SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Front End Engineering Design process completed, reconfirming Mahenge as a significant Tier 1 scale project with attractive forecast returns**
- **Conditional Framework Agreement signed with US cleantech graphite processing company, Urbix, Inc**
- **Special Mining Licence awarded for Mahenge**
- **Resettlement activities commenced covering areas for planned Modules 1 and 2**
- **Initial Tanzanian leadership appointments made with first Board constituted under joint-venture Company, Faru Graphite Corporation**
- **Debt financing process advanced**
- **Project development and execution activities ongoing**
- **Graphite market outlook continues to show positive signals with substantial supply deficits predicted in the near-term**
- **A$20.5M cash at bank as at 30 September 2022**

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) (**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 30 September 2022.

Front End Engineering Design

As announced on 16 March 2022, the Company engaged highly experienced engineering design and construction company, CPC Engineering[1] (**CPC**) to undertake a Front End Engineering Design (**FEED**) workstream which was designed to ensure the Project is construction ready, subject to finance. Key deliverables of the FEED work included detailed engineering, cost estimation, schedule optimisation, development of Project Execution and Operational Readiness plans, and tenders for long lead equipment items.

The FEED works and supporting Environmental and Social Impact Assessment (**ESIA**) updates have been subject to an Independent Technical Expert (**ITE**) review as part of a project debt financing process for Mahenge. The completion of FEED works enables the Company to update the Mahenge project metrics and progress the debt finance process prior to a Final Investment Decision. A summary of the updated project metrics is provided below. Refer to ASX announcement dated 10 October 2022: Black Rock Completes FEED and eDFS Update for a detailed summary of the material assumptions underpinning the updated project metrics. The Company confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target, as announced on 10 October 2022, continue to apply and have not materially changed.

[1] CPC is one of the most experienced engineering companies when it comes to building graphite mines in Africa. CPC has been working with Black Rock on Mahenge since 2018.

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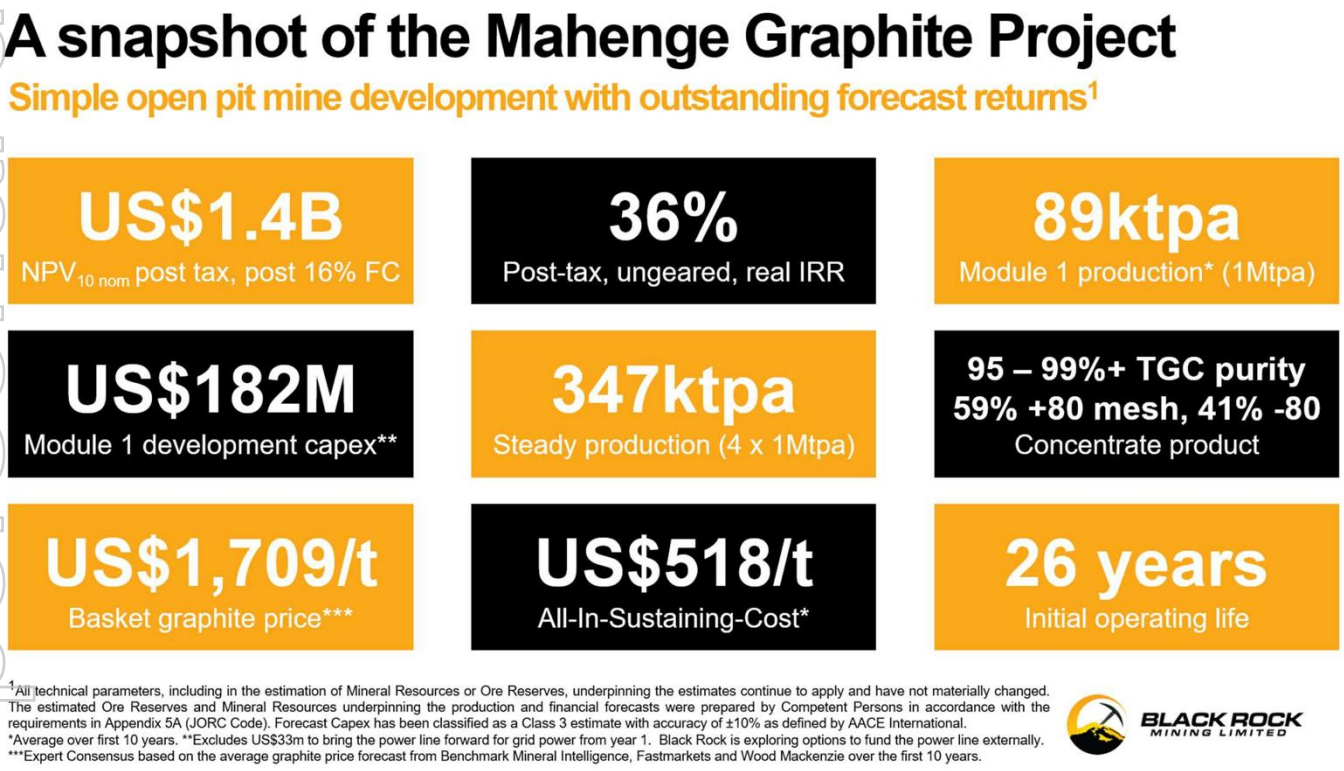
Table 1 – eDFS Update: Robust Project with Attractive Returns

eDFS Update		Key Project Metrics	Expert Consensus** price forecast	Fastmarkets price forecast
Initial capex for Module 1*	US$m	182		
Average C1 Cash Costs over first 10 years	US$/t	466		
Steady state production	ktpa	347		
Graphite Price Forecast for Mahenge Basket	US$/t		1,709	2,563
NPV post-tax, post 16% Govt free carry	US$m		1,376	2,837
IRR post-tax, post 16% Govt free carry	%		36	55
Payback Period (post construction)	Years		3.8	2.7

Note: Based on all four modules, NPV is unlevered and based on a 10% nominal discount rate. Refer to ASX announcement released on 10 October 2022 for the Executive Summary of the eDFS Update.
The Reserves & Resources for Mahenge have not changed as a result of FEED or the eDFS Update.
* Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE International
** Expert Consensus is the average price forecast for Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie over the first 10 years as outlined in Chart 2 below.



FEED Outcomes

All targeted outcomes were achieved by the FEED work for Module 1 which has been subject to ITE review. The ITE was selected from a shortlist of potential candidates based on discussions and feedback with potential project finance lenders. In its report for lenders, the ITE wrote:

> *"No fatal flaws were identified in any of the areas of the Project with the underlying studies completed by BKT having reached a DFS level of confidence."*

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Key outcomes of the FEED workstream included:

- Finalisation of Project execution strategy and key technical decisions;
- Optimised plant design;
- Technical documents required for detailed plant design;
- Confirmation of commercial graphite product types to customer specifications;
- Refined budget, scope and schedule for the Project;
- Documented Project procedures and systems; and
- Preparation and progress of tenders for key long lead procurement items.

Findings from the FEED work come against a backdrop of steady increases in the graphite price and an exceptionally strong supply-demand market outlook.

Based on the FEED work, the updated capital cost estimate for the development of the Mahenge Graphite Mine is US$182m, including a contingency allowance of US$22m or 13.8% (US$22m/US$160m). The updated capital cost breakdown by segment is shown in Table 2 below.

Table 2 – Updated Initial Capex for Mahenge Graphite Project

	eDFS, July 2019 US$m	eDFS Update, Sept 2022 US$m	Change %
Mining	10	11	3%
Ifakara	1	1	-7%
Process Plant	51	70	38%
Infrastructure	14	29	106%
Site Support	2	1	-29%
Indirect costs	10	6	-39%
Owners Costs	13	25	92%
Village / Resettlement	3	17	466%.
Contingency	11	22	97%
Total	**116**	**182**	**58%**

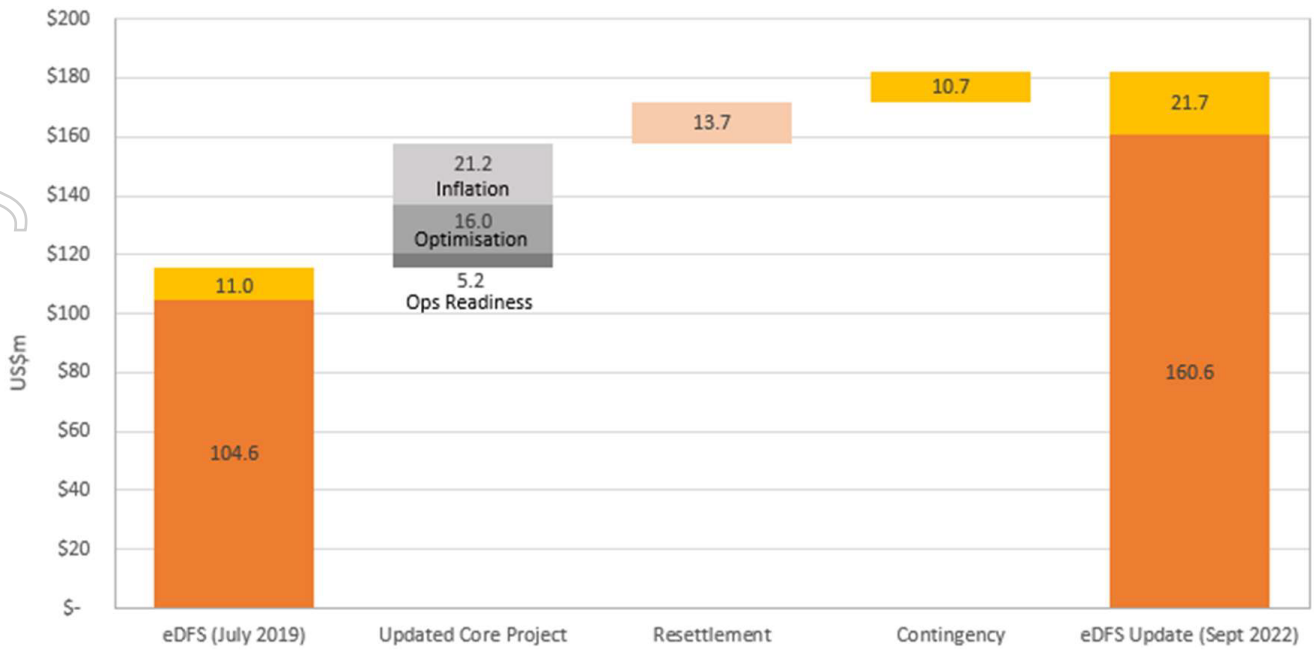
Note: Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE International. Percentages based on exact figures including decimal places (not whole numbers).

The increase in capex since the eDFS in July 2019 was driven by:

- Inflation in the cost of building materials, labour, energy and other consumables (32% of the increase);
- Project optimisation and debottlenecking enhancements to improve the flowsheet and to provide additional operational flexibility to de-risk the production of high-purity graphite concentrates (24% of the increase);
- An increase in the cost of relocation and resettlement to ensure the Company adheres to the highest global standards of ESG compliance and community stakeholder engagement (21% of the increase); and
- Additional contingency added (16% of the increase).

The ESIA has been updated to reflect Project evolution and to ensure full compliance with the updated Equator Principles (**EP4**) and the International Finance Corporation's (**IFC**) Performance Standards.

Chart 1 – Change in Mahenge Initial Capex Since the eDFS in July 2019



Source: Black Rock Mining FEED outcomes

Access to clean, low-cost grid power

One of the key differentiating features of Mahenge is its access to low-cost grid power in Tanzania. Grid power generation in Tanzania in 2022 is sourced from ~40% hydroelectric and ~60% natural gas with the proportion of hydroelectricity expected to grow. The nearby Julius Nyerere Hydro project is in construction and will have an installed capacity of 2,115 megawatts and is due to be commissioned in June 2024. As a result, graphite from Mahenge will have a very low carbon intensity compared to peers and is likely to have one of the lowest carbon footprints of any graphite project globally.

The eDFS assumed the ~60km power line to Ifakara to connect Mahenge to grid power would be built in parallel with the commissioning of Module 2. However, given the elevated level of diesel prices and the substantial benefit to Project economics and green credentials, Black Rock is exploring options to bring forward the construction of the power line to align with first production from Module 1. Black Rock is in discussions with several parties to explore funding the US$33m power line project outside the Project.

Changes to the Mahenge Graphite Project since the eDFS in July 2019

Black Rock released a detailed eDFS for Mahenge in July 2019 and in most respects the Project is largely unchanged since the eDFS. However, the key changes to the project since July 2019 comprise:

- A move to contract mining instead of owner operator mining;
- An increase in throughput for Module 1 to 1.15mtpa during the first ~5 years while mining oxide;
- Optimised project layout and flow sheet to incorporate lessons learned from 500t pilot plant; and
- A 20-month construction period (previously 15-18 months) reflecting current supply chain disruptions.

All other material assumptions underpinning the production target, and the forecast financial information derived from the production target are set out in the Executive Summary of the eDFS Update, as released on the ASX on 10 October 2022.

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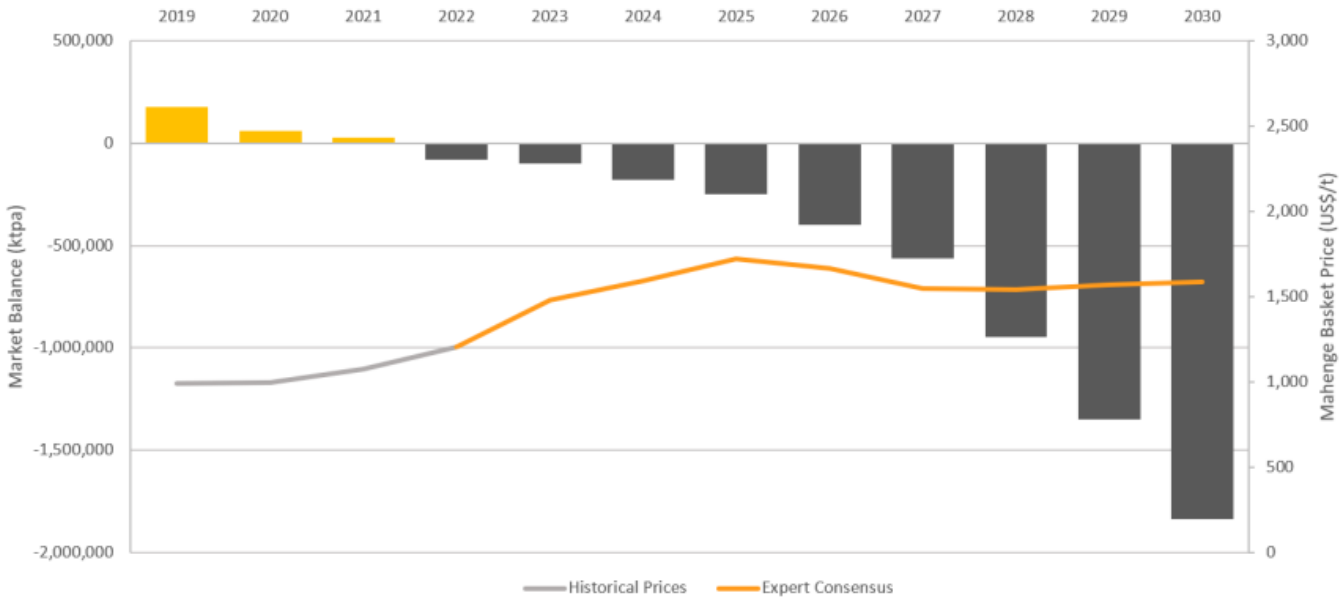
Graphite market industry context

Lithium-ion batteries contain 7-10x more graphite than lithium by volume and as the mainstream adoption of electric vehicles gathers pace, several experts are forecasting substantial deficits in graphite markets.

The size of the natural flake graphite market in 2022 is a relatively modest ~1.2mt and Benchmark Mineral Intelligence expects substantial graphite supply deficits over the next few years which provides a very promising outlook for graphite prices. By 2029, Benchmark expects the market deficits to exceed the entire graphite supply today, as highlights in the chart below:

Chart 2 – Structural Deficits in Natural Graphite Predicted from 2022



		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Expert Consensus - 97% conc grade	US$/t	1,203*	1,479	1,592	1,721	1,665	1,550	1,542	1,568	1,585	1,611	1,643	1,643
Year on year change	%		23%	8%	8%	-3%	-7%	-1%	2%	1%	2%	2%	0%

Source: Public releases, Benchmark Mineral Intelligence, Black Rock Mining, Asian Metals, ICC Sino, RefWin
Note: Expert Consensus comprises average graphite forecast prices provided by Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie. Historic prices for 97% conc have been estimated. *Estimate based on ~12month average prices to end Sept 2022

Benchmark Mineral Intelligence recently released its Q3 CY22 Flake Graphite Price Forecast and now expects the fines graphite market to finish CY22 in a deficit of ~80kt and expects these deficits to grow to ~215kt in CY23, which bodes well for the outlook for graphite prices.

China also has a number of graphite mines in the Heilongjiang province in northern China which typically close for several months during winter. The Company recently spoke with Benchmark Mineral Intelligence which confirmed the inventories at these mines are lower than they were the same time last year, which suggests further market tightness could emerge as winter sets in and these mines close.

Further adding to theme of market tightness, graphite production at Syrah Resources Limited's Balama Graphite Project (**Balama**) was halted on 20 September 2022 due to illegal industrial action and operations resumed on 27 October 2022. Balama represents a material ~20% of global natural flake production and as such, production interruptions at Balama are expected to have a meaningful impact on the supply/demand balance.

As part of the eDFS Update, Black Rock has utilised Expert Consensus graphite price forecasts based on the average graphite price forecasts provided by Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie. The consensus price forecast for the Mahenge basket is illustrated on the market deficit forecast (above). It is noted that despite increased forecast supply deficit post 2026, the consensus forecast is assumed to remain static.

Table 3 – Project Sensitivity to Graphite Prices

Graphite Price US$/t	Price Change %	NPV* US$m	NPV Change %	IRR** %	IRR Change %
1,385	(20%)	835	(39%)	27%	(26%)
1,558	(10%)	1,106	(20%)	32%	(13%)
1,731***	-	1,376	-	36%	-
1,904	10%	1,645	20%	41%	12%
2,077	20%	1,914	39%	45%	23%

* Unlevered NPV post-tax, post free carry at 10% nominal discount rate, based on all 4 Modules
** Unlevered IRR post-tax, post free carry
*** Expert Consensus based on the life of mine average forecast prices from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

Mahenge confirmed a 1st quartile graphite project on the global cost curve

Black Rock has prepared the 2024 Adjusted C1 Cost Curve below based on data provided by Benchmark Mineral Intelligence in its Flake Graphite Report Q2 CY22.

The analysis confirms that Mahenge is well positioned compared to its global peers and sits comfortably within the first quartile of the cost curve. This analysis is conservative on several fronts:

- This chart ignores the benefit of Mahenge's much higher purity concentrates than most peers, which could potentially improve Mahenge's relative position by US$40-60/t per 1% above 95% pricing;
- Benchmark's data does not include Black Rock's highest value +32 mesh product and so the higher revenue expected from this product has also been ignored. The analysis for the chart assumes Black Rock's +32 mesh product is sold at the lower +50 mesh prices understating Mahenge's advantage compared to peers;
- Mahenge's costs have been updated to September 2022 prices, but some of the peer data is several years old and has not been escalated. Escalating the peer data should potentially improve Mahenge's relative position.

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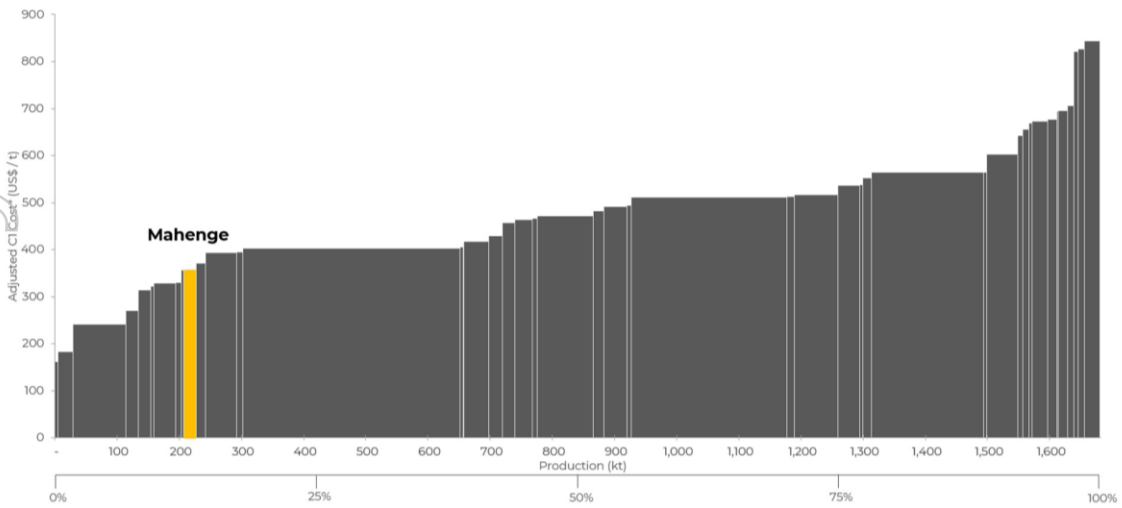
Chart 3 – 2024 Adjusted C1 Cost Curve*



Sources: Benchmark Mineral Intelligence Flake Graphite Report Q2 CY22, Black Rock Mining, Company Data
*C1 Costs adjusted for flake size distribution: Based on forecast pricing for 94-95% in 2024, Mahenge's average price is forecast to be US$107/t above the peer average due to a higher proportion of large flake. Mahenge's Adjusted C1 Costs of US$359/t are based on C1 Costs of US$466/t less the US$107/t for above average revenue compared to the peer group.
Ignores the benefit of Mahenge's higher purity concentrates of up to 98% which could potentially improve BKT's relative position by up to ~US$40-60/t per 1% above 95% pricing.

Potential to bring forward Module 2, if substantial prepayment or equity support can be secured

On 9 September 2022, Black Rock announced that its 84% owned Tanzanian subsidiary, Faru Graphite Corporation Limited (**Faru**), had signed a Conditional Framework Agreement (**Agreement**) with US-based cleantech graphite refining company, Urbix, Inc (**Urbix**) for material from Module 2 of the Mahenge. Under the Agreement, Black Rock could potentially bring forward the construction of Mahenge Module 2, concurrent with Module 1, subject to Urbix providing substantial prepayment or equity support to secure offtake for Mahenge Module 2.

The updated capex estimate for Module 2 is US$107m, or 59% of the capex US$182m capex for Module 1, because the capex for Module 1 includes the cost of roads, infrastructure as well as compensation and resettlement. Bringing forward Module 2 would approximately double Project debt capacity and combined with a substantial prepayment and/or equity support through Urbix, is expected to lead to a similar Company equity funding requirement to building Module 1 only. The updated capex for Module 3 and 4 is US$117m and US$104m respectively.

URBIX Agreement

Under the terms of the Agreement, the parties will collaborate in establishing a new supply chain suited to the localisation and ESG demands of the US and European battery industries. The Agreement means Black Rock can potentially bring forward construction of Module 2, concurrent with Module 1 through Urbix providing or facilitating a substantial prepayment and/or equity support for exclusivity of offtake of -100 natural flake graphite fines from Module 2.

The consummation of this Agreement highlights the strength of underlying demand for Mahenge's high-quality graphite concentrates and is indicative of the Board's methodical and considered approach in maximising shareholder value around the establishment of alternative supply chains suitable for American and European battery manufacturers.

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Under the Agreement Black Rock has granted Urbix trade exclusivity for Module 2 fines for 150 days after execution of the Agreement.

Background

Black Rock initially signed a Memorandum of Understanding (**MOU**) with Urbix on 1 July 2021 to explore working together to secure for the US national interests, a vertically integrated, independent supply of ESG-friendly anode material.

At least eight battery gigafactories will be constructed in the USA by the mid-2020s with an annual demand of at least USD 2.3 billion for anode material. Graphite is now a critical mineral of national and economic security for the USA. Furthermore, it is widely predicted that natural flake graphite will steadily replace synthetic graphite in anodes given the large carbon footprint and cost of synthetic graphite and the jurisdictional concentration of its production.

Black Rock has undertaken significant assessment of midstream processing options, including thermal treatments, caustic bake processes, and proposals to replicate the conventional Chinese hydrofluoric acid chemical purification method. Black Rock considers the complexity of these processes represents a significant execution risk particularly for a junior company executing a mine build. Further, increasing ESG based market access risks and the need to qualify large volumes of material as part of customer acceptance represents time consuming and costly processes in a market where an increasing supply shortfall is apparent.

Black Rock's assessment has identified Urbix, with its proprietary purification, spheroidisation and thermal treatment techniques, deep team expertise, and incumbent positioning as a truly "Made in America" anode processor as having the best compatibility to the future requirements of Western supply chains (in particular USA and Europe). Urbix product will also qualify under the US Inflation Reduction Act's "domestic content" rules. Urbix processing technology will deliver significant advantages to Black Rock and its customers through:

- Materially lower energy consumption;
- Elimination of hydrofluoric acid use;
- Significantly higher product yield (more than double the industry standard);
- Ability to incorporate at the particle level appropriate levels of synthetic graphite material to produce a blended anode material as a drop-in product for cell manufacturers;
- Extensive third-party assessment confirming Urbix's anode material has superior electrochemical performance.

The Agreement reflects a collaboration that permits two world class organisations to focus on their individual core competencies (Black Rock with Urbix's materials processing) and deliver a "best of breed" anode product and supply chain.

Black Rock has identified substantial market demand for large natural flake graphite from Module 2 and will seek to place large flake offtake from Module 2 under optional term sheets to be entered into during the period of Urbix's exclusivity under the Agreement.

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Conditional Framework Agreement

Under the terms of the Agreement, and subject to Urbix providing substantial prepayment or equity support to secure offtake for Mahenge Module 2 and satisfaction of standard conditions precedent, Urbix will enter into the following minimum offtake agreement for Mahenge Module 2 -100 mesh graphite 95% concentrate on an as available basis in accordance with the following ramp up period:

- Year 1: 7,500 dry metric tonnes (dmt)+/- 10%
- Year 2: 10,000 dmt+/- 10%
- Remaining Term: 15,000 dmt+/- 10%

Black Rock anticipates that after the ramp up period it will be able to produce up to 30,000 dmt per annum of the relevant product and to the extent it does or produces more than comprises the Minimum Commitment during the ramp up period, Urbix will extend its purchase commitment.

Under the Agreement, the parties have 150 days to satisfy conditions precedent. Thereafter the parties have a further 45 days to enter into final binding agreements.

Special Mining Licence awarded for Mahenge

During the quarter, the Company was pleased to announce that the Special Mining Licence (**SML**) for Mahenge, along with the exemptions granted, was reviewed and approved by Cabinet of United Republic Tanzania (**Government of Tanzania**), which comprises the President, Vice President, President of Zanzibar, Prime Minister and all the Ministers. The SML awarded covers an area of 35km^2 (see Figure 1) which has been granted to Faru, the Joint Venture (**JV**) company established to develop Mahenge. Faru is 16% owned by the Government of Tanzania and 84% owned by Black Rock via its wholly owned UK subsidiary company, Mahenge Resources Limited (UK). The SML is valid for 26 years, up from the 10 years attached to the existing Mining Licence.

In addition, the existing approved Environmental Permits and Resettlement Action Plans and operating permits granted to Mining Licences 611 and 612 held by Black Rock's wholly owned Tanzanian subsidiary Mahenge Resources Limited, will be grandfathered and unified under the new SML.

Black Rock has also been granted an exemption from the provisions of the Mines Act 2017 requiring SML developers to issue 5% of stock to local interests and listing of 30% of stock on the Dar es Salaam Stock Exchange.

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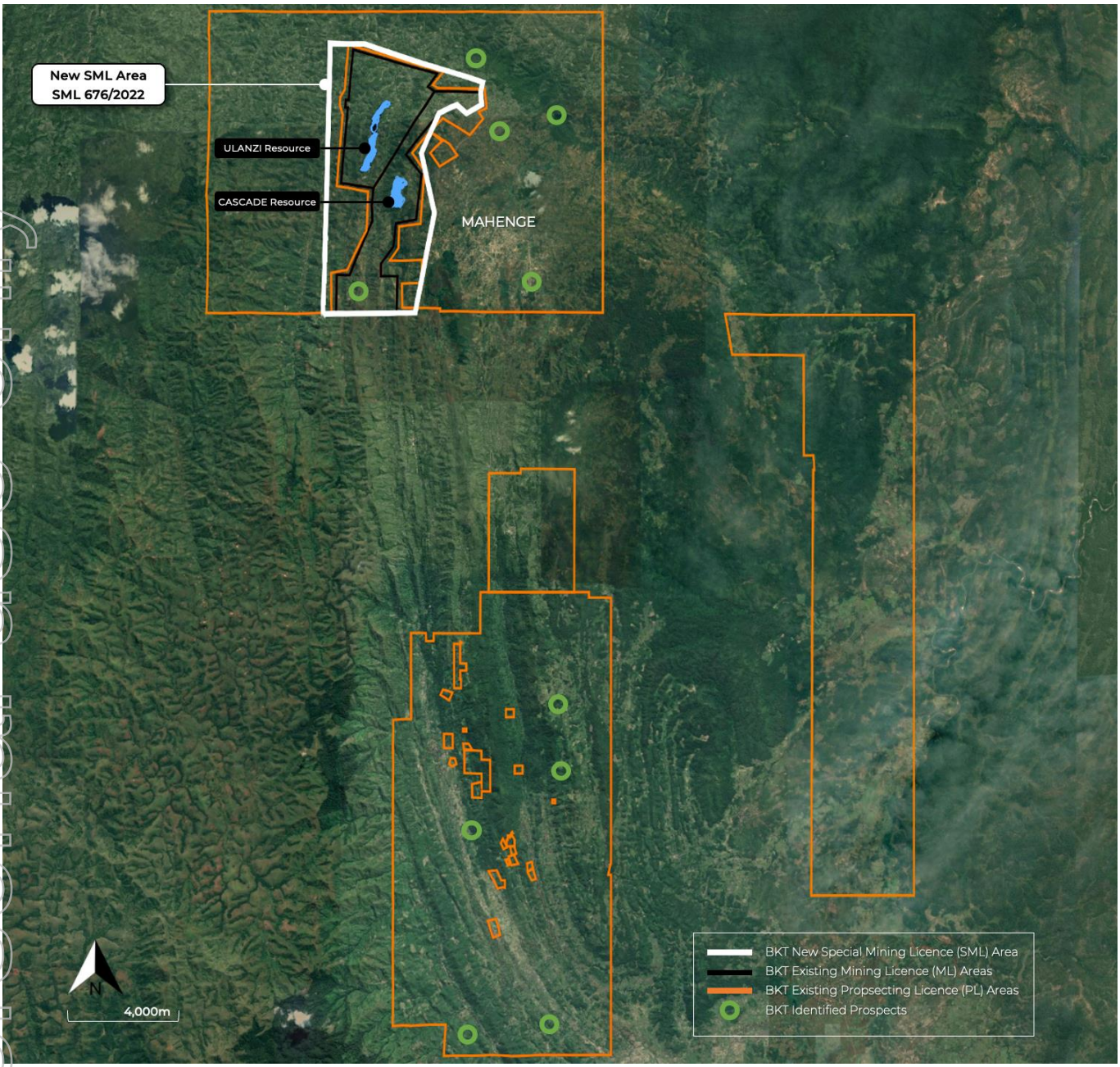

Figure 1 – Map of the Mahenge Graphite Mine area showing the new Special Mining Licence boundary

Black Rock's 100% owned subsidiary Mahenge Resources Limited continues exploration activities on remaining Prospecting licences in the Mahenge region.

Resettlement Activities Commenced

As announced on ASX on 25 July 2022, during the quarter Faru commenced initial resettlement activities for its agreed Resettlement Action Plan (**RAP**) at Mahenge.

Background

As part of project development activities, Black Rock, through Faru, has agreed to acquire land proximal to mining operations. This has been well communicated to all stakeholders as part of ongoing community and Environmental, Social and Governance (**ESG**) initiatives. Black Rock previously finalised field activities with Project Affected Persons (**PAPs**) associated with the Mahenge RAP (refer ASX Announcement 11 May 2020).

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Black Rock's RAP program was completed in accordance with Tanzanian National Environmental Management Council guidelines and is legislated under the Environment Act of 2004, Mining Act of 2010, Land Act No.5 of 1999, Land acquisition Act of 1970 and Valuation and Valuers Registration no.7 of 2016. The process is designed to meet the IFC Performance Standards on Social and Environmental Sustainability and Equator Principles (**EP**) and is a typically mandated condition precedent for debt funding and Mining Licenses.

Resettlement Action Plan Compensation

Black Rock, via Faru, has commenced the first tranche of the compensation process with PAPs who will be compensated, where appropriate, for the transition to better quality properties with vastly improved amenities. The initial payment of US$1.8m covers priority areas required for the mill, dry tailings storage and open pits for planned Modules 1 and 2. The total compensation package is US$7.9m including Top Ups required to meet IFC Performance Standard 4 and EP2 (Social Impact) and EP5 (Stakeholder Engagement) standards.

The resettlement process is expected to take up to 90 days, after which Faru will be able to access ground for the potential start of an early works program. The Company is continuing to progress the project financing process and sees the commencement of multilateral compliant resettlement compensation as a positive step toward completing financial closure ahead of a Final Investment Decision.

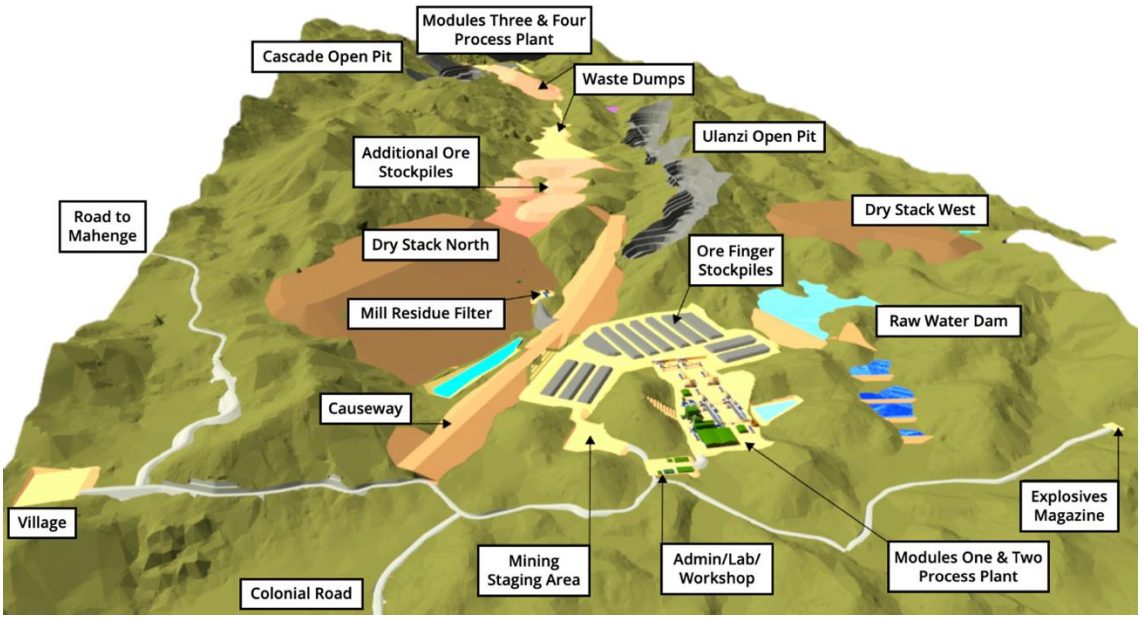

Figure 2 – Mahenge Graphite Project proposed mine site plan

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Figure 3 – BKT MD/CEO John de Vries and Faru CEO Alimiya (Ali) Osman presenting the initial RAP payment ceremonial cheque to local village leaders and government officials

Initial Tanzanian Leadership Appointments - Faru Graphite Corporation

As announced on ASX on 18 July 2022, Faru has constituted its first Board with the appointment of five Directors; three nominees from the Company and two nominees from the Government of Tanzania.

CEO – Faru Graphite Corporation, Tanzania

Mr Alimiya (Ali) Osman - Chief Executive Officer

Mr Osman is a Tanzanian citizen and an accomplished senior executive with over 25 years' experience in operations, people management, strategy formulation, sales, marketing and business intelligence, coupled with a strong network in the Mining & Gas industry, Water Reticulation, Agriculture (irrigation) sectors and Contractors (local & foreign) in East Africa. He has an honours degree in Electronic and Electrical Engineering from the University of Birmingham, as well as a diploma of strategic business management from the Swedish International Development Co-operation Agency (**SIDA**).

His initial focus will be to assist in establishing C-Suite capability, oversee project execution activities, and engagement with national financiers as part of the debt finance process.

Company Board Appointments - Faru Graphite Corporation

Mr Asa Mwaipopo – Non-Executive Director

Mr Mwaipopo is a Tanzanian citizen and mining executive with 30 years' experience as a mining engineer, mines inspector and senior production engineer, mining production manager; in government and private sector respectively. He has previously served in various senior capacities with Anglo-Gold Ashanti, Mantra Tanzania, African Barrick Gold (**ABG**) and Acacia. He holds a bachelor's degree in mining engineering from the University of Zambia and master's degree in mining engineering from Camborne School of Mines, University of Exeter in

United Kingdom. He is also a certified member of the Institute of Directors Tanzania (IoDT) and holds deep interest in governance.

His initial focus will be to provide advice to the Company regarding strategic oversight of local operations and engagement, as well as corporate governance.

Mr John de Vries and Mr Ian Murray are Directors of Black Rock and act on the Faru Board in the following capacities:

- Mr John de Vries – Executive Chairman; and
- Mr Ian Murray – Non-Executive Director

Government of Tanzania Appointments – Faru Graphite Corporation

The Government of Tanzania, is permitted to appoint two nominee directors, as agreed in the Framework Agreement (refer ASX Announcement 14 December 2021). The office of the Treasury Registrar has nominated the following:

Mr Ted Silkiluwasha - Government Appointed Director

Mr. Silkiluwasha has been with the Tanzania Revenue Authority for over 20 years; currently a specialized trainer with the Institute of Tax Administration. Prior to joining the Institute, Ted worked in the Department of Tax Investigation serving as the Head of Operations in the Investigations Department and as the Deputy Commissioner (Operations). Ted holds a Master of Science in Taxation from the University of Northern Illinois, GUSA; a Bachelor of Commerce and Management Accounting from the University of Dar es salaam; and a Post Graduate Diploma in Tax Management from the Institute of Finance Management (**IFM**). Mr Silkiluwasha is an Associate Certified Public Accountant Tanzania (**ACPA T**)

Danstan Mtajura Daud – Government Appointed Director

Eng. Danstan Mtajura Daud holds a in Mineral Processing Engineering (Metallurgist) from the Mineral Resources Institute and Diplomatic in Protocol and Public Relations from Mozambique/Tanzania Centre for Foreign Relation (**CRF**). He is currently serving as a Mining Analyst and Advisor in President's Office and Monitoring and Coordinator of All Strategic Government Negotiations Team including Special Presidential Government Negotiations Team (**SPGNT**).

Debt Financing Activities

Following the ITE review of the FEED work stream, completed subsequent to the end of the quarter, the Company formally opened a data room to suitably qualified and prospective debt financiers. The Company anticipates debt terms sheets being provided in the December 2022 quarter.

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Graphite Market Outlook

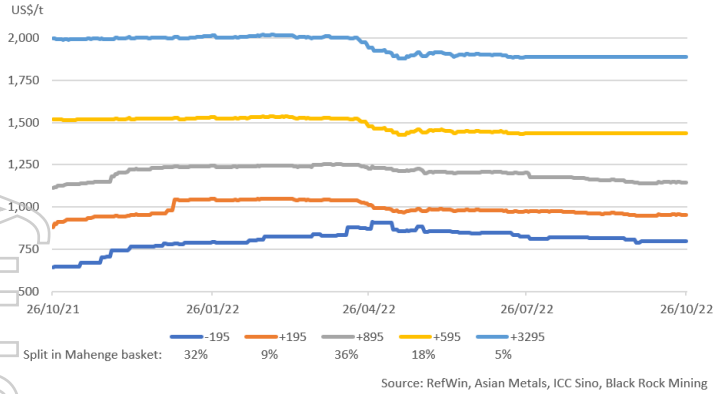

Figure 4 – Graphite pricing by Mahenge product (last 12 months)

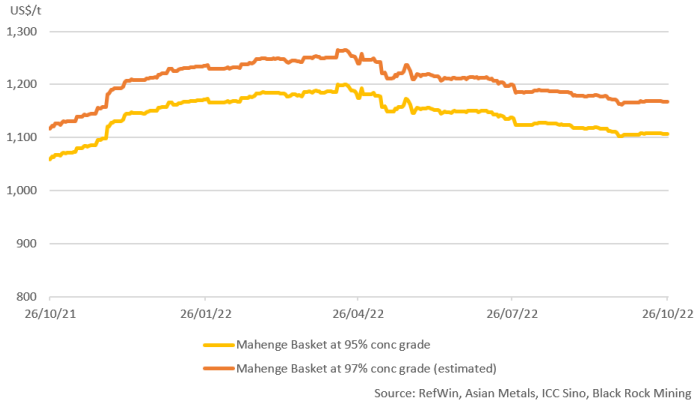

Figure 5 – Consolidated Mahenge basket pricing (last 12 months)

Project Development and Execution

During the quarter, Project development focused on completion of the FEED study which was delivered subsequent to the end of the quarter.

Forward work is expected to focus on consolidating access to ground immediately surrounding the process plant area to facilitate an early start to construction, subject to a Final Investment Decision being made.

Tanzania Local Activities

During the quarter, Tanzania based activities focused on completing work streams associated with land compensation resettlement, and supporting FEED activities.

The Company continues to hold ongoing commercial discussions with Tanesco, Tazara and the Port Authority of Tanzania are transition to ensure commercial clarity as part of a Final Investment Decision.

Key Management Changes

Resignation of Non-Executive Director – Gabriel Chiappini

During the quarter, the Company announced that Non-Executive Director, Mr Gabriel Chiappini, would retire from the Board, effective at the close of business, 30 September 2022. Mr Chiappini was a founding Director and has been an integral member of the Board since the Company's inception in 2012, having served in both an executive and non-executive capacity during this period.

Mr Chiappini's retirement from the Board comes at a time as the Company focuses on its transition to become a significant graphite producer into rapidly growing clean energy storage and decarbonisation markets. The move is part of the Company's strategic plan and follows recent appointments to transition Mr Chiappini's corporate and commercial responsibilities as he focuses on other business interests.

The Board has commenced a process to select a suitable replacement for Mr Chiappini, with a focus on complementing existing Board capability with respect to project execution, financing, operations and compliance.

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Capital Management

The Company had cash reserves of A$20.5M as at 30 September 2022.

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

During the quarter A$166,000 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	1,098
Site costs	69
Tenements	264
ESIA	138
RAP	1,950
Total	**3,519**

Tenement summary

License number	Opening	Additions	Disposals	Closing
ML 611/2019*	100%	-	100%	-
ML 612/2019*	100%	-	100%	-
PL 11486/2020*	100%	-	100%	-
PL 10427/2014~	100%	-	-	100%
SML 626/2022~	-	84%	-	84%
PL 21382/2022~	-	84%	-	84%

~ Located in the Mahenge region of Tanzania. No farm-in or farm-out agreements were entered into during the quarter.
* Licences automatically surrendered on issue of special mining licence 626/2022.

Forward Looking and Cautionary Statements

This announcement contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this announcement reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, the Company cannot be certain that actual results will be consistent with these forward-looking statements. Several factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully, and investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause the Company's actual costs, results, events, prospects, and opportunities to differ materially from those expressed or implied by such forward looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated, or intended, including

those risk factors discussed in the Company's public filings. Any forward looking statements are made as of the date of this announcement, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

Mineral Resources and Ore Reserves, Production Target and Forecast Financial Information

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

The results of the eDFS Update including the production target and forecast financial information derived from the production target are summarised in the Executive Summary of the eDFS Update provided below and attached to this announcement. The Ore Reserve and Mineral Resource estimates underpinning the production target have been prepared by a Competent Person in accordance with the requirements in Appendix 5A of the JORC Code 2012. The production target has been prepared by a Competent Person in accordance with the requirements in Appendix 5A (JORC Code).

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement released on 3 February 2022 titled "BKT Confirms 25% increase in Measured Resources."

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

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. Mahenge has a JORC compliant Mineral Resource Estimate of 213m 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 Mahenge, which was based on strong customer demand. This was enhanced (**eDFS**) in July 2019 (ASX Announcement 25 July 2019). Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan with clear title to the eDFS project area.

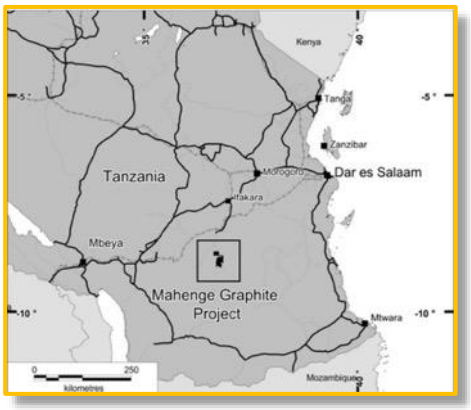
In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of Mahenge. This included an equity investment of US$7.5M, signed in February 2021, followed by an offtake agreement, with a US$10M prepayment facility. In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming their 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licenses into a Special Mining Licence (SML) and committed to jointly develop Mahenge. The Company is construction-ready subject to financing and issue of the SML.

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 debt financing process. The FEED work 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*: Module 1 Capex of US$182m*;
- *1st quartile on the global cost curve*: Adjusted C1 Cash cost of US$359/t**
- *Attractive projected returns: Unlevered IRR post-tax, post free carry of 36%****
- *Substantial upside potential*: $NPV_{10\ nominal}$ post-tax, post free carry of A$2.1bn or US$1.4bn***

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****			
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**

* Forecast Capex has been classified as a Class 3 estimate with accuracy of ±10% as defined by AACE
** Adjusted for larger proportion of higher value large flake compared to global peers
*** Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie
**** 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

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Directors
Richard Crookes — Chairman
John de Vries — Managing Director & CEO
Ian Murray — Non-Executive Director

www.blackrockmining.com.au

Appendix 5B

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

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Name of entity

Black Rock Mining Limited

ABN	Quarter ended ("current quarter")
59 094 551 336	30 September 2022

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 (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(995)	(995)
	(e) administration and corporate costs	(343)	(343)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	14
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	(282)	(282)
	- Marketing	(111)	(111)
	- Foreign subsidiary costs	(451)	(451)
1.9	**Net cash from / (used in) operating activities**	**(2,168)**	**(2,168)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) Entities	-	-
	(b) tenements	(264)	(264)
	(c) property, plant and equipment	(450)	(450)
	(d) exploration & evaluation (if capitalised)	(3,255)	(3,255)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(3,969)**	**(3,969)**

3.	**Cash flows from financing activities**		
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	5	5
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**5**	**5**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	26,234	26,234
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,168)	(2,168)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,969)	(3,969)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5	5
4.5	Effect of movement in exchange rates on cash held	351	351
4.6	**Cash and cash equivalents at end of period**	**20,453**	**20,453**

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	9,251	5,273
5.2	Call deposits	11,060	20,819
5.3	Bank overdrafts	-	-
5.4	Other (provide details):		
	- Cash backing credit cards	45	45
	- Cash backing lease	97	97
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**20,453**	**26,234**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166[1]
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 and non-executive director fees.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	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.	

Not applicable

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,168)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(3,255)
8.3	**Total relevant outgoings (Item 8.1 + Item 8.2)**	**(5,423)**
8.4	Cash and cash equivalents at quarter end (Item 4.6)	20,453
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	**Total available funding (Item 8.4 + Item 8.5)**	**20,453**
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**3.7**

8.9 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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?

Answer: Not applicable

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?

Answer: Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

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9. Tenement summary

In accordance with ASX Listing Rule 5.3.3 below is the Company's tenement holdings at quarter end.

License number	Opening	Additions	Disposals	Closing
ML 611/2019*	100%	-	100%	-
ML 612/2019*	100%	-	100%	-
PL 11486/2020*	100%	-	100%	-
PL 10427/2014~	100%	-	-	100%
SML 626/2022~	-	84%	-	84%
PL 21382/2022~	-	84%	-	84%

~ Located in the Mahenge region of Tanzania. No farm-in or farm-out agreements were entered into during the quarter.

* Licences automatically surrendered on issue of special mining licence 626/2022.

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: 28 October 2022

The Board of Black Rock Mining Limited

Authorised by: .....

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.