POSCO Equity Investment Agreements Signed

HIGHLIGHTS

- **POSCO & Black Rock executes Subscription & Umbrella Agreements pursuant to POSCO's US$7.5m investment**
- **Offtake & Prepayment Agreement progressing**

Tanzanian graphite developer Black Rock Mining Limited (ASX:BKT) (**Black Rock** or the **Company**) is pleased to confirm that following the Company's announcement on 18 January 2021, that POSCO Ltd (**POSCO**) and Black Rock have signed the Subscription Agreement and Umbrella Deed pursuant to the US$7.5m term sheet announced on 17 December 2020 (Term Sheet Announcement).

As stated in the Term Sheet Announcement, completion under the Subscription Agreement is conditional on FIRB approval and approval from the Tanzanian Fair Competition Commission. Black Rock will keep shareholders updated on the progress of these conditions.

In addition, Black Rock will seek shareholder approval under ASX Listing Rule 7.1 for the issue of shares to POSCO. Black Rock expects to convene a general meeting of shareholders in the coming weeks. The transaction is also conditional on there being no material adverse change in Black Rock and no government agency restraining or prohibiting the deal.

Black Rock will use the funds from the POSCO transaction to develop the Mahenge Graphite Project, including conducting a commercial scale test for ore processing to produce commercial scale customer samples, site works and early stage construction.

All other material terms of the Subscription Agreement and Umbrella Deed are as set out in the Term Sheet Announcement. Black Rock continues with positive negotiations with POSCO in relation to the Offtake Agreement including a prepayment facility of up to US$20m.

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 a 100% interest in the Mahenge Graphite Project (**Project**) located in Tanzania. The Project has a JORC compliant Mineral Resource Estimate of 212m 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 resources estimate.

On 25 July 2019, the Company released an enhanced Definitive Feasibility Study (eDFS) for the Project, which was based on strong customer demand. The eDFS for the Mahenge Graphite Mine envisages a four phase operation, ultimately producing 340,000 tpa of high-grade graphite, with is was enhanced in July 2019 (refer to ASX release 25 July 2019), and demonstrates exceptional financial metrics including:

- *Low Capex*: Lowest peak capital expenditure of US$116M for phase one*;
- *High Margin*: AISC margin of 63.1%;
- *Low Technical Risk*: Substantial pilot plant operations run of 110 tonnes; and
- *Superior Economics*: IRR of 44.8% with NPV_{10} of US$1.16bn (A$1.65bn**)

Black Rock has obtained all Environmental approvals, In February 2019, the Company announced receipt of its Mmining Llicences and its Resettlement Action Plan with clear title to for the eDFS project area.

In June 2020, the Company announced a Strategic Alliance with POSCO Group for the development of the Mahenge Graphite Mine. This included an equity investment of US$7.5m and an offtake agreement, currently in progress, which includes a prepayment facility of up to US$20m. Black Rock has also it had substantially allocated planned production with up to 255k tonnes per annum of graphite committed to sale by year three of production, through Pricing Framework Agreements (refer to ASX release 8 May 2019) with five other offtake customers. The Company is progressing these agreements into binding offtake commitments.

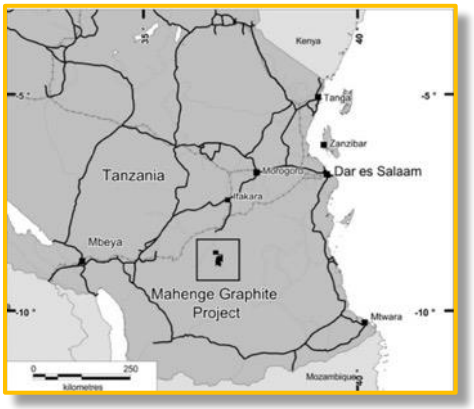
Following release of the enhanced DFS (eDFS) in July 2019, the Company confirms that it is not aware of any new data or information that materially affects the results of the eDFS and that all material assumptions and, in the case of estimates of Mineral Resources or Ore Reserves, technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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).

The Company is construction-ready subject to financing and confirmation of Tanzanian Government Free Carried Interest Agreement.The Company is currently progressing financing discussions and detailed engineering with a view to commencing construction of the mine.

JORC Compliant Mineral Resource Estimate and Ore Reserve***

Ore Reserves	Tonnes (Mt)	Grade (% TGC)	Contained Graphite (Mt)
- Proven	0	0.0	0.0
- Probable	69.6	8.5	6.0
Total Ore Reserves	**69.6**	**8.5**	**6.0**
Mineral Resources			
- Measured	25.5	8.6	2.2
- Indicated	88.1	7.9	6.9
Total M&I	**113.6**	**8.1**	**9.1**
- Inferred	98.3	7.6	7.4
Total M, I&I	**211.9**	**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
** $AUD/USD 0.70
*** Resource and Ore Reserve Estimates as released to ASX on 8 August 2017 Optimised PFS

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