

# Black Rock signs mining services contract with Taifa

## HIGHLIGHTS

- Black Rock has signed a mining services contract with TAIFA Mining and Civils Limited (Taifa) for an initial term of 3 years, subject to Final Investment Decision (FID)**
- Taifa is a highly skilled and experienced mining contractor based in Tanzania**
- The contract value for the initial 3-year term is US\$37.9m, and is consistent with the estimated cost in the Mahenge eDFS Update released on the ASX in Oct 2022**
- Signing the mining services contract is a key de-risking milestone for Black Rock and satisfies one of the conditions precedent for project lenders**

**Tanzanian graphite developer Black Rock Mining Limited (ASX: BKT) (Black Rock, BKT or the Company) is pleased to announce that its 84%-owned subsidiary, Faru Graphite Corporation (Faru) has signed a mining services contract (Mining Contract) with Taifa for the Mahenge Graphite Project (Mahenge or the Project).**

### Mining Services Contract signed with Taifa

Black Rock's 84%-owned subsidiary, Faru has signed a Mining Contract with Taifa for Mahenge for an initial 3-year term, subject to FID. Under the terms of the contract, Black Rock also has the option to extend the contract term by an additional 2 years.

In line with local content requirements in Tanzania, Black Rock ran a tender process to select its preferred mining services contractor and is very pleased to award the contract to Taifa. The contract with Taifa has also been approved by the Mining Commission of Tanzania.

Taifa was founded in 1987 as a civils and earth-moving operation in Mbeya, Tanzania. It has since grown into the largest locally owned civils and mining contracting business in Tanzania. Taifa is one of the most experienced mining service providers in Tanzania and has a number of established clients such as the Williamson Diamond Mine, where Taifa provides services for the entire mining cycle, from drilling and blasting to excavation, loading and hauling. In addition, Taifa is currently operating significant contracts for Barrick Gold at its North Mara Gold Mine (a haulage contract and a TSF lift project) and at Bulyanhulu Gold Mine, where Taifa has been contracted to excavate a new box cut for an additional underground adit. Past clients include Anglo Gold's Geita Mine, the Tulawaka Gold Mine and Buzwagi Gold Mine, where Taifa provided mining services from green field to close of the mine, at both mines.

### Commenting on the Mining Contract, Black Rock CEO, John de Vries, said:

*"We are very pleased to be locking in our mining contract with Taifa, which is one of the largest and most experienced mining contractors in Tanzania. We look forward to working with Taifa to deliver the Mahenge Graphite Project.*

*Importantly, signing the mining services contract satisfies one of the conditions precedent for lenders. This is a particularly exciting time as we start to assemble various workstreams including today's announcement which brings us one step closer to the Final Investment Decision for Mahenge."*

**This ASX release was authorised on behalf of the Black Rock Board by:**

John de Vries, Managing Director & CEO

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**Forward looking statements disclaimer**

This announcement contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “estimate”, “target”, “outlook”, and other similar expressions and include, but are not limited to, the timing, outcome and effects of the financing process. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this release speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.

## About Black Rock

Black Rock Mining Limited is an Australian based company listed on the Australian Securities Exchange (ASX: **BKT**). The Company has an 84% interest in the world-class Mahenge Graphite Project (**Mahenge**) located in Tanzania. In July 2019 (ASX announcement 25 July 2019), the Company released an enhanced Definitive Feasibility Study (**eDFS**) for Mahenge. Black Rock has obtained all Environmental approvals, Mining Licences and its Resettlement Action Plan.

In June 2020 Black Rock announced a Strategic Alliance with POSCO for the development of Mahenge, including an equity investment of US\$7.5m, followed by an offtake agreement for the fines for Module 1 (32% of volume) plus a US\$10m prepayment facility. POSCO has also signed an MOU for 6ktpa of large flake graphite (7% of volume) increasing POSCO's offtake interest to almost 40% of Module 1. In September 2023, Black Rock signed an MOU with POSCO for Module 2 fines for an equity investment in Black Rock of up to US\$40m or 19.9% (whichever is lower).

In December 2021, Black Rock signed a Framework Agreement with the Government of Tanzania confirming a 16% Free Carried Interest shareholding, agreed to consolidate its Mining Licenses into a Special Mining Licence (**SML**). The SML for Mahenge was issued in September 2022.

Black Rock completed a FEED process (Front End Engineering Design) in September 2022, re-estimating the capital and operating costs for Mahenge as part of the eDFS Update<sup>1</sup>. The eDFS Update confirmed Mahenge as a robust project with attractive returns. Key project metrics comprise:

- *Tier 1 Scale*: Mahenge has a resource of over 200mt and the 2<sup>nd</sup> largest graphite reserve globally
- *Modular development approach*: Initial Capex of US\$231m<sup>2</sup>;
- *1<sup>st</sup> quartile on the global cost curve*: Adjusted C1 Cash cost of US\$359/t<sup>3</sup>
- *Attractive projected returns*: Unlevered IRR post-tax, post free carry of 36%<sup>4</sup>
- *Substantial upside potential*: NPV<sub>10 nominal</sub> post-tax, post free carry of A\$2.1bn or US\$1.4bn<sup>4</sup>

The Company is now construction-ready subject to financing and on 18 March 2024, Black Rock announced approvals for US\$153m in debt facilities with DBSA, IDC and CRDB.

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).

| JORC Compliant Mineral Resource Estimate and Ore Reserve <sup>5</sup> |              |               |                         |
|---|--------------|---------------|-------------------------|
| Ore Reserves  | Tonnes (Mt)  | Grade (% TGC) | Contained Graphite (Mt) |
| - Proven  | 0            | 0.0           | 0.0                     |
| - Probable  | 70.5         | 8.5           | 6.0                     |
| <b>Total Ore Reserves</b>   | <b>70.5</b>  | <b>8.5</b>    | <b>6.0</b>              |
| Mineral Resources   |              |               |                         |
| - Measured  | 31.8         | 8.6           | 2.7                     |
| - Indicated   | 84.6         | 7.8           | 6.6                     |
| <b>Total M&amp;I</b>  | <b>116.4</b> | <b>8.0</b>    | <b>9.3</b>              |
| - Inferred  | 96.7         | 7.4           | 7.2                     |
| <b>Total M, I&amp;I</b>   | <b>213.1</b> | <b>7.8</b>    | <b>16.6</b>             |



Location of Black Rock's Mahenge Graphite Project in Tanzania

For further information on Black Rock Mining Ltd, please visit [www.blackrockmining.com.au](http://www.blackrockmining.com.au)

1 Refer market announcement dated 10 October 2022: Black Rock Completes Front End Engineering Design, Reconfirming Mahenge as Tier 1 scale project with compelling projected returns. The Company confirms that all the material assumptions underpinning the production target, or forecast financial information derived from the production target, in the original market announcement continue to apply and have not materially changed.

2 Includes US\$182m for Module 1 capex + US\$33m for power line + US\$16m for early works and other costs (not included in the eDFS Update). 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.

3 Adjusted for larger proportion of higher value large flake compared to global peers. Access to low-cost, hydro-dominated grid power is one of BKT's key competitive advantages.

4 Based on Expert Consensus graphite price forecasts, based on the average graphite price forecasts from Benchmark Mineral Intelligence, Fastmarkets and Wood Mackenzie

5 Resource Estimate as released to ASX on 3 February 2022: BKT Confirms 25% increase in Measured Resources and Ore Reserve Estimates as released to ASX on 8 August 2017: BKT delivers Exceptional Optimised PFS. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources or Ore Reserves in the original market announcements continue to apply and have not materially changed.