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Black Rock Mining Limited  
Half-year report  
for the half-year ended  
31 December 2023

# BLACK ROCK MINING LIMITED

ABN: 59 094 551 336

## CORPORATE DIRECTORY

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<b>DIRECTORS</b>	<b>Richard Crookes</b> Chairman Non-Executive <b>John de Vries</b> Chief Executive Officer, Managing Director <b>Ian Murray</b> Non-Executive Director
<b>COMPANY SECRETARY</b>	James Doyle
<b>PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE</b>	Level 1, 1 Walker Avenue West Perth, Western Australia, 6005 T: +61 (08) 6383 6200 <a href="http://www.blackrockmining.com.au">www.blackrockmining.com.au</a>
<b>AUDITOR</b>	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 123 St Georges Terrace Perth, Western Australia, 6000 T: +61 (08) 9365 7000 F: +61 (08) 9365 7001
<b>SHARE REGISTRY</b>	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth, Western Australia, 6000 T: +61 1300 787 272 F: +61 (08) 9323 2033 E: <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a>
<b>STOCK EXCHANGE LISTING</b>	The Company's shares are quoted on the Australian Securities Exchange ( <b>ASX</b> ). The Home Exchange is Perth.
<b>ASX CODE</b>	BKT – ordinary shares

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The Directors of Black Rock Mining Limited (the **Company** or **Black Rock**) submit herewith the half-year financial report of Black Rock and its subsidiaries (the **Group** or **Consolidated Entity**) for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

- Mr Richard Crookes
- Mr John de Vries
- Mr Ian Murray

**REVIEW OF OPERATIONS**

The consolidated loss after tax for the six months ended 31 December 2023 was AUD5,134,744 (31 December 2022: AUD4,088,560).

**Mahenge Graphite Project**

The Company completed the Front End Engineering Design (**FEED**) and released the enhanced Definitive Feasibility Study (**eDFS**) for the Mahenge Graphite project (**Mahenge** or **Project**) in October 2022<sup>1</sup>. This updated capital expenditure (**Capex**) and operating expenditure (**Opex**) estimates for the Project to a bankable level of confidence and corrected for cost changes since our original estimate in 2018.

**A snapshot of the Mahenge Graphite Project**

Simple open pit mine development with outstanding forecast returns<sup>1</sup>

**US\$1.4B**  
NPV<sub>10 nom</sub> post tax, post 16% FC

**36%**  
Post-tax, ungeared IRR

**89ktpa**  
Module 1 production\* (1Mtpa)

**US\$225m**  
Module 1 capex + power line\*

**347ktpa**  
Steady production (4 x 1Mtpa)

**95 – 99%+ TGC purity**  
**59% +80 mesh, 41% -80**  
Concentrate product

**US\$1,709/t**  
Basket graphite price\*\*\*

**US\$518/t**  
All-In-Sustaining-Cost\*\*

**26 years**  
Initial operating life

<sup>1</sup>See Black Rock ASX release dated 10 October 2022, Black Rock completes FEED and eDFS Update. All technical parameters, including in the estimation of Mineral Resources or Ore Reserves, underpinning the estimates continue to apply and have not materially changed. The estimated Ore Reserves and Mineral Resources underpinning the production and financial forecasts were prepared by Competent Persons in accordance with the requirements in Appendix 5A (JORC Code). \*Includes US\$182m for Module 1 capex + US\$33m for power line + US\$10m for early works which can be completed pre FID. 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. \*\*Average over first 10 years. \*\*\*Expert Consensus is the average forecast from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie over the first 10 years.



**Financing Activities**

**Potential for POSCO to invest up to USD40m in Black Rock**

On 4 September 2023, Black Rock announced it had signed a non-binding Memorandum of Understanding agreement (**Agreement**) with Strategic Alliance Partner, POSCO International Corporation (**POSCO**), in relation to the long-term fines offtake of graphite concentrate from Module 2 of Mahenge.

The Agreement envisages the long-term supply of fines graphite from planned production of Mahenge Module 2 in exchange for an additional POSCO investment in Black Rock, subject to POSCO approval, of up to USD40m or an equity stake of 19.99% (whichever is lower). Negotiations are underway to secure a binding agreement.

<sup>1</sup> See ASX announcement on 10 October 2022.

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**REVIEW OF OPERATIONS (continued)**

The Agreement builds on the strategic partnership between Black Rock and POSCO which is working towards developing the Mahenge Graphite Project to provide 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 to develop Mahenge.

At period end POSCO has almost completed due diligence as contemplated in the Agreement.

**Key approvals for the USD113m Term Loan for Mahenge received**

On 2 November 2023, Black Rock announced it had received approval from Development Bank of Southern Africa (DBSA) for project debt of up to USD59.6m which is expected to form part of the Project debt facilities for Mahenge. The DBSA's approval is subject to legal documentation being concluded and executed in accordance with the terms and conditions set out in the approval.

Subsequent to period end, on 15 March 2024, Black Rock announced that it had received approval from the Industrial Development Corporation of South Africa (IDC) for a senior term loan of USD53.4m. The loan is subject to documentation of final agreements.

The DBSA and IDC loans are expected to form the USD113m Term Loan for Mahenge. The loan terms remain subject to documentation, but the loan tenor is expected to be seven years and the interest rate will be based on the Secured Overnight Financing Rate plus a margin.

Black Rock will begin the process to document full form facility agreements confirming the final structure of the Mahenge Project debt package. Such facilities are expected to contain terms and conditions usual for facilities of this type, but there is no guarantee of the conditions potential lenders may seek to impose, or that facility agreements will ultimately be entered into.

Ultimately, funding for the Project to reach production will require a combined debt and equity project finance package. Funding is intended to complete the construction of Module 1 and the supporting infrastructure, including a 220kV powerline and associated switchyards at Mahenge townsite<sup>2</sup>. The Company continues to target first production from Module 1 in 2026.

The Company is also advancing other financing options, including potentially bringing in a partner at the Project level as a less dilutive option than equity. Black Rock has been encouraged by the level of interest received.

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<sup>2</sup> See ASX announcement on 5 December 2022.

**REVIEW OF OPERATIONS (continued)****Tanzania Local Activities**

During December 2023, the Tanzania Electric Supply Company Limited (**TANESCO**) confirmed it was set to start electricity generation trials at the 2.1GW Julius Nyerere Hydropower Project<sup>3</sup>. The project was funded by the Government of Tanzania at a cost of 6.55 trillion Tanzanian Shillings (~USD2.7bn).

**The 2.1GW Julius Nyerere Hydropower Project as at December 2023**

Source: <https://www.youtube.com/watch?v=pBMQYLqPp3c>

Grid power in Tanzania is currently generated by ~40% hydroelectricity / ~60% gas-fired power. Once the Julius Nyerere scheme is running at full capacity, the percentage of grid power made up by hydroelectricity is expected to increase to up to 60-70%, which will make the Black Rock's Mahenge graphite products some of the lowest carbon emissions per tonne in the world.

Post period end, TANESCO commissioned and energised the 220 kV tap station and switchyard at Ifakara. This tap station and switchyard will be the start of the proposed 220 kV lateral line from Ifakara to Mahenge, a distance of ~60 kilometres.

**Corporate and Financial Position**

Consolidated net assets at 31 December 2023 were AUD53,836,952 compared to AUD57,494,453 at 30 June 2023. Total cash held at the half-year-end was AUD5,032,146 (30 June 2023: AUD11,459,227).

<sup>3</sup> Source: <https://dailynews.co.tz/jnhpp-set-for-electricity-generation-trials/>

**REVIEW OF OPERATIONS (continued)**

**Post-Balance Date Events**

Other than disclosed below, since 31 December 2023, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods with the exception of the following, the financial effects of which have not been provided for in the half-year financial statements:

Subsequent to period end, on 15 March 2024, Black Rock announced that it had received approval from the IDC for a senior term loan of USD53.4m. The loan is subject to documentation of final agreements.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on page 8 of the half-year report.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



**RICHARD CROOKES**

Chairman

Perth, 15 March 2024

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**FORWARD LOOKING AND CAUTIONARY STATEMENTS****Forward Looking Statements Disclaimer**

This Report contains forward-looking statements that involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments

**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 released on the ASX on 10 October 2022 (Initial Public Report). The Company confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target in the Initial Public Report continue to apply and have not materially changed. 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).

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The Board of Directors  
Black Rock Mining Limited  
Level 1, 1 Walker Avenue  
West Perth WA 6005

15 March 2024

Dear Board Members

### Auditor's Independence Declaration to Black Rock Mining Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Black Rock Mining Limited.

As lead audit partner for the review of the half-year financial report of Black Rock Mining Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**  
Partner  
Chartered Accountants



## Independent Auditor's Review Report to the members of Black Rock Mining Limited

### Report on the Financial Report

#### Conclusion

We have reviewed the half-year financial report of Black Rock Mining Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report which indicates that the Group incurred net losses of \$5,134,744 (31 December 2022: \$4,088,560), and experienced net cash outflows from operating and investing activities of \$8,180,294 (31 December 2022: \$16,812,870) during the period ended 31 December 2023. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**

Partner

Chartered Accountant

Perth, 15 March 2024

## Directors' Declaration

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors:



**RICHARD CROOKES**

Chairman

Perth, 15 March 2024

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2023  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

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	<b>CONSOLIDATED</b>	
	<b>HALF-YEAR ENDED</b>	
	<b>31 DECEMBER 2023</b>	31 DECEMBER 2022
	<b>AUD</b>	AUD
<b>Continuing operations</b>		
Interest income	<b>57,844</b>	40,966
Administration expenses	<b>(1,042,213)</b>	(210,081)
Employee benefit expense	<b>(1,661,936)</b>	(2,491,344)
Share based payment expense	<b>(566,328)</b>	(171,213)
Consulting expense	<b>(1,365,769)</b>	(1,551,685)
Depreciation and amortisation expense	<b>(174,085)</b>	(112,392)
Net foreign currency exchange gain	<b>28,651</b>	848,196
Travel expenses	<b>(112,603)</b>	(251,864)
Other expenses from ordinary activities	<b>(298,305)</b>	(189,143)
	<b>(5,134,744)</b>	(4,088,560)
<b>Loss before tax</b>	<b>(5,134,744)</b>	(4,088,560)
Income tax expense	-	-
<b>LOSS FOR THE PERIOD</b>	<b>(5,134,744)</b>	(4,088,560)
<b>Other comprehensive loss, net of income tax</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences for foreign operations	<b>(953,321)</b>	(638,155)
<b>Other comprehensive loss for the period (net of tax)</b>	<b>(953,321)</b>	(638,155)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(6,088,065)</b>	(4,726,715)
Loss for the period attributable to:		
Owners of the company	<b>(4,892,378)</b>	(3,993,454)
Non-controlling interests	<b>(242,366)</b>	(95,106)
	<b>(5,134,744)</b>	(4,088,560)
Total comprehensive loss attributable to:		
Owners of the company	<b>(5,864,769)</b>	(4,633,225)
Non-controlling interests	<b>(223,296)</b>	(93,490)
	<b>(6,088,065)</b>	(4,726,715)
<b>Loss per share</b>		
Basic and diluted loss per share (cents per share)	<b>(0.45)</b>	(0.41)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AS AT 31 DECEMBER 2023  
**CONDENSED CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**

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		<b>CONSOLIDATED</b>	
		<b>31 DECEMBER 2023</b>	30 JUNE 2023
		<b>AUD</b>	AUD
<b>Assets</b>	<b>NOTES</b>		
<b>Current assets</b>			
Cash and bank balances		5,032,146	11,459,227
Other receivables		436,750	1,319,022
Other assets		-	481,182
<b>Total current assets</b>		<b>5,468,896</b>	<b>13,259,431</b>
<b>Non-current assets</b>			
Exploration and evaluation asset	3	49,698,028	46,793,567
Plant and equipment		529,051	578,421
Right of use assets		574,749	686,826
<b>Total non-current assets</b>		<b>50,801,828</b>	<b>48,058,814</b>
<b>Total assets</b>		<b>56,270,724</b>	<b>61,318,245</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4	755,234	2,083,033
Lease liabilities		199,481	207,933
Provisions	5	1,029,236	1,002,773
<b>Total current liabilities</b>		<b>1,983,951</b>	<b>3,293,739</b>
<b>Non-current liabilities</b>			
Lease liabilities		379,866	478,413
Provisions	5	69,955	51,640
<b>Total non-current liabilities</b>		<b>449,821</b>	<b>530,053</b>
<b>Total liabilities</b>		<b>2,433,772</b>	<b>3,823,792</b>
<b>Net assets</b>		<b>53,836,952</b>	<b>57,494,453</b>
<b>Equity</b>			
Issued capital	6	113,415,379	111,535,841
Foreign currency translation reserve		1,006,414	1,978,805
Share based payment reserve		1,612,421	1,488,262
Accumulated losses		(61,674,622)	(57,209,111)
<b>Equity attributable to owners of the Company</b>		<b>54,359,592</b>	<b>57,793,797</b>
Non-controlling interest	7	(522,640)	(299,344)
<b>Total equity</b>		<b>53,836,952</b>	<b>57,494,453</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023  
**CONDENSED CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY**

Note	ISSUED CAPITAL	ACCUMULATED LOSSES	SHARE BASED PAYMENT RESERVE	FOREIGN CURRENCY RESERVE	ATTRIBUTABLE TO OWNERS OF THE PARENT	NON- CONTROLLING INTEREST	TOTAL EQUITY
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
<b>Balance as at 1 July 2022</b>	<b>100,907,652</b>	<b>(48,555,281)</b>	<b>1,318,908</b>	<b>1,347,223</b>	<b>55,018,502</b>	<b>-</b>	<b>55,018,502</b>
Loss for the period	-	(3,993,454)	-	-	(3,993,454)	(95,106)	(4,088,560)
Other comprehensive (loss)/income for the period, net of tax	-	-	-	(639,771)	(639,771)	1,616	(638,155)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(3,993,454)</b>	<b>-</b>	<b>(639,771)</b>	<b>(4,633,225)</b>	<b>(93,490)</b>	<b>(4,726,715)</b>
Issue of ordinary shares from options exercised	760,625	-	-	-	760,625	-	760,625
Cost of share based payments issued to Directors and employees	-	-	198,590	-	198,590	-	198,590
Issuance of 16% interest to non-controlling interest	-	(514)	-	-	(514)	514	-
Cost of share capital issued	(8,194)	-	-	-	(8,194)	-	(8,194)
Options expired/exercised during the period	-	326,404	(326,404)	-	-	-	-
<b>Balance as at 31 December 2022</b>	<b>101,660,083</b>	<b>(52,222,845)</b>	<b>1,191,094</b>	<b>707,452</b>	<b>51,335,784</b>	<b>(92,976)</b>	<b>51,242,808</b>
<b>Balance as at 1 July 2023</b>	<b>111,535,841</b>	<b>(57,209,111)</b>	<b>1,488,262</b>	<b>1,978,805</b>	<b>57,793,797</b>	<b>(299,344)</b>	<b>57,494,453</b>
Loss for the period	-	(4,892,378)	-	-	(4,892,378)	(242,366)	(5,134,744)
Other comprehensive (loss)/income for the period, net of tax	-	-	-	(972,391)	(972,391)	19,070	(953,321)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(4,892,378)</b>	<b>-</b>	<b>(972,391)</b>	<b>(5,864,769)</b>	<b>(223,296)</b>	<b>(6,088,065)</b>
Issue of ordinary shares from options exercised	1,793,994	-	-	-	1,793,994	-	1,793,994
Cost of share based payments issued to Directors and employees	-	-	650,248	-	650,248	-	650,248
Cost of share capital issued	(13,678)	-	-	-	(13,678)	-	(13,678)
Options expired/exercised during the period	99,222	426,867	(526,089)	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>113,415,379</b>	<b>(61,674,622)</b>	<b>1,612,421</b>	<b>1,006,414</b>	<b>54,359,592</b>	<b>(522,640)</b>	<b>53,836,952</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2023  
**CONDENSED CONSOLIDATED STATEMENT  
 OF CASH FLOWS**

CONSOLIDATED	
HALF-YEAR ENDED	
31 DECEMBER 2023	31 DECEMBER 2022
AUD	AUD
<b>Cash flow from operating activities</b>	
Payments to suppliers and employees	(5,076,245)
Interest received	40,966
	<b>56,170</b>
Net cash flows used in operating activities	<b>(3,920,317)</b>
<b>Cash flow from investing activities</b>	
Exploration and evaluation expenditure	(11,294,014)
Payments for plant and equipment	(484,387)
Proceeds on sale of plant and equipment	810
	<b>-</b>
Net cash flows used in investing activities	<b>(4,259,977)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issue of shares and options	760,625
Payment of share issue costs	(5,663)
	<b>(55,190)</b>
Net cash flows provided by financing activities	<b>1,738,804</b>
Net decrease in cash and cash equivalents	<b>(6,441,490)</b>
Cash and cash equivalents at the beginning of the financial period	26,093,637
Exchange movement	848,196
	<b>14,409</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,032,146</b>
	<b>10,883,925</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This half-year report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### **Basis of Preparation**

This condensed consolidated half-year financial report have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2023 annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with IFRS Standards.

### **Comparative Information**

Right of use assets have been disaggregated from plant and equipment in the statement of financial position to match the presentation in the current period. This change was made to provide clearer and more relevant information to users of the financial statements as the Group continues to evolve.

### **Going Concern**

The half-year financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the 6 month period the Group has incurred a net loss after tax of AUD5,134,744 (31 December 2022: AUD4,088,560) and experienced net cash outflows from operating and investing activities of AUD8,180,294 (31 December 2022: AUD16,812,870) for the period ended 31 December 2023. As at 31 December 2023 the Group had net assets of AUD53,836,952 (30 June 2023: AUD57,494,453) and net current assets of AUD3,484,945 (30 June 2023: AUD9,965,692). As at 31 December 2023, the Group had a cash balance of AUD5,032,146 (30 June 2023: AUD11,459,227).

The Directors have prepared a cash flow forecast for the period ending 31 March 2025 which only assumes non-discretionary expenditure on programmes required to advance the Mahenge Project towards a Final Investment Decision and does not assume that development activities at Mahenge will commence in the period ending 31 March 2025. This cash flow forecast indicates that the Group will be required to raise additional funding of approximately AUD6.5 million through the issue of equity, debt or a combination of these progressively from April 2024 to meet the Group's non-discretionary expenditure. As and when the Final Investment Decision is made with respect to the Mahenge Project, the cash flow forecast will be updated to reflect the additional funding required for development which will be a combination of debt and equity.

The Directors have reviewed the Group's overall position and outlook in respect of the matters identified above, including the ability of the Group to secure the additional funding referred to above, and are of the opinion that there are reasonable grounds to believe that the operational and financial plans in place are achievable and accordingly the Group will be able to continue as a going concern and meet its obligations as and when they fall due.

Should the Group not be successful in raising the additional funding referred to above, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.



## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Going Concern (continued)

The half-year financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### New or amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Set out below are the new and revised Standards and amendments thereof effective for the current half-year that are relevant to the Group:

Pronouncement	Impact
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates.  The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

## 2. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the geographical location of resources being explored for and evaluated. The Group's principal activity and focus is that of Graphite in Tanzania.

### Segment revenues and results

	GRAPHITE	CORPORATE	CONSOLIDATED
	AUD	AUD	AUD
<b>31 December 2023</b>			
Interest	-	57,844	57,844
Total income	-	57,844	57,844
Loss before tax	(2,217,192)	(2,917,552)	(5,134,744)
Fixed asset additions	26,594	2,166	28,760
Depreciation	(114,985)	(59,100)	(174,085)
Total segment assets	50,733,947	5,536,777	56,270,724
Total segment liabilities	(1,305,671)	(1,128,101)	(2,433,772)
<b>31 December 2022</b>			
Interest	-	40,966	40,966
Total income	-	40,966	40,966
Loss before tax	(1,186,932)	(2,901,628)	(4,088,560)
Fixed asset additions	834,628	18,211	852,839
Depreciation	(53,804)	(58,588)	(112,392)
<b>The following is an analysis of the Group's Assets and Liabilities as at 30 June 2023</b>			
Total segment assets	49,118,757	12,199,488	61,318,245
Total segment liabilities	(3,012,940)	(810,852)	(3,823,792)

**3. EXPLORATION AND EVALUATION ASSET**

	<b>31 DECEMBER 2023</b>	30 JUNE 2023
	<b>AUD</b>	AUD
Balance at beginning of the period	<b>46,793,567</b>	29,748,305
Expenditure incurred during the period (at cost)	<b>3,866,263</b>	16,203,262
Foreign exchange difference	<b>(961,802)</b>	842,000
Balance at end of period	<b>49,698,028</b>	46,793,567

**Reconciliation of Expenditure incurred during the period (at cost):**

Cash paid for exploration and evaluation (including GST and VAT)	<b>4,231,147</b>	16,563,203
Trade payables and accruals in prior period	<b>(935,967)</b>	(111,740)
Trade payables and accruals in current period	<b>144,692</b>	935,967
Share-based payments capitalised	<b>83,920</b>	67,621
Adjust for GST and VAT	<b>342,471</b>	(1,251,789)
Total expenditure incurred during the period (at cost) (excluding GST and VAT)	<b>3,866,263</b>	16,203,262

The ultimate recoupment of capitalised exploration expenditure is dependent on the successful development and/or commercial exploitation or, alternatively through the sale of the respective underlying licences.

The balance of AUD49,698,028 (30 June 2023: AUD46,793,567) represents the carrying value of the Groups Mahenge Graphite Project located in Tanzania.

**4. TRADE AND OTHER PAYABLES**

	<b>31 DECEMBER 2023</b>	30 JUNE 2023
	<b>AUD</b>	AUD
Trade creditors	<b>371,579</b>	1,441,399
Accruals	<b>276,982</b>	540,087
Other liabilities	<b>106,673</b>	101,547
	<b>755,234</b>	2,083,033

Included in trade creditors and accruals is an amount of AUD144,692 (30 June 2022: AUD935,967) relating to exploration expenditure.

**5. PROVISIONS**

**Current**

Employee entitlements  
 Provision – General<sup>(i)</sup>

31 DECEMBER 2023	30 JUNE 2023
AUD	AUD
228,941	274,104
800,295	728,669
<b>1,029,236</b>	<b>1,002,773</b>

(i) The following provisions are included in the balance:

- During the prior period, on 19 September 2022, the Group received a notice from Tanzania Revenue Authority (**TRA**) with respect to audit findings on employment taxes for the years of income 2018 to 2022. The TRA issued five Pay As You Earn assessments as a result of the tax audit. The Group has provided for this amount and is in the process of preparing an appeal to the Tax Revenue Appeals Board to review this matter and therefore uncertainty remains as to the probability, timing and amount of any future outflow of resources.
- During the prior period, on 9 August 2022, the Company, and one of its subsidiaries, Mahenge Resources Limited (incorporated in Tanzania), received a form of referral of an employment dispute to the Commission for Mediation and Arbitration (the **Commission**) in Tanzania from a former Tanzanian based consultant (the **Consultant**). Subsequent to period end, the Commission awarded the Consultant USD261k. The Group is in the process of preparing the submission to apply for a revision of this ruling with the High Court. The Group has considered the best estimate of any outflow of resources in relation to this matter and provided accordingly, but uncertainty remains as to the probability, timing and amount of any payments.

**Non-current**

Employee entitlements

31 DECEMBER 2023	30 JUNE 2023
AUD	AUD
69,955	51,640
<b>69,955</b>	<b>51,640</b>

**6. ISSUED CAPITAL**

1,097,319,641 ordinary shares issued and fully paid (30 June 2023: 1,075,183,955)

31 DECEMBER 2023	30 JUNE 2023
AUD	AUD
<b>113,415,379</b>	111,535,841

**Fully paid ordinary shares**

**Balance at 1 July 2022**

Shares issued upon exercise of options – (BKTAG AUD0.15 per share)  
 Shares issued upon exercise of options – (BKTAU AUD0.084 per share)  
 Less: Capital raising costs

**Balance at 31 December 2022**

Balance at 1 July 2023

Shares issued on exercise of options – (BKTAU AUD0.084 per share)  
 Shares issued on exercise of performance rights – (BKTAU AUD0.00 per share)  
 Less: Capital raising costs

**Balance at 31 December 2023**

NUMBER OF SHARES	SHARE CAPITAL
	AUD
977,255,646	100,907,652
4,666,666	700,000
721,722	60,625
-	(8,194)
982,644,034	101,660,083
<b>1,075,183,955</b>	<b>111,535,841</b>
<b>21,357,068</b>	<b>1,793,994</b>
<b>778,618</b>	<b>99,222</b>
-	<b>(13,678)</b>
<b>1,097,319,641</b>	<b>113,415,379</b>

## 6. ISSUED CAPITAL (continued)

### Options

As at 31 December 2023, there were 39,014,639 unlisted options (30 June 2023: 77,007,674).

UNLISTED OPTIONS	CODE	OPENING BALANCE	EXERCISED IN PERIOD	GRANTED IN PERIOD	EXPIRED / FORFEITED IN PERIOD	CLOSING BALANCE
		No.	No.	No.	No.	No.
Expiring 10 August 2023 at AUD0.084	BKTAU	26,993,035	(21,357,069)	-	(5,635,966)	-
Expiring 21 December 2023 at AUD0.116	BKTAJ	11,000,000	-	-	(11,000,000)	-
Expiring 24 January 2024 at AUD0.116	BKTAV	1,000,000	-	-	-	1,000,000
Expiring 1 June 2024 at AUD0.20	BKTAX	1,500,000	-	-	-	1,500,000
Expiring 1 July 2024 at AUD0.224	BKTAW	1,500,000	-	-	-	1,500,000
Expiring 25 October 2024 at AUD0.29	BKTAY	3,000,000	-	-	-	3,000,000
Expiring 26 April 2025 at AUD0.40	BKTAZ	1,500,000	-	-	-	1,500,000
Expiring 26 June 2025 at AUD0.20	BKTAAE	28,985,513	-	-	-	28,985,513
Expiring 30 June 2025 at AUD0.00	BKTAAB	509,709	-	-	-	509,709
Expiring 30 June 2026 at AUD0.00	BKTAAC	509,709	-	-	-	509,709
Expiring 30 June 2027 at AUD0.00	BKTAAD	509,708	-	-	-	509,708
		<b>77,007,674</b>	<b>(21,357,069)</b>	<b>-</b>	<b>(16,635,966)</b>	<b>39,014,639</b>

The weighted average exercise price of options at 31 December 2023 is AUD0.18 (30 June 2023: AUD0.14). The weighted average remaining contractual life of options as at 31 December 2023 is 1.4 years (30 June 2023: 1.6 years).

### Performance Rights

As at 31 December 2023, there were 44,132,171 unlisted performance rights (30 June 2023: 8,769,655).

UNLISTED PERFORMANCE RIGHTS	CODE	OPENING BALANCE	EXERCISED IN PERIOD	GRANTED IN PERIOD	EXPIRED / FORFEITED IN PERIOD	CLOSING BALANCE
		No.	No.	No.	No.	No.
Expiring 30 November 2027	BKTAAB	8,769,655	(778,618)	-	(1,974,653)	6,016,384
Expiring 30 June 2026	BKTAAB	-	-	1,165,685	-	1,165,685
Expiring 29 September 2028	BKTAAB	-	-	36,950,102	-	36,950,102
		<b>8,769,655</b>	<b>(778,618)</b>	<b>38,115,787</b>	<b>(1,974,653)</b>	<b>44,132,171</b>

The weighted average remaining contractual life of performance rights outstanding at the end of the period was 3.7 years (30 June 2023: 4.4 years). Performance rights have nil exercise price.

## 6. ISSUED CAPITAL (continued)

### Employee Securities Incentive Plan

The Group has provided benefits to employees of the Company in the form of performance rights under the Company's Employee Securities Incentive Plan as approved at the annual general meeting on 28 November 2022, constituting a share-based payment transaction.

During the period, the following performance rights with a nil exercise price were granted:

	Number	Weighted average life
Remuneration Rights	1,165,685	2.7 years
Project Completion Bonus	3,152,405	5 years
Project Incentive Rights	33,797,697	5 years
<b>TOTAL PERFORMANCE RIGHTS GRANTED</b>	<b>38,115,787</b>	

The vesting of performance rights is subject to the attainment of defined key performance indicators (**KPIs**), chosen to align the interests of the employees with shareholders, representing key drivers for long term value.

The following performance criteria relate to the performance rights issued in the current period :

- Remuneration rights will vest subject to the service condition of continued employment on 30 June 2024.
- Project completion bonus performance rights vest on the performance test of the project completed and passed.
- Vesting of the Project incentive performance rights is dependent on the following KPIs being met:
  - Final investment Decision
  - First debt draw down
  - Start Structural Mechanical Piping
  - Absolute total shareholder return measure (2 year assessment)
  - Personal KPIs based on employee's role within the Company

During the prior period, 8,769,655 performance rights with a nil exercise price and expiry of 5 years were granted. The average fair value of the performance rights granted during the period is AUD0.148 (30 June 2023: AUD0.148).

Performance rights granted carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share of the Company with full dividend and voting rights.

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## 7. NON-CONTROLLING INTEREST

The Group incorporated Faru Graphite Corporation Limited (**Faru**), a new Tanzanian company in which Black Rock's subsidiary, Mahenge Resources Limited (UK), holds an 84% interest and the Government of Tanzania holds a 16% free carried interest. The Framework and Shareholders Agreements were signed on 14 December 2021. Faru was incorporated to receive the Special Mining Licence (**SML**) for Mahenge which was issued on 5 September 2022. The Framework and Shareholders Agreements between Mahenge Resources Limited (UK) and the Government of Tanzania specify the key rights and obligations of the parties, as shareholders of Faru, with respect to the development and management of the Project. At the date of grant of the SML, 16% of the fair value of the Faru shares has been attributed to the Government of Tanzania and recorded as a non-controlling interest.

	<b>31 DECEMBER 2023</b>	30 JUNE 2023
	<b>AUD</b>	AUD
Balance at beginning of the period	<b>(299,344)</b>	-
Issuance of 16% interest to non-controlling interest	-	514
Loss for the period attributable to non-controlling interest	<b>(242,366)</b>	(294,325)
Other comprehensive income/(loss) for the period attributable to non-controlling interest	<b>19,070</b>	(5,533)
Balance at end of period	<b>(522,640)</b>	(299,344)

## 8. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from 30 June 2023.

The Group holds the following financial instruments, all of which the fair value is equal to the carrying value:

	<b>31 DECEMBER 2023</b>	30 JUNE 2023
	<b>AUD</b>	AUD
<b>Financial assets</b>		
Cash and cash equivalents	5,032,146	11,459,227
Other receivables	212,405	256,582
<b>Total financial assets</b>	<b>5,244,551</b>	<b>11,715,809</b>
<b>Financial liabilities</b>		
Trade and other payables	(755,234)	(2,083,033)
Lease liabilities	(579,347)	(686,346)
<b>Total financial liabilities</b>	<b>(1,334,581)</b>	<b>(2,769,379)</b>
<b>Net financial instruments</b>	<b>3,909,970</b>	<b>8,946,430</b>

## 9. EXPENDITURE COMMITMENTS

### a. Exploration

The Group has certain commitments relating to the licence conditions with the Tanzanian Energy and Minerals Department. Outstanding exploration commitments are as follows:

	31 DECEMBER 2023	30 JUNE 2023
	AUD	AUD
Within one year	272,276	293,698
Within one to five years	1,056,940	1,093,293
After five years <sup>(i)</sup>	5,052,219	5,319,310
	<b>6,381,435</b>	<b>6,706,301</b>

(i) Relates to the Special Mining Licence granted for a period of 26 years.

As part of the original conditions to acquire the exploration licenses there were minimum exploration expenditure commitments. These had all been met by 31 December 2023.

In the prior period as part of the contract to acquire the graphite exploration licenses, under certain milestone conditions the Company will be obliged to make additional payments. These payments are subject to the following conditions:

PL 10427/2014

- AUD250,000 cash or equivalent number of fully paid Black Rock shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >9% total graphite content is announced. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and
- AUD375,000 cash and the equivalent value (AUD375,000) in Black Rock shares to be paid when a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at the Mahenge Graphite is announced by Black Rock on the Australian Stock Exchange. The issue price of Black Rock shares is to be calculated based on the VWAP of Black Rock shares in the five (5) days prior to the release of the announcement.
- The required targets have not been met and hence no liability has been recognised.

### b. Capital commitments

As at 31 December 2023, the Group has capital commitments of AUD3,536,099 for the Resettlement Action Plan (30 June 2023: AUD3,646,267).

	31 DECEMBER 2023	30 JUNE 2023
	AUD	AUD
Within one year	22,000	85,500
Within one to five years	3,514,099	3,560,767
After five years	-	-
	<b>3,536,099</b>	<b>3,646,267</b>

### c. Contractual commitments

As at 31 December 2023, the Group had contractual expenditure commitments of AUD1,707,138 (30 June 2023: AUD3,075,399).

## 10. SUBSEQUENT EVENTS

Other than disclosed below, since 31 December 2023, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods with the exception of the following, the financial effects of which have not been provided for in the half-year financial statements:

Subsequent to period end, on 15 March 2024, Black Rock announced that it had received approval from the IDC for a senior term loan of USD53.4m. The loan is subject to documentation of final agreements.

## 11. CONTINGENT LIABILITIES

The Group has agreements with consultants assisting in the project financing arrangements. The fee is payable in part through a success fee, which will be settled 50% in cash and 50% in shares in the Company at 1.5% of the debt facilities finally executed. The Group is targeting USD113m of term debt, cost overrun and working capital facilities totalling a further USD40m and a prepayment facility from POSCO totalling USD11m. The ultimate amount of debt funding and timing of its finalisation is not known as at 31 December 2023 due to the ongoing discussions with financiers, the Company continues to target first production from Module 1 in 2026.

During the prior period, on 11 October 2022, the Company issued a notice of demand for compensation for breach of the Consultant Services Agreement (the **Agreement**) between the Company and the Consultant<sup>4</sup> who was party to this Agreement. The breach of the Agreement relates to a conflict of interest, the failure to disclose said conflict and divulging intellectual property and confidential information of the Company. Subsequent to this, on 24 October 2022, the Group received a pre-litigation letter for defamation from the Consultant demanding compensation. The Consultant has not filed any court case in relation to this matter. The Board and Management, based on advice received from legal advisors, are of the opinion that the Consultant's case has no reasonable prospect of success. Accordingly, no adjustment has been made to the financial report with respect to this matter.

Other than reported above, there has been no change in contingent liabilities or contingent assets since the last annual reporting date.

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<sup>4</sup> Due to privacy the Consultant has not been named.