

Black Rock Mining Ltd

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Black Rock Mining's third deal takes graphite offtake to 85% of planned annual production

Black Rock Mining Ltd (ASX:BKT) has signed a third offtake agreement which when added to two other deals could represent about 85% of proposed annual natural flake graphite production from Mahenge Graphite Project in Tanzania.

The three-year agreement with Chinese trading house Taihe Soar (Dalian) Supply Chain Management Co Ltd is for the annual supply of up to 100,000 tonnes of sized graphite concentrate by year three.

Combined annual tonnage of all three offtake agreements is up to 205,000 tonnes by year three.

READ: Black Rock Mining focuses on multiple graphite end-users

Black Rock's CEO John de Vries said the company was excited to announce a third offtake agreement.

"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.

"It 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 offtake agreement with Taihe Soar adds to Black Rock's first and second agreements with Heilongjiang Bohao and Qingdao Fujin.

READ: Black Rock Mining signs second graphite offtake agreement

Combined, these offtakes could represent about 85% of proposed steady-state annual production of 240,000 tonnes.

The agreements have been signed via Black Rock's 100%-owned Tanzanian subsidiary, Mahenge Resources Limited.

Price: A\$0.097

Market Cap: A\$56.8M

1 Year Share Price Graph



Share Information

Code: BKT

Listing: ASX

52 week High Low
A\$0.12 A\$0.03

Sector: Mining

Website: www.blackrockmining.com.au

Company Synopsis:

Black Rock Mining Ltd (ASX:BKT) is focused on exploring and developing its Mahenge graphite project in Tanzania.

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De Vries said: "This agreement opens a third sales channel to us through 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 US\$200 million in trading assets and turn over in excess of US\$400 million per annum positions Black Rock with a strong financial partner with the necessary skills to manage smaller entities not normally available to African developers."

One of world's largest flake graphite resources

Mahenge is one of the world's largest JORC-compliant flake graphite resources with a resource estimate of 211.9 million tonnes at 7.8% total graphitic carbon (TGC) for 16.6 million tonnes of contained graphite.

More than 50% of this resource is in the measured and indicated categories while the ore reserve of 68.6 million tonnes grading 8.5% TGC is the second largest contained graphite reserve of any listed company.

READ: Black Rock Mining executives dig deep to support Tanzanian graphite strategy

The agreement with Taihe Soar includes the supply of up to 37,500 tonnes in year one, 80,000 tonnes in year two and 100,000 tonnes in the third year.

Pricing is 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.

This will be set quarterly with reference to market price for flake size and concentrate grade.

The offtake agreement and obligation to deliver product is subject to Black Rock completing construction of the Mahenge mine and associated infrastructure and beginning operations.

Optimising mine plan

As a result of the offtake agreements, Black Rock has started 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 300,000 tonnes.

This increase is supported by the resources and reserves that provide for a 32-year mine life.

"We continue to build momentum through a differentiated marketing strategy, targeting the expanded graphite market," de Vries said.

Strong market interest

"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."

Targeting multiple end-users

Rather than just focusing on the electric vehicle battery market, Black Rock is targeting multiple end-users with a particular focus on expanded graphite markets.

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