July 2019 (ASX announcement 25 July 2019), the Company released an enhanced Definitive Feasibility Study (**eDFS**) for Mahenge. Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan.

In June 2020 Black Rock announced a Strategic Alliance with POSCO for the development of Mahenge, including an equity investment of US\$7.5m, followed by an offtake agreement for the fines for Module 1 (32% of volume) plus a US\$10m prepayment facility. POSCO has also signed an MOU for 6ktpa of large flake graphite (7% of volume) increasing POSCO's offtake interest to almost 40% of Module 1. In September 2024, POSCO approved its US\$40m equity investment in Black Rock and secured the fines offtake for Mahenge Module 2.

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.

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*: Initial Capex of US\$231m<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 Company is now construction-ready subject to securing the balance of funding. On 16 September 2024, Black Rock announced that it had signed the Facilities Agreement for US\$179m in facilities with DBSA, IDC and CRDB.

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).

<b>JORC Compliant Mineral Resource Estimate and Ore Reserve<sup>5</sup></b>			
<b>Ore Reserves</b>	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>
<b>Mineral Resources</b>			
- 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)

<sup>1</sup> Refer market announcement dated 10 October 2022: 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.

<sup>2</sup> Includes US\$182m for Module 1 capex + US\$33m for power line + US\$16m for early works and other costs (not included in the eDFS Update). Power line capex plus interest to be recouped over the first 4 years of the project and power costs expected to be ~US8c/kWh. Forecast Capex is classified as a Class 2 estimate with accuracy of ±10% as defined by AACE.

<sup>3</sup> 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.

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

<sup>5</sup> 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.

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 Ursula Phillips Non-Executive Director

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

#### Name of entity

Black Rock Mining Limited

#### ABN

59 094 551 336

#### Quarter ended ("current quarter")

31 December 2024

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(819)	(1,723)
	(e) administration and corporate costs	(444)	(1,315)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	27
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	- Project financing	(722)	(1,304)
	- Marketing	(7)	(31)
	- Foreign subsidiary costs	(361)	(676)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,346)</b>	<b>(5,022)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation	(1,000)	(2,024)

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 Richard Crookes  
 John de Vries  
 Ian Murray  
 Ursula Phillips

Chairman  
 Managing Director & CEO  
 Non-Executive Director  
 Non-Executive Director



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,000)</b>	<b>(2,026)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>5,394</b>	<b>9,099</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<b>(2,346)</b>	<b>(5,022)</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,000)	(2,026)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	98	95
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,146</b>	<b>2,146</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,160	1,373
5.2	Call deposits	789	3,824
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Cash backing credit cards	100	100
	- Cash backing lease	97	97
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,146</b>	<b>5,394</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	180 <sup>1</sup>
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

1. *Payments relate to executive director salary, non-executive director fees and company secretary fees.*

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	222,000	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	222,000	-
7.5	<b>Unused financing facilities available at quarter end</b>		222,000 <sup>(i)</sup>
	(i) Drawdown is subject to various conditions precedent, including contributing the required Project equity prior to first drawdown.		
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 10px;"> <p>Lenders:</p> <ul style="list-style-type: none"> <li>• The Development Bank of Southern Africa</li> <li>• The Industrial Development Corporation of South Africa</li> <li>• CRDB Bank</li> </ul> <p>USD153m (AUD222m) in Facilities comprising:</p> <ul style="list-style-type: none"> <li>• Term Loan Facility USD113m (AUD164m)</li> <li>• Revolving Credit Facility USD20m (AUD29m)</li> <li>• Cost Overrun Facility USD20m (AUD29m)</li> </ul> <p>The interest on each facility is based on the Secured Overnight Financing Rate (<b>SOFR</b>) plus a margin as set out below:</p> <ul style="list-style-type: none"> <li>• Term Loan Facility:               <ul style="list-style-type: none"> <li>▪ Prior to Project Completion: SOFR +8%</li> <li>▪ Post Project Completion: SOFR + 6.5%</li> </ul> </li> <li>• Revolving Credit Facility SOFR + 6%</li> <li>• Cost Overrun Facility SOFR + 9.25%</li> </ul> <p>All facilities have a tenor of approximately 7.5 years (91 months from Final Investment Decision).</p> <p>Loan repayments are to be quarterly and commence after 3.5 years, Bullet payment of any amount outstanding at maturity.</p> <p>Customary for debt facilities of this nature, including contributing the required Project equity prior to first drawdown and implementation of technical, environmental and social actions.</p> </div>		



<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,346)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,000)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,346)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,146
8.5 Unused finance facilities available at quarter end (item 7.5)	-(i)
8.6 Total available funding (item 8.4 + item 8.5)	2,146
(i) Unused finance facilities as per 7.5 amounts to AUD222m. This funding cannot be drawn down until successful completion of all conditions precedent, including contributing Project equity prior to first draw down.	
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.64
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer:</p> <p>Cash flows for the next quarter are expected to reduce below the current level of net operating cash flows due to reduced expenditure on the environmental studies and the project development as these components of the pre-funding phase are winding down as the Company continues to progress towards a Final Investment Decision.</p>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer:</p> <p>Yes, the Company continues to work with its equity and debt advisers as it progresses the Mahenge Graphite Project for a Final Investment Decision which necessarily includes initiatives to raise development capital (both debt and equity). The Company has signed a binding subscription agreement for POSCO's US\$40m equity investment (<b>Subscription Agreement</b>) subject to conditions precedent including shareholder approvals as well as confirmation all necessary funding to build Mahenge Module 1 is in place.</p> <p>In addition, the Company and its 84%-owned Tanzanian subsidiary, Faru Graphite Corporation Limited has entered a Facilities Agreement (<b>Facilities Agreement</b>) with DBSA, IDC and CRDB to provide US\$179m in funding to develop Mahenge. The Facilities Agreement is subject to satisfaction of customary conditions precedent.</p>	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p>Answer:</p> <p>Yes, refer to 8.8.1 and 8.8.2 above.</p>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## 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.

Date: 29 January 2025

Authorised by: .....The Board.....

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.