



## Black Rock Mining

### CEO ESG Principles Letter

Dear Stakeholder,

Graphite is a critical mineral needed for the world's transition to clean and sustainable energy. According to industry analysts, it is estimated that 97 new natural flake graphite mines<sup>1</sup> will need to be built by 2035 just to keep up with the new demand for graphite, driven primarily by batteries for the electrification of transport. This shift will require an exceptional global effort, not only to build new infrastructure for clean energy technologies, but for the development and collaboration with suppliers of new and reliable sources of raw materials to enable a successful energy transition.

Black Rock has one of the largest graphite deposits in the world, hosted in Tanzania, where the region is fast becoming an emerging new graphite belt for global supply. This now positions the Company as a meaningful participant in the global movement to decarbonise the planet, and our role to responsibly produce graphite has never been as important as it is today.

As Black Rock advances through the final stages of developing and transitioning its Mahenge Graphite Mine through to production, the Company shares its **ESG and Sustainability Principles** with stakeholders. These Principles are designed to:

- Provide visibility on Black Rock's blueprint for confidence in the Project in both investment and offtake markets;
- Outline the Company's unique advantages that provide a competitive position and underpin Black Rock's ability to deliver a real and sustainable operation; and
- Confirm its commitment to the sustainable economic transition of Tanzania through support for community and social development.

I encourage all stakeholders to read the Principles. Ultimately, our success relies on this structure and I look forward to continuing to deliver on the foundation the Company has built to date.

*John de Vries*

#### **John de Vries**

Managing Director and Chief Executive Officer  
Black Rock Mining Limited  
ASX:BKT

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<sup>1</sup> Benchmark Mineral Intelligence "More than 300 new mines required to meet battery demand by 2035" Report, 6 September, 2022 - <https://source.benchmarkminerals.com/article/more-than-300-new-mines-required-to-meet-battery-demand-by-2035>



**BLACK ROCK**  
MINING LIMITED

ASX:BKT

# Naturally Better Graphite

Sustainability and ESG Principals

March 2023



# Introduction



***"Our purpose is to **sustainably enable** global clean energy economies"***

At Black Rock, we are highly focused on delivering the best outcome on every metric that supports our mission to enable the world's transition to sustainable energy. Our Mahenge Graphite Mine, located in Tanzania, is set to become a globally significant new source of graphite that is desperately needed for clean energy storage technologies including the electrification of transport. Benchmark Mineral Intelligence forecast that 97 new natural graphite mines will need to be built by 2035 to keep up with the exceptional demand for graphite.

Developing a mine in Tanzania is multidimensional. Not only are we enabling a global transition to renewables, we are also enabling an economic transition in our immediate project area. This must be done responsibly and structured in a manner that supports a whole of community approach.

Adherence to national standards and where appropriate the IFC Performance Standards and Version 4 of the Equator Principals results in Mahenge meeting the same standards as other Tier 1 resource developments. A policy of responsible resource development should result in our stakeholders having the confidence to support the project in both investment and offtake markets.

**John de Vries**  
Managing Director and CEO



# Introduction



## Alignment of values

### BLACK ROCK COMPANY VALUES

#### Safety

All of us have an equal right to go home safely.

#### Team Work

We achieve superior results by working together.

#### Accountability

We are accountable to our family, our community and our colleagues – do them proud, give it your best.

#### Respect

We are a diverse organisation who respect each other.

#### Stakeholders

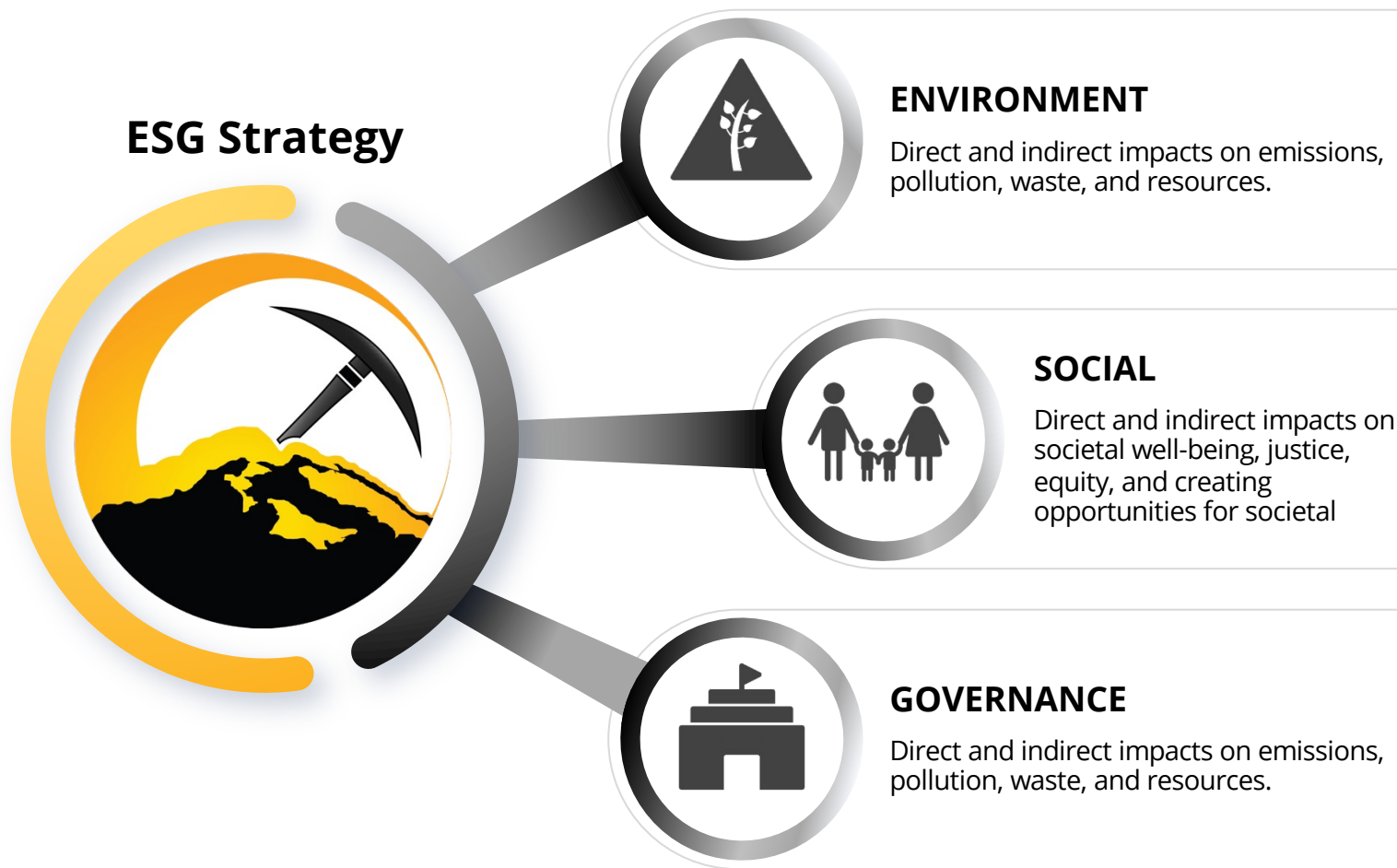
Our stakeholders measure our success – our customers, our investors and our community - all have expectations of us.

Black Rock's commitment to sustainability and ESG principles begins with an alignment of company values and its whole of supply chain strategy



### United Nations Sustainable Development Goal Alignment





## KEY DIFFERENTIATORS AND FOCUS AREAS



Natural Resources



Whole of Supply Chain



Operational Advantages



Geographical / Geographical



Livelihood Restoration



Create Growth Opportunities



Social Licence



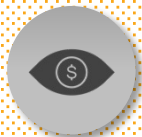
Community Development



Risk Mitigation



Management KPI Linked



Transparency & Visibility



Government Engagement





## ENVIRONMENT

Impacts on emissions, energy use, pollution, waste, and resources.



### Natural Resources

Mahenge's 213mt resource makes it the 4th largest graphite resource in the world.

Low deleterious impurities and favourable high-grade metallurgy means that Mahenge is able to produce up to 99% TGC concentrate purity.



### Whole of Supply Chain Approach

Black Rock is dedicated to not only provide one of the greenest new source of graphite, but also to ensure the supply chain it attaches to ultimately delivers on the "clean energy" promise to the end consumer.

Key examples of our downstream partnerships include:

- ★ Strategic partner POSCO, the worlds largest ex-China anode producer; and
- ★ URBIX, who have developed an ex-China low energy anode production process.



### Operational Advantages

Simple and conventional processing delivers a low touch and low energy operation.

First quartile on the global cost curve.

Planned grid power use is driven by Hydro Electric Power – making Mahenge's graphite one of the lowest carbon footprint products on the planet.

Dry stack tailing means the operation will not compete with local communities for water.



### Geological / Geographical

Unique competitive advantages driven by Geology and Geography.

Access to key infrastructure, Grid Power, Rail, Airstrip, Water and Tailings disposal (dry stack).

Logistics advantages with processing through Dar es Salaam high volume container port.



*Photo showing visible graphite at surface at Mahenge*





## SOCIAL

Impacts on societal well-being, justice, equity, and creating opportunities for the community



### Livelihood Restoration

The Project is expected to provide a higher standard of living, through the contribution of new revenues for the economy and the building of:

- ★ 297 houses;
- ★ Public primary school including kindergarten;
- ★ A Church;
- ★ Dispensary;
- ★ Market place;
- ★ Access roads; and
- ★ Provision of utilities to the resettlement area



### Create Growth Opportunities

Significant economic and social benefits to Tanzania, as outlined in Black Rock's eDFS, including:

- ★ 900 full-time jobs (4 Modules) principally located at Mahenge;
- ★ US\$6.5bn contribution to the Tanzanian economy over a 26 year mine life (based on eDFS prices); and
- ★ Opportunities for Tanzanian government /businesses including ports, rail and power supply.



### Social Licence to Operate

Black Rock commits to working with its local government stakeholders and communities within which it operates, to act as a good corporate citizen. The company undertakes regular stakeholder engagement to ensure alignment with the Ulanga district guidelines on Corporate Social Responsibility (CSR), and develop, in time, targeted strategic commitments into social and community enhancement programs.



### Community Development

In development and in operation Mahenge will engage with many business and suppliers. Local, national and international - Leveraging national infrastructure such as Power, Ports and Railways.

The flow on effect of employment, skills uplift and governance results in the collective impact of Mahenge exceeding it's individual parts.



*BKT MD/CEO John de Vries and Faru CEO Alimiya (Ali) Osman presenting the initial RAP payment ceremonial cheque to local village leaders and government officials*



## GOVERNANCE

Standards associated with transparency in conduct, integrity in leadership, and accountability to stakeholders.



### Risk Mitigation

Black Rock has a defined business strategy that is focused on maximizing value from the Mahenge Graphite Mine. Key strategy framework includes:

- ★ Upstream mine operation eliminating risk of large capital expenditure commitment and technical downstream risks
- ★ Detailed and Bankable Study Work
- ★ Whole of government and stakeholder engagement
- ★ Strategic downstream partnerships established



### Management KPI Linked

Alignment of remuneration associated with Key Performance Indicators linked board and management Short and Long Term Incentives.

ESG alignment gives management a balanced view of investment risk and aims to give the business a "stronger for longer" approach to how we do things.



### Transparency & Visibility

Black Rock is currently updating the ESIA for the Project. The impact assessment adheres to good international industry practice to enable international financing, including meeting:

- ★ IFC Environmental and Social Performance Standards (2012);
- ★ Equator Principles; and
- ★ Other relevant international standards and guidelines.



### Government Engagement

All key Government agreements and permits in place, including:

- ★ Free-Carried Interest Agreement
- ★ Environmental
- ★ Special Mining Licence
- ★ Relocation Action Plan (RAP)
- ★ Infrastructure engagement with key partner MOU's in place (Rail and Power)







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