Black Rock completes full form offtake agreements for large flake graphite concentrate

HIGHLIGHTS

- **Black Rock has executed full form offtake agreements for large flake graphite concentrate with two key customers:**
  - **Muhui International Trade (Dalian) Co. Ltd (Muhui); and**
  - **Qingdao Yujinxi New Material Co. Ltd (Qinqdao)**
- **Key terms of the two Offtake Agreements:**
  - **Supply of 15ktpa of large flake concentrate (>+100 mesh) under each offtake contract (for a total of 30ktpa)**
  - **Buyers option to purchase an additional 10ktpa of any uncontracted volume under each offtake contract (for a total additional volume of 20ktpa)**
  - **Initial three (3) year term, extendable by two (2) years at the buyers option**
  - **Price indexed to published indices, RefWin and ICCSino**

Tanzanian graphite developer Black Rock Mining Limited (ASX: **BKT**) (**Black Rock, BKT** or the **Company**) is pleased to announce that it's 84%-owned subsidiary, Faru Graphite Corporation (**Faru**) has signed two full form offtake agreements (**Offtake Agreements**) with key customers, Muhui and Qingdao for large flake graphite concentrate production from the Mahenge Graphite Project (**Mahenge** or the **Project**).

Full Form Offtake Agreements Completed

Further to the Term Sheets announced on 13 August 2021, Faru has signed full form Offtake Agreements with key customers, Muhui and Qingdao for large flake graphite concentrate as per the terms summarised below.

Table 1 – Key terms for full form Offtake Agreements

	Offtake Customer	
Key Terms	**Muhui**	**Qingdao**
Contract Type/Status	Binding	Binding
Concentrate Quantity (tpa)	15,000	15,000
Buyer optional extra uncontracted quantity	10,000	10,000
Initial Term (years)	3	3
Buyer optional term extension (years)	2	2
Pricing	Index RefWin & ICC Sino	Index RefWin & ICC Sino
Letter of Credit	Buyer to provide irrevocable letter of credit prior to loading	Buyer to provide irrevocable letter of credit prior to loading
Trading currency	US$	US$
Governing Law	England & Wales	England & Wales
Shipping terms	CIF	CIF
Resale	China Only	China Only

Note: These terms supersede the terms announced in the Term Sheets announced on the ASX on 13 August 2021

Commenting on the Offtake Agreements, Black Rock CEO, John de Vries, said:

"We are very pleased to be executing the full form Offtake Agreements with our key industrial customers Muhui and Qingdao for the high-quality large flake graphite concentrate products from Mahenge.

One of Mahenge's key competitive advantages is the ability to produce a higher ratio of high-value, high-quality large flake graphite products than most of the existing graphite mines in production. We look forward to deepening our relationship with Muhui and Qingdao and extending our supply chain into heavy industrial users.

Signing these Offtake Agreements represents completion of another key milestone and clearly illustrates our growing confidence that all elements required to finance and develop the Mahenge Graphite Project are coming together."



Photo 1: Muhui and Black Rock's subsidiary Faru signing full form offtake agreement in China



Photo 2: Qingdao and Black Rock's subsidiary Faru signing full form offtake agreement in China

This ASX release was authorised on behalf of the Black Rock Board by:
John de Vries, Managing Director & CEO

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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.

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 2023, Black Rock signed an MOU with POSCO for Module 2 fines for an equity investment in Black Rock of up to US$40m or 19.9% (whichever is lower).

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 Licenses 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[1]. The eDFS Update confirmed Mahenge as a robust project with attractive returns. Key project metrics comprise:

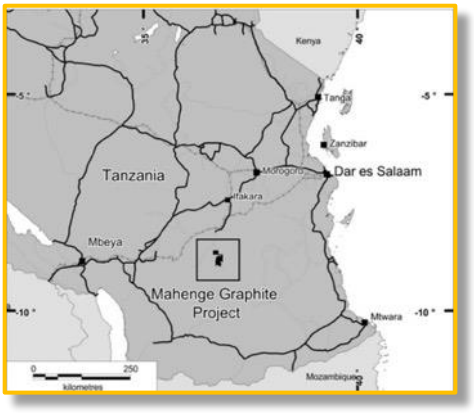
- *Tier 1 Scale*: Mahenge has a resource of over 200mt and the 2nd largest graphite reserve globally
- *Modular development approach*: Initial Capex of US$225m[2];
- *1st quartile on the global cost curve*: Adjusted C1 Cash cost of US$359/t[3]
- *Attractive projected returns:* Unlevered IRR post-tax, post free carry of 36%[4]
- *Substantial upside potential*: $NPV_{10\ nominal}$ post-tax, post free carry of A$2.1bn or US$1.4bn[4]

The Company is now construction-ready subject to financing and on 18 March 2024, Black Rock announced approvals for US$153m in debt 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).

JORC Compliant Mineral Resource Estimate and Ore Reserve[5]

Ore Reserves	Tonnes (mt)	Grade (% TGC)	Contained Graphite (mt)
- Proven	0	0.0	0.0
- Probable	70.5	8.5	6.0
Total Ore Reserves	**70.5**	**8.5**	**6.0**
Mineral Resources			
- Measured	31.8	8.6	2.7
- Indicated	84.6	7.8	6.6
Total M&I	**116.4**	**8.0**	**9.3**
- Inferred	96.7	7.4	7.2
Total M, I&I	**213.1**	**7.8**	**16.6**



Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit **www.blackrockmining.com.au**

1 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.
2 Includes US$182m for Module 1 capex + US$33m for power line + US$10m for early works. Power costs expected to be ~US8c/kWh less a meaningful rebate to recoup the costs of the power line. 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 peers. Access to competitively priced, 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.

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