

Black Rock Signs Binding Offtake and US\$10M Prepayment Agreements with POSCO

HIGHLIGHTS

- **Binding agreements signed with Strategic Alliance Partner, POSCO, including:**
 - US\$10m prepayment agreement, repayable via delivery of product; and
 - Offtake agreement for 100% of planned life of mine graphite fines (-#100) for Module 1 production
- **Prepayment component to be used as part of construction financing**
- **The Company continues to progress debt financing with credit-approved term sheets anticipated in Q2 CY23**

Tanzanian graphite developer **Black Rock Mining Limited** (ASX:BKT) (**Black Rock** or the **Company**) is pleased to announce that it has signed binding offtake and prepayment agreements (**Agreements**) with shareholder and Strategic Alliance Partner, POSCO International Corporation (**POSCO**), that delivers a significant milestone toward the development of the Mahenge Graphite Project (the **Project** or **Mahenge**).

Offtake and Prepayment Agreement

Black Rock has executed binding Agreements with its shareholder and Strategic Alliance Partner, POSCO to supply high purity graphite for 100% of life of mine planned fines (-#100) production from Mahenge's Module 1. The Agreements also includes a US\$10m prepayment commitment which is linked to a visible industry pricing benchmark. The deal converts the term sheet announced on 23 December 2021 to full form agreements and supports a clear path to a qualified commercial market for Black Rock's high quality graphite concentrate.

The Agreements were executed between Black Rock's Tanzanian subsidiary, Faru Graphite Corp, and POSCO International Corporation. Key terms of the Agreements include:

Offtake

- Binding long form offtake agreement;
- Life of mine offtake for 100% of -#100 mesh concentrate from module one;
- 30ktpa (minimum quantity 20ktpa); and
- Pricing mechanism linked to visible industry benchmark.

Prepayment

- Prepayment facility agreement;
- US\$10m plus capitalised interest;
- To be used as part of construction financing;
- Repayable via fixed amount per tonne offset against delivery of product; and
- Aligned with expected project economics.

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

"This is a significant milestone outcome for all stakeholders as we confirm a major component of our market entry strategy is now in place. The binding Agreements with POSCO provide critical customer validation that we have a commercial and high value graphite product that will be sold as a qualified product into consumer markets under a long term contracted offtake. Mahenge is the only large-scale ex China graphite project to achieve this outcome.

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Secondly, this cornerstones Mahenge's robust forecast economics, providing a runway to finalising the debt finance process. The Company continues to progress its project debt financing process through advisors ICA Partners with credit-approved term sheets anticipated in Q2 CY23.

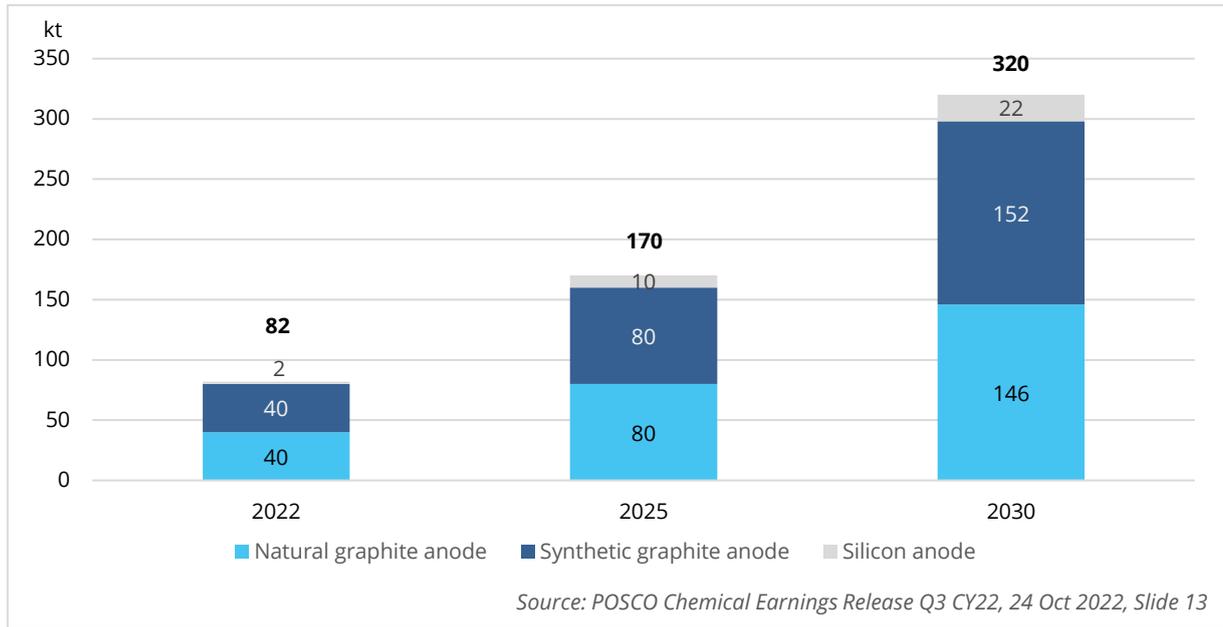


Figure 1 - POSCO's growth plans for its anode business

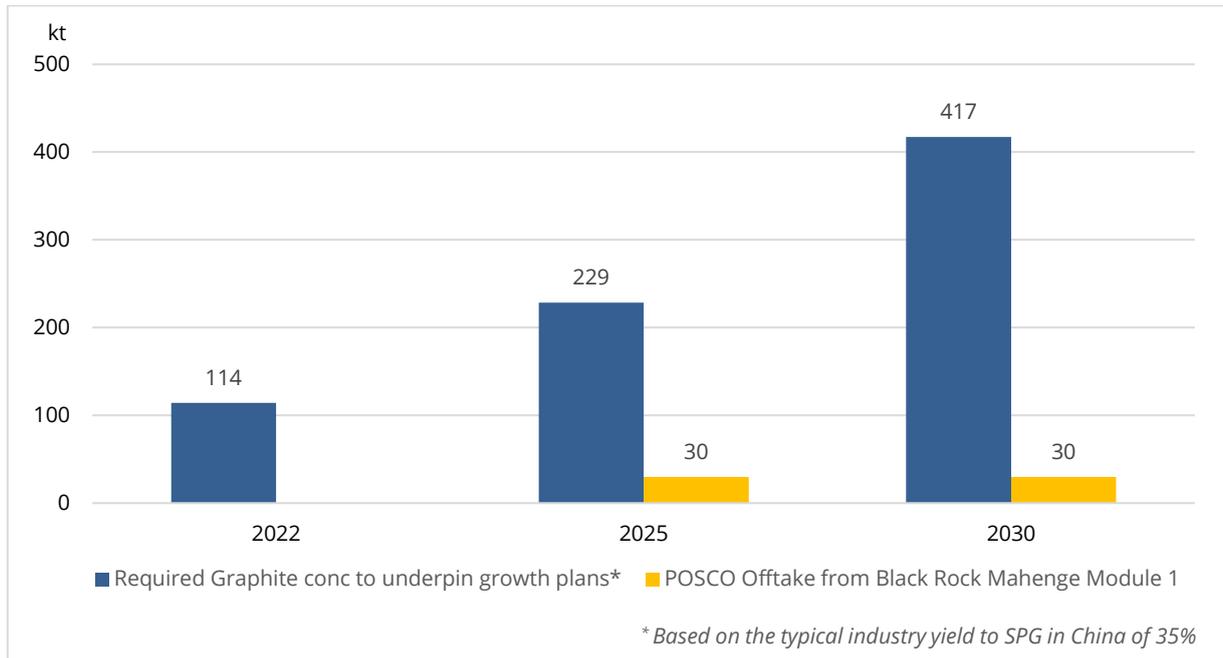


Figure 2 - POSCO's required graphite concentrate to support its natural graphite anode growth plans

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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 was previously called POSCO Chemical but recently changed its name to POSCO Future M Co., Ltd. POSCO Future M Co., Ltd produces both cathodes and anodes and in 2022 was the world's largest anode producer outside China. POSCO Future M Co., Ltd plans to grow its anode business from 82ktpa in 2022 to 320ktpa by 2030. POSCO International Corporation is South Korea's largest trading company, is 70.7%-owned by POSCO Holdings Inc and is responsible for securing raw materials for the group.

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 Licences into a Special Mining Licence (SML) and committed to jointly develop Mahenge. The SML for Mahenge was issued in September 2022. The Company is now construction-ready subject to financing.

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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