

Black Rock Expands Offtake Partnership with POSCO

HIGHLIGHTS

- **Black Rock signs non-binding Memorandum of Understanding offtake agreement with Strategic Alliance Partner, POSCO**
- **The Agreement is for the supply of 6,000 metric tonnes per annum of high-quality large natural flake graphite concentrate from Mahenge Module 1**
- **This Agreement:**
 - **deepens Black Rock’s relationship with POSCO by adding to the existing offtake in place with POSCO for the supply of all planned fines production (-100#) from Mahenge Module 1†;**
 - **represents potential for additional revenue for Mahenge from a blue-chip counterparty further de-risking Black Rock’s financing strategy; and**
 - **builds further confidence that Mahenge will become a large and significant new source of graphite**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX:**BKT**) (**Black Rock** or the **Company**) is pleased to announce that it has signed a non-binding Memorandum of Understanding offtake agreement (**Agreement**) with Strategic Alliance Partner, POSCO International Corporation (**POSCO**), to supply high-quality natural large flake graphite concentrate from the Mahenge Graphite Project (the **Project** or **Mahenge**).

Large Flake Graphite Offtake MOU Agreement

The Agreement envisages the supply of up to 6,000 metric tonnes per annum of natural large flake graphite from planned production of Mahenge Module 1. Black Rock will now begin negotiations with POSCO on a binding agreement subject to product specifications and commercial terms.

The Agreement builds on the strategic partnership between Black Rock and POSCO which is working towards the Mahenge Graphite Project becoming a significant new source of natural graphite into a highly dependent global market driven by clean energy demand. Importantly, the Agreement also signals further de-risking of the Company’s funding strategy with deeper coverage of its offtake position with a blue-chip counterparty in POSCO.

Commenting on the Agreement with POSCO, Black Rock CEO, John de Vries, said:

“Expanding the strategic partnership with POSCO is a meaningful step as Black Rock advances the Mahenge Graphite Project towards production. Not only are we building a stronger offtake position with one of the

† POSCO Holdings, holding company of POSCO Group acquired the life-of-mine rights to the fines for Mahenge Module 1 in a deal announced on 17 December 2020 for a 15% stake in BKT purchased for US\$7.5m at a 23% premium to 30-day VWAP plus a US\$10m prepayment. On 23 Dec 2021, Black Rock announced a Term Sheet had been signed with POSCO agreeing key terms of the fines offtake and US\$10m prepayment for Mahenge Module 1. Since then, Black Rock and POSCO have been working towards converting the Term Sheet into a full form agreement which is expected to be finalised shortly.

world's largest battery anode producers, but critically, this Agreement represents an important de-risking milestone for our potential lenders as part of finalising our project debt for Mahenge.

I am also pleased that POSCO continues to place their trust in Black Rock as a partner with respect to supporting their own growth plans.

Mahenge represents a globally significant, large and critical new source of high-quality natural flake graphite, which is now one step closer to securing debt finance in advance of construction."

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 Licenses 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 License (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 2 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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