

UNDERWRITTEN NON-RENOUCEABLE ENTITLEMENT OFFER

HIGHLIGHTS

- Fully Underwritten Entitlement issue on the basis of 1 New Share for every 16 Shares held to raise gross proceeds of AUD\$1.65m at an Issue Price of \$0.042 per Share
- Offer includes 1 free attaching option for every 1 share subscribed, exercisable at \$0.084 within 3 years from the date of issue
- Fully Underwritten by Lazarus Corporate Finance Pty Ltd
- Major shareholder, the Copulos Group has committed to apply for its full entitlement (approximately 22.3% of the Company being AUD\$0.365 million) in the Offer, a strong show of support from the Company's largest shareholder
- Funds raised from the Offer will be used for progressing the POSCO Strategic Alliance & Development MOU, progressing the process on reaching an accord on the Tanzanian Government's 16% Free Carry Interest and Working Capital

Tanzanian graphite developer Black Rock Mining Limited (ASX:BKT) ("Black Rock" or the "Company") is pleased to advise shareholders that it intends to undertake a fully underwritten Entitlement Issue on the basis of one (1) **New Share** for every sixteen (16) shares held by eligible shareholders on the record date at an issue price (**Issue Price**) of \$0.042 per New Share to raise up to approximately AUD\$1.65 million (**Entitlement Offer** or **Offer**) before costs of the Offer. The Lead Manager and Underwriter to the Offer is Lazarus Corporate Finance Pty Ltd (**Lazarus**).

Subscribers in the Offer will receive one (1) free-attaching option (**New Option**) for every one (1) New Share subscribed for and issued, exercisable at \$0.084 per Option on or before the date which is three years from the date of issue. The options are not expected to be listed.

Funds raised from the Offer will be used for progressing the POSCO Strategic Alliance & Development MOU, progressing the process on reaching an accord on the Tanzanian Government's 16% Free Carry Interest and Working Capital.

Commenting on the Underwritten Entitlement Offer, Black Rock Managing Director and CEO, John de Vries, said:

"Following on from our recent announcements relating to the formation of a Strategic Alliance & Development accord with POSCO and that the TIB Development Bank Ltd has commenced due diligence on the Company's Mahenge Graphite Project we are delighted to offer our loyal supporters the opportunity to participate in this entitlement offer.

Whilst we are all frustrated that the development timeline has taken longer than anticipated, we believe the Company has considerably de-risked the project risks and we are now focussed on progressing the negotiations with the Tanzanian Government on their 16% Free Carry Interest. As previously announced, we have reduced costs to allow the Company to keep open the development option over our Mahenge Graphite Project with the funds raised from this offer to be focussed on progression of the POSCO relationship and the Tanzanian Free Carry Interest process and for general working capital."

Capital Raising

The New Offer will result in 39,308,982 New Shares and 39,308,982 New Options being issued. The Company expects to lodge a prospectus for the purpose of the Offer ("**Prospectus**") with ASIC on or about 6 July 2020.

The Company's largest shareholder group, the Copulos Group with a current voting power of 22.3% has committed to apply for their full entitlement under the Offer. The directors consider this a strong show of support from the Company's largest shareholder and thank it for its continued commitment.

The Company intends to use the funds raised from the Offer as follows:

Item	Amount ¹
Expenses of the Offer	\$150,000
Mahenge Graphite Project inclusive of progressing the process on reaching an accord regarding the Tanzanian Government's 16% Free Carry Interest	\$200,000
Progressing the POSCO Strategic Alliance & Development MOU	\$100,000
Working capital	\$1,200,000
Total	\$1,650,000

Notes:

- The above table is a statement of the Board's current intention as at the date of this announcement and the Board reserves the right to alter the way the funds are applied.

The indicative timetable for the New Offer is as follows:

Event	Date
Announcement of Entitlement Offer	3 July 2020
Appendix 3B lodged with ASX	3 July 2020
Lodgement of Prospectus with ASIC & ASX	6 July 2020
Ex date	8 July 2020
Record Date for determining Entitlements	9 July 2020
Prospectus sent to Eligible Shareholders Opening Date of the	14 July 2020
Closing Date of the Offer	4 August 2020
Securities quoted on a deferred settlement basis	5 August 2020
Announcement of results of issue	6 August 2020
Shortfall notification	7 August 2020
Issue date of Securities under the Offer Dispatch of holding statements	11 August 2020
Appendix 2A to be lodged with ASX applying for quotation of actual number of Securities issued	11 August 2020

Subject to the ASX listing rules, the above dates may change without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia, New Zealand, Hong Kong or Singapore on the Record Date ("Eligible Shareholders").

Assuming that no Options or convertible securities are exercised or converted before the Record Date, the effect of the Offer on the Company's issued share capital is shown in the following table:

Shares	Full Subscription
Existing Shares	628,943,708
New Shares issued under the Offer	39,308,982
Total Shares on issue after completion of the Offer	668,252,689
Options	Full Subscription
Existing Options	64,200,000
New Options issued under the Offer	39,308,982
Total Options on issue after completion of the Offer	103,508,982

Shareholders may view all the Company's ASX announcements, including those relating to the New Offer, on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.blackrockmining.com.au

Application will be made to ASX for official quotation of the New Shares, no shareholder approval is required to the New Offer.

Overseas Shareholders

The Offer is only made to Eligible Shareholders (shareholders with a registered address in Australia, New Zealand, Hong Kong or Singapore at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia, New Zealand, Hong Kong or Singapore, no offer will be made to you. In making this decision, the directors have taken into account the small number of shareholders in other jurisdictions and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia, New Zealand, Hong Kong and Singapore.

Capital Raising Fees

In consideration for acting as Lead Manager and underwriting the Offer, Lazarus will be paid a management fee of 2% and underwriting fee of 4% on the aggregate amount underwritten.

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 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 NPV₁₀ of US\$1.16bn (A\$1.65bn**).

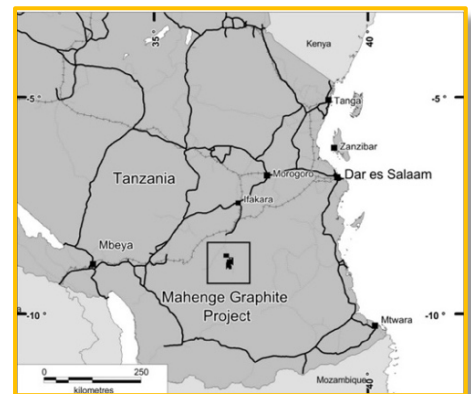
Following release of the Enhanced DFS in July 2019, the Company confirms that it is not aware of any new data or information that materially affects the results of the Enhanced DFS and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements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

In February 2019, the Company announced receipt of its mining license 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
Total Ore Reserves	70	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