

BLACK ROCK CONFIRMS MAHENGE GRAPHITE PROJECT DFS REMAINS ON SCHEDULE FOR SEPTEMBER 2018 COMPLETION

HIGHLIGHTS

- Definitive Feasibility Study expected to be completed by end of September 2018
- Operating expenditure (opex) expected to benefit from early access to grid electricity and rail haulage
- Base case capex tracking in line with optimised PFS with upside likely from Chinese procurement strategy
- Environmental and Social Impact Assessment (ESIA) lodged for approval

Tanzanian graphite developer Black Rock Mining Limited (BKT: ASX) ("Black Rock" or "the Company") is pleased to provide an update on the progress of its Definitive Feasibility Study (DFS) for its 100% owned Mahenge Graphite Project.

Black Rock's CEO John de Vries commented:

"As a company, our strategy is simple: concentrate on completing high quality technical work, with a focus on market development and customer acceptance. Ensuring our environmental and community footprint is as small as possible, is a common-sense approach to long term risk management. From the outset, we have positioned Mahenge to be as integrated into the Tanzanian economy as possible. This includes use of Tanesco (Tanzania Electric Supply Company Ltd) for power, and Tazara (Tanzania Zambia Railway Authority) for freight. This is not an outcome of the mining code, rather it is a sensible and pragmatic approach to operating a quality project sustainably, for the long haul."

Definitive Feasibility Progress (DFS)

The DFS builds on a highly positive optimised Pre-Feasibility Study completed in July 2017. Key metrics were (refer ASX release in August 2017):

- Three stage construction to deliver 250k tonnes per annum of 98.5% graphite concentrate for 31 years. Stages two and three to be funded from free cash flow
- Pre-production capex of US\$90.1m
- Steady state opex of US\$378 per tonne
- Realistic basket price assumption of US\$1,241 per tonne delivering an operating margin of US\$863 per tonne
- Ore Reserves increased to 69.6m tonnes at 8.5% Total Graphite Contained (TGC)
- Financial metrics incorporating a 16% Government free carry and increased royalty rate include:
 - Post-tax unlevered project NPV₁₀ of US\$905m
 - Post-tax, unlevered IRR of 45.1%

Work on the DFS has progressed from flowsheet development to design and estimation supported by the 90 tonne pilot plant run in Canada. Vendor test work has been completed and mechanical equipment selections finalised. Process and Instrumentation diagrams are complete and material take offs have commenced.

Current capex forecast is based on a global procurement strategy, however value engineering work is underway to identify single source procurement ex-Asia, which is expected to deliver lower capex.

Black Rock Mining Ltd
ACN 094 551 336
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Issued Capital
443m Shares
67.2m Options
2.4m Performance
Rights

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Rail haulage is expected to benefit opex, with the Company planning to truck bagged product to a dedicated containerisation facility at Ifakara, where the railhead is located 60 kms from mine site. Importantly, the facility will operate as a “Dry Port” with operations of the Government Minerals Warehouse and Customs clearances occurring prior to product shipment from Ifakara to the Port of Dar es Salaam for export to international markets.

A dry stacking flowsheet aimed at simplifying water management and reducing residue footprint is well advanced. The advantages of dry stacking include reduced water consumption, minimisation of wet tailings dams with significantly reduced tailings dam area and water catchment area, simplifying decant water management and discharge management. The outcome of this has helped significantly reduce the risk profile for mine residue management.

DFS report writing has commenced and is on track to be released to the market by early September 2018.

Mining Permits

The Company recently lodged its Environmental and Social Impact Assessment with the Tanzanian Ministry of Energy & Minerals. Subject to the Company receiving positive feedback and approval on its ESIA, it will then pave the way for the application for a mining permit. Both application processes are subject to approval by the Tanzanian Ministry of Energy & Minerals

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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 Mineral Resource Estimates 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 categories.

Black Rock released an exceptional optimised Preliminary Feasibility Study (PFS) for the Mahenge Graphite Project, which considered a three-stage construction to deliver up to 250,000 tonnes per annum of 98.5% graphite concentrate for 31 years. The Company plans to fund stages two and three from free cash flow. The pre-production capex is US\$90.1m to deliver a post-tax unlevered project NPV₁₀ of US\$905m incorporating the proposed 16% Government free carry and increased royalty rate.

The optimised PFS confirmed Black Rock has the potential for a long-life, low capex, high margin operation. Black Rock is moving towards commencing a Definitive Feasibility Study (DFS). Following the successful completion of the DFS and the associated financing, construction is expected to commence late-2018 with first production in 2019.

For further information on the Company's development pathway, please refer to the Company's website at the following link: <http://www.blackrockmining.com.au> and the corporate video presentation at <http://www.blackrockmining.com.au/#video>.

