



Black Rock Mining Limited (ASX: BKT)

RIU Sydney

Corporate Presentation

10 May 2017

Delivering a compelling low capex, high margin graphite mine

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COMPETENT PERSONS

The information in this report that relates to Exploration Results and Mineral Resource Statements is based on information compiled by Steven Tambanis, who is a member of the AusIMM. He is an employee of Black Rock. Steven Tambanis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd). Mr Barnes and Mr Platel are members of the Australian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes, Mr Platel and Mr Tambanis consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The Ore Reserves have been compiled by Oreology Consulting Pty Ltd, under the direction of Mr John de Vries, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr de Vries is a full-time employee of Black Rock Mining and holds performance rights in the company as part of his total remuneration package. Mr de Vries has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

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1. Black Rock Mining Overview

- **Developing the Mahenge Graphite Mine**

- The Mahenge Graphite Project has a JORC Compliant Mineral Resource Estimate of 203m tonnes at 7.8% Total Graphitic Carbon (“TGC”) for **over 15m tonnes of contained graphite**.

- **Industry Leading Low Capex**

- The Company’s PFS released in April 2017 estimates capex at US\$90.1m for phase one production of 83k tonnes per annum.
- Phase two is self funded and adds a further 83k tonnes per annum taking total production to 167k tonnes per annum.

- **Industry Leading Margin**

- Cash costs to port in full production estimated at US\$382 per tonne, significantly lower than most African peers.
- With industry leading product concentrate grade and attributes selling price likely to be higher than other developers.

- **Compelling Financial Metrics**

- Post-tax unlevered project NPV₁₀ of US\$624m (NPV₈ of US\$798m) with a post tax, unlevered IRR of 48.2%.
- EBITDA in first full year of production US\$135 million (EBITDA margin of 66%).

- **Significant Scale Opportunities**

- Ability to add scale or life given initial 32 year mine life uses around 30% of the Resource’s contained graphite.

- **Exposure to Battery Thematic**

- Lithium-ion batteries likely to dominate energy storage for growing electric vehicle and grid storage markets.

2. Mahenge Graphite Project

High-grade Resource capable of delivering a multi-generational mine with significant scale

- Cascades and Ulanzi JORC Mineral Resource estimate of **164.6m tonnes at 8.2% TGC***
- Large, high grade Tanzanian Project supported by close proximity to infrastructure.
- Reserve declared of 48.3m tonnes at 8.7% TGC**
- Total Resource contains over 15m tonnes of graphite.

* ASX Release of 6 October 2016

** ASX Release of 24 April 2017

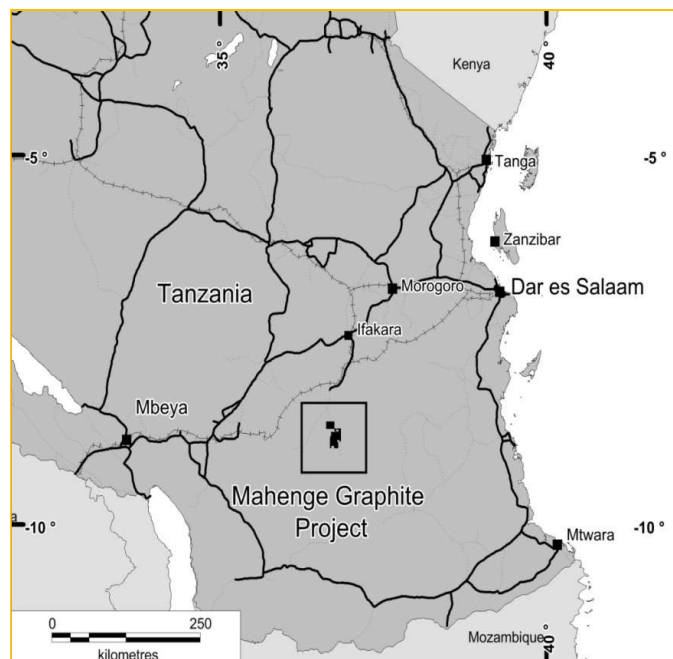


Image showing project location in Tanzania

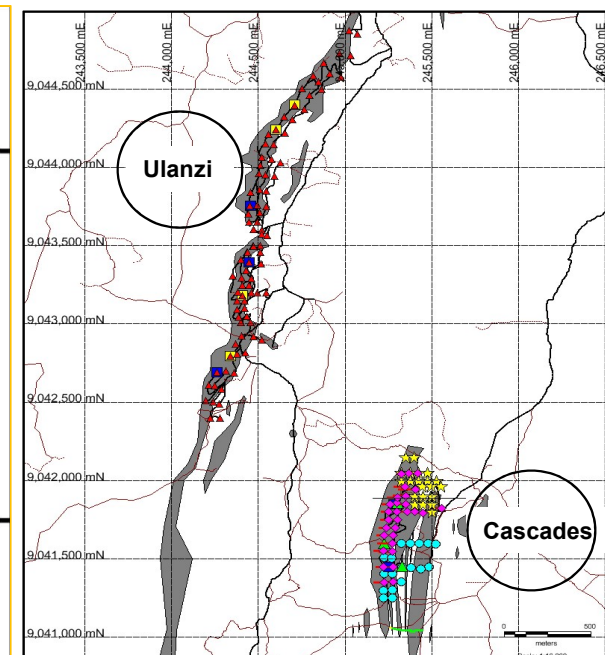


Image showing Ulanzi and Cascades localities. Grid spacing is 500m.

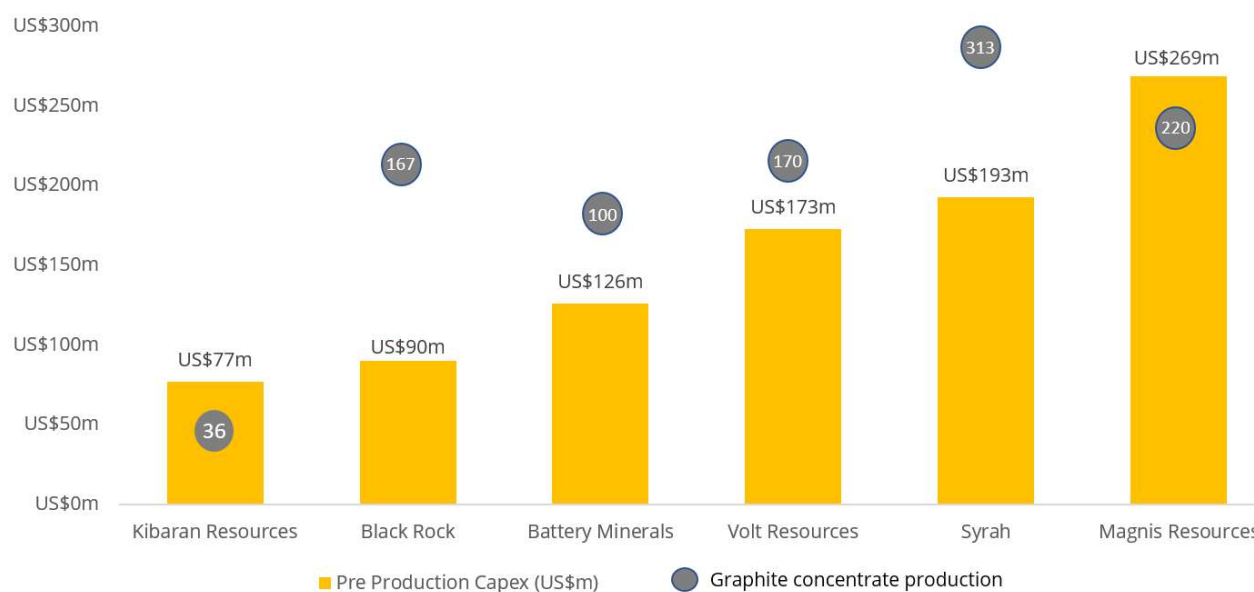
3. Industry Leading Low Capex



Large enough to be investible with upfront capital small enough to be fundable

- US\$90.1m pre production capex for initial operation of 83.3k tonnes per annum*
- Second phase to double production funded from cash flow.
- Potential for additional phases as market demand increases.

Pre-production capex v steady state annual production



* ASX Release of 24 April 2017

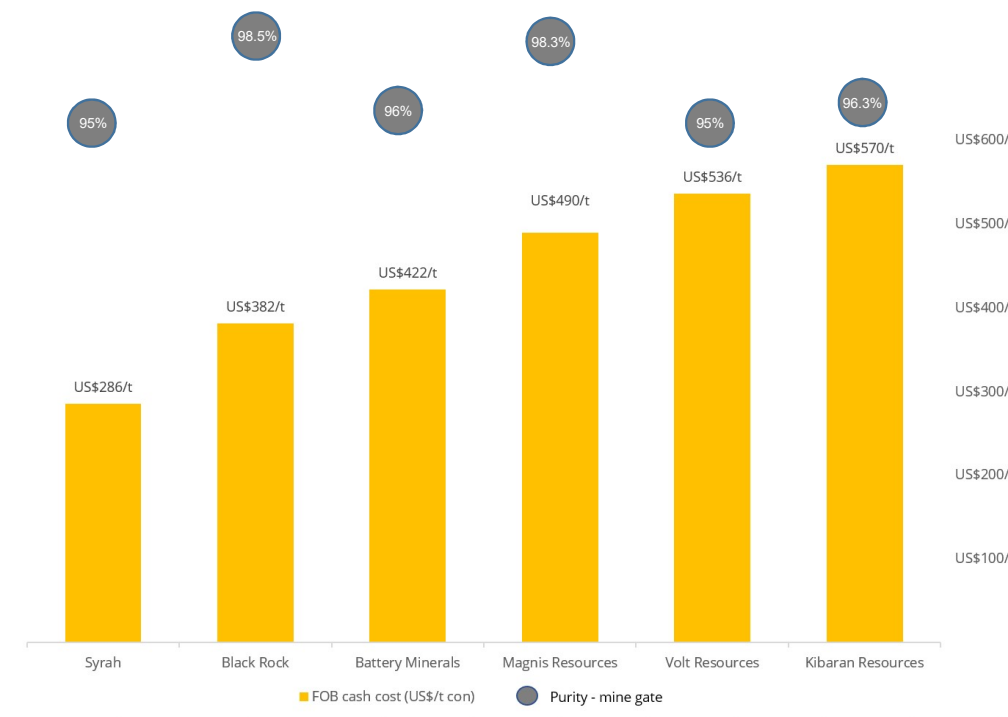
3. Industry Leading Margin



High priced product combined with lowest quartile opex to deliver industry leading margin

- Life of mine cash costs to port estimated at US\$382 / tonne.
- Margin benefits from high purity concentrate grade of 98% to 99%.
- Low opex and high quality product likely to deliver highest margin in sector.

Estimated cash costs to port and concentrate grade

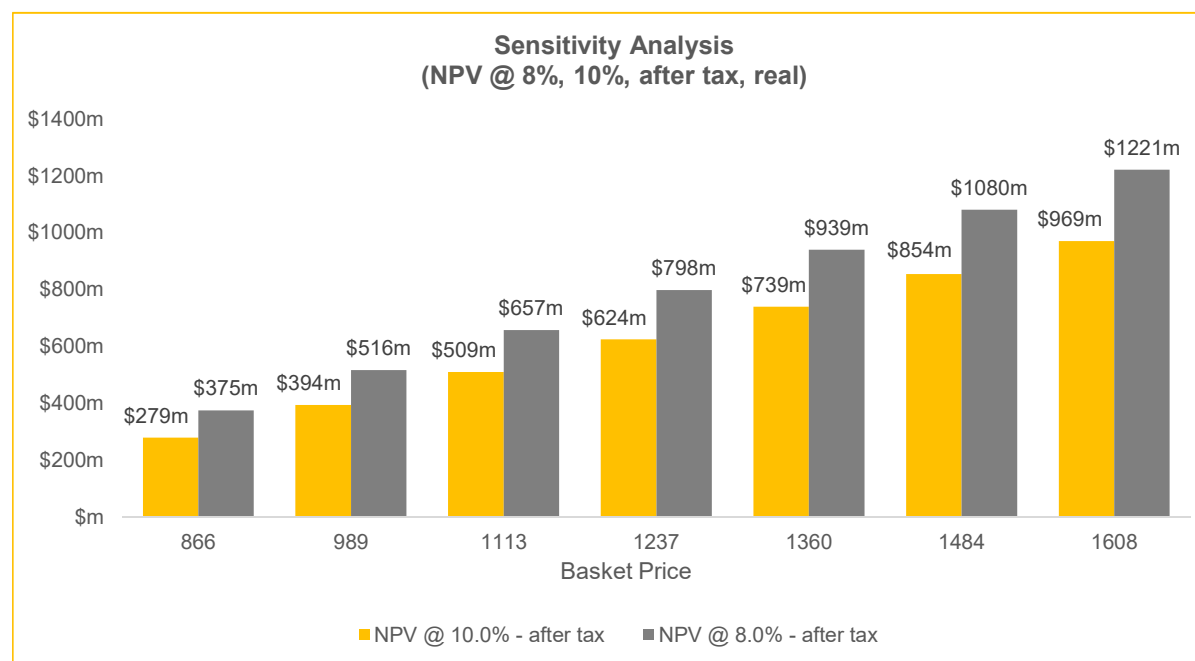


* ASX Release of 24 April 2017

4. Compelling Financial Metrics

Compelling financial metrics even at sub \$1,000 per tonne basket price

- Unlevered post tax **NPV₁₀ of US\$624m** (NPV₈ of US\$798m)
- Unlevered post tax IRR of 48.7%
- NPV to pre production capex ratio of 7x
- Realistic price deck with robust project economics at a basket price of sub \$1,000 per tonne

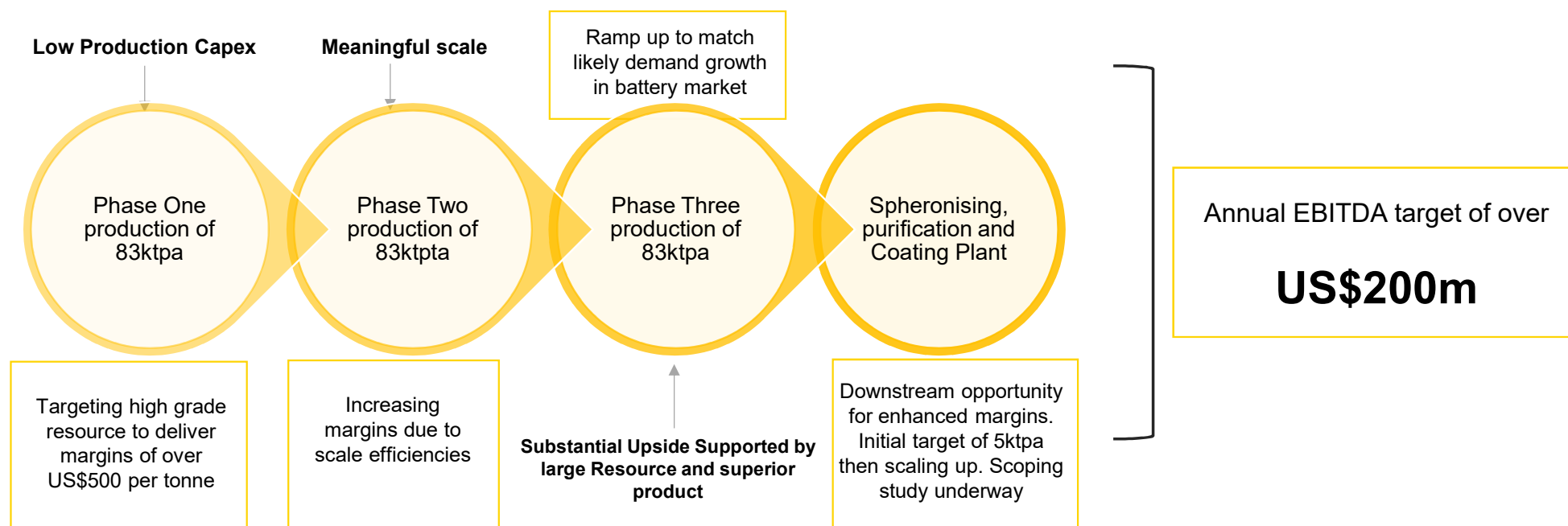


* ASX Release of 24 April 2017

5. Scale

High-grade Resource capable of delivering a multi-generational mine with significant scale

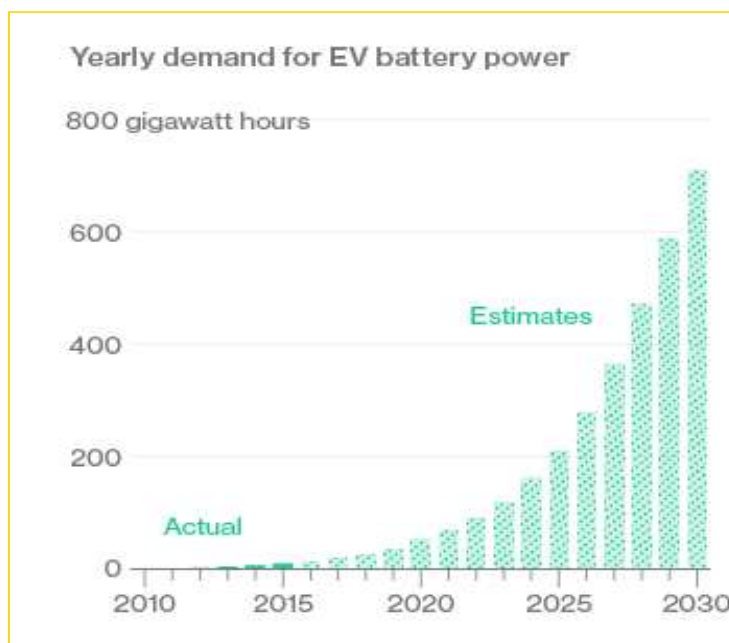
- Over 15m tonnes of contained graphite with only 30% used in initial 32 year mine.



6. Exposure to Battery Thematic

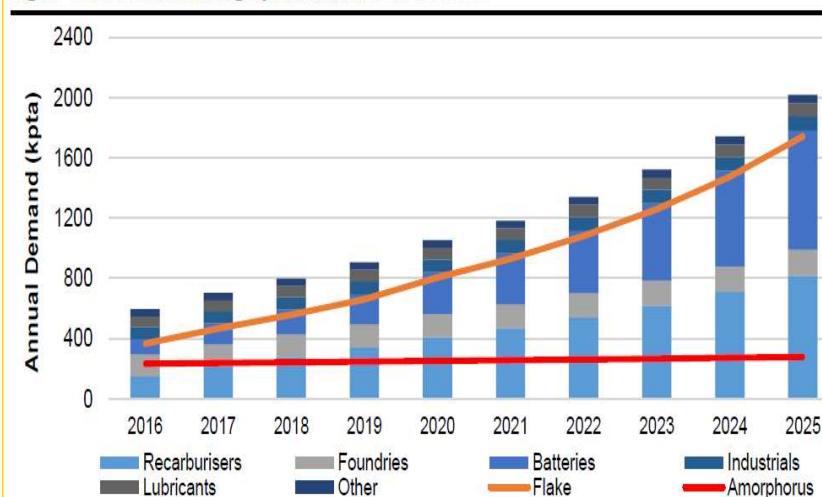
More than 1m tonnes of new supply is necessary to meet increasing demand

- Exposure to lithium-ion battery market driven by electric vehicles and grid energy storage applications.
- Market demand expected to triple between 2017 and 2025 requiring over 1m additional tonnes of natural flake graphite.



Source: Bloomberg New Energy Finance – February 2016

Figure 56: Overall Natural graphite demand 2015-2025e



Source: Company reports, Canaccord Genuity estimates

Source: Canaccord November 2016

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