

BKT signs third offtake agreement to substantially sell out Mahenge Graphite Mine DFS

HIGHLIGHTS

- Offtake agreement signed with Taihe Soar (Dalian) Supply Chain Management Co Ltd (“Taihe Soar”) for three years to supply up to 100,000 tonnes per annum by year three, of sized graphite concentrate
- Combined tonnage of all three offtake agreements is up to 205k tonnes per annum of product by year three.

	Year 1	Year 2	Year 3
Heilongjiang Bohao	30,000	50,000	90,000
Qingdao Fujin	15,000	15,000	15,000
Taihe Soar	37,500	80,000	100,000
Total	82,500	145,000	205,000

- Taihe Soar is a Dalian based trading house with annual turnover of over USD\$400m that specialises in imports and exports and providing trade credit for smaller entities who would not normally have access to international markets
- Pricing to be agreed under the terms of a formal agreement to be entered into within 12 months of execution of the offtake agreement and will be set quarterly with reference to the prevailing market price for flake size and concentrate grade
- Black Rock has commenced work on optimising its mine plan to compress its development schedule and increase ultimate production by adding a fourth self-funding module in light of strong market demand for Mahenge Premium and Ultra products

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) (“Black Rock” or “the Company”) is pleased to announce the signing of its third offtake agreement for natural flake graphite from its Mahenge Graphite Mine in Tanzania. The offtake agreement is with Taihe Soar of Dalian, Liaoning Province (“Taihe Soar”).

This offtake agreement adds to Black Rock’s first and second agreements executed with Heilongjiang Bohao (refer ASX announcement 22 October 2018) and Qingdao Fujin (refer ASX announcement 29 October 2018). Combined, all offtake agreements could represent approximately 85% of proposed steady state annual production of 240,000 tonnes per annum. The offtake agreements have been signed via Black Rock’s 100% owned Tanzanian subsidiary, Mahenge Resources Limited.

Black Rock Mining Ltd
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 ASX: BKT

Issued Capital
 537.7m Shares
 47m Options

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Commenting on the significance of the signing, Black Rock Mining CEO, John de Vries, said the Company was excited to announce a third offtake agreement, and effectively having sold out production from modules 1 and 2.

“This offtake agreement is significant as having effectively sold out modules 1 and 2, clearly demonstrates that strong market demand exists for Mahenge’s unique Premium and Ultra products. This offtake would not have been possible, without access to concentrate from Black Rock’s study staged pilot plant, the largest in the sector. The pilot plant has been fundamental to the success of our marketing strategy.

This agreement opens a third sales channel to us through the use of a distributor model to access smaller volume consumers that would normally not have access to international markets. Taihe Soar’s capacity to deploy over USD\$200m in trading assets and turn over in excess of USD\$400m per annum positions Black Rock with a strong financial partner with the necessary skills to manage smaller entities not normally available to African developers.

We continue to build momentum through a differentiated marketing strategy, targeting the expanded graphite market. Continued market interest in our large, high purity, Premium and Ultra flake products supports our position that the expanded graphite market is supply constrained. Being able to place the volumes that we have in the expanded graphite market suggests that significantly more demand exists in this sector than many commentators have anticipated. We will continue to explore further opportunities in the expanded market and understand how these opportunities translate into increased ramp up rates and additional capacity.

We remain active in financial markets and are confident that we will secure access to development funding in time to meet our project schedule.”

As a result of the three offtake agreements the Company has commenced work to optimise its mine plan by compressing its development schedule and working on a fourth self-funding module to take proposed annual production to over 300k tonnes per annum. This increase is supported by a significant Mineral Resource Estimate and Ore Reserve that currently provides for a 32 year mine life.

Key terms of the Offtake Agreement

The key terms of the Offtake Agreement are summarised as follows:

- Up to three years offtake agreement to supply up to 37,500 tonnes per annum in year one, 80,000 tonnes per annum for year two, rising to 100,000 tonnes per annum in year three
- Pricing to be agreed under the terms of a formal agreement to be entered into by the parties within 12 months of execution of the offtake agreement (and on terms consistent with the offtake agreement) and will be set quarterly with reference to market price for flake size and concentrate grade
- Either party may terminate the offtake agreement by the giving of 60 days written notice to the other party

The offtake agreement and the obligation to deliver product is subject to Black Rock completing construction of the Mahenge mine and associated infrastructure, and commencement of operation of the Mahenge mine in Tanzania.

For further information on Taihe Soar please refer to <http://www.taihesoar.com/>

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About Black Rock Mining

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange. The Company owns graphite tenure in the Mahenge region of Tanzania.

The Company's 100% owned Mahenge Graphite Project is one of the largest JORC compliant flake graphite resources globally, with a mineral resource estimate of 211.9m tonnes at 7.8% TGC for 16.6m tonnes of contained graphite. Importantly, more than 50% of the mineral resource is in the Measured and Indicated category and is in accordance with the company's previous announcement on 20 July 2017. The Company confirms that it is not aware of any new information that materially affects the resources estimate.

For further information on Black Rock Mining Ltd, please visit www.blackrockmining.com.au



Location of Black Rock's Mahenge Graphite Project within Tanzania