BLACK ROCK MINING LIMITED

Half-year report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

CORPORATE DIRECTORY

ABN: 59 094 551 336

DIRECTORS	Richard Crookes Chairman Non-Executive John de Vries *Chief Executive Officer, Managing Director* Ian Murray *Non-Executive Director* Gabriel Chiappini *Non-Executive Director*
COMPANY SECRETARY	Gabriel Chiappini
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	45 Ventnor Avenue West Perth Western Australia, 6005 Telephone: (+61 8) 9389 4415 Fax: (+61 8) 9389 4400 Website: www.blackrockmining.com.au
AUDITOR	Deloitte Touche Tohmatsu Tower 2, Brookfield Place 123 St Georges Terrace Perth Western Australia, 6000 Telephone: (+61 8) 9365 7000 Fax: (+61 8) 9365 7001
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth Western Australia, 6000 Telephone: 1300 787 272 Facsimile: (+61 8) 9323 2033 Email: web.queries@computershare.com.au
STOCK EXCHANGE LISTING	The Company's shares are quoted on the Australian Securities Exchange (ASX) The Home Exchange is Perth.
ASX CODE	BKT - ordinary shares

Directors' report

The directors of Black Rock Mining Limited (the "Company" or "Black Rock") submit herewith the financial report of Black Rock Mining Limited and its subsidiaries (the "Group" or "Consolidated Entity") for the half-year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001,* the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Mr Richard Crookes
Mr John de Vries
Mr Ian Murray
Mr Gabriel Chiappini

REVIEW OF OPERATIONS

The consolidated loss after tax for the six months ending 31 December 2020 was $1,259,273 (2019: $2,040,448).

During the half-year ending 31 December 2020 and to the date of this report, the Group delivered on a number of milestones, including:

- Finalisation of the Strategic Alliance Agreement with POSCO Group which includes:
    - Agreement of terms in relation to the proposed POSCO equity investment of US$7.5m (15% stake) in Black Rock;
    - Completion of commercial, legal, and technical due diligence activities by POSCO; and
    - Confirmation that Black Rock's Mahenge Graphite meets POSCO's battery grade anode specification.
- Progressing positive discussions with the Government of Tanzania on the Free Carry Interest (FCI) Agreement;
- Obtaining approval from the Tanzanian Chief Government Valuer's office for Black Rock's Resettlement Action Plan (RAP), with the Company now having clear title to the project area;
- Continued discussions with financiers including due diligence activities with the TIB Development Bank;
- Completed capital raisings of $3.65M.

Corporate and Financial Position

Consolidated net assets at 31 December 2020 were $23,431,244 against $22,718,912 at 30 June 2020. Total cash held at the half-year-end was $2,579,226 (30 June 2020: $722,097).

The auditor's independence declaration is included on page 5 of the half-year report.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001.*

On behalf of the Directors

R.A. Crookes

RICHARD CROOKES

Chairman
Perth, 5th March 2020

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
Black Rock Mining Limited
45 Ventnor Avenue
West Perth WA 6005

5 March 2021

Dear Board Members

Black Rock Mining Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Black Rock Mining Limited.

As lead audit partner for the review of the financial statements of Black Rock Mining Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

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Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Review Report to the members of Black Rock Mining Limited

Conclusion

We have reviewed the half-year financial report of Black Rock Mining Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows, and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 19.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial report which indicates that the Group incurred net losses of $1,259,273, experienced net cash outflows from operating activities of $1,315,493 and net cash outflows from investing activities of $149,321 for the period ended 31 December 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants
Perth, 5 March 2021

Directors' declaration

The directors declare that:

a) In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001.*

On behalf of the directors:

R.A. Crookes

RICHARD CROOKES

Chairman
Perth, 5th March 2021

Condensed consolidated statement of profit or loss and other comprehensive income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated 31 December 2020 $	31 December 2019 $
Continuing operations			
Interest income		435	1,619
Other income	2	51,106	-
Administration expenses		(115,294)	(181,602)
Employee benefit expense		(600,169)	(646,572)
Consulting expense		(488,577)	(974,741)
Depreciation and amortisation expense		(7,413)	(7,910)
Net foreign currency exchange losses		(21,522)	(8,612)
Other expenses from ordinary activities		(77,839)	(222,630)
		(1,259,273)	**(2,040,448)**
Loss before tax			
Income tax expense		-	-
LOSS FOR THE PERIOD		**(1,259,273)**	**(2,040,448)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Loss on revaluation of shares		-	-
Gain on sale of shares in listed entities		-	-
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(1,693,170)	24,952
Other comprehensive income for the period (net of tax)		**(1,693,170)**	**24,952**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF BLACK ROCK MINING LIMITED		**(2,952,443)**	**(2,015,496)**
Loss for the period attributable to owners of the Group		(2,952,443)	(2,015,496)
Total comprehensive income attributable to the owners of the Group		(2,952,443)	(2,015,496)
Loss per share			
From continuing operations			
Basic and diluted loss per share (cents per share)		(0.19)	(0.33)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

AS AT 31 DECEMBER 2020

	Note	Consolidated 31 December 2020 $	30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents		2,579,226	722,097
Trade and other receivables		124,157	93,368
Total current assets		2,703,383	815,465
Non-current assets			
Exploration & evaluation asset	5	21,212,331	22,770,344
Property, plant and equipment		23,478	31,941
Total non-current assets		21,235,809	22,802,285
Total assets		**23,939,192**	**23,617,750**
Liabilities			
Current liabilities			
Trade and other payables	6	434,448	839,026
Provisions		73,500	59,812
Total current liabilities		507,948	898,838
Total liabilities		**507,948**	**898,838**
Net assets		**23,431,244**	**22,718,912**
Equity			
Issued capital	4	64,484,336	60,989,789
Foreign currency translation reserve		(436,605)	1,256,565
Share based payment reserve		608,308	1,132,872
Accumulated losses		(41,224,795)	(40,660,314)
Total equity		**23,431,244**	**22,718,912**

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital $	Accumulated Losses $	Asset Revaluation Reserve $	Share Based Payment Reserve $	Foreign Currency Reserve $	Total Equity $
Balance as at 1 July 2019	**58,086,890**	**(37,273,029)**	**-**	**796,125**	**796,854**	**22,406,840**
Loss for the period	**-**	(2,040,448)	-	-	-	**(2,040,448)**
Other comprehensive income for the period, net of tax	-	-	-	-	24,952	**24,952**
Total comprehensive income for the period	-	(2,040,448)	-	-	24,952	**(2,015,496)**
Issue of ordinary shares	3,037,500	-	-	-	-	**3,037,500**
Cost of share capital issued	(134,601)	-	-	-	-	**(134,601)**
Cost of share based payments	-	-	-	175,789	-	**175,789**
Balance as at 31 December 2019	**60,989,789**	**(39,313,477)**	**-**	**971,914**	**821,806**	**23,470,032**
Balance as at 1 July 2020	**60,989,789**	**(40,660,314)**	**-**	**1,132,872**	**1,256,565**	**22,718,912**
Loss for the period	**-**	**(1,259,273)**	**-**	**-**	**-**	**(1,259,273)**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**(1,693,170)**	**(1,693,170)**
Total comprehensive income for the period	**-**	**(1,259,273)**	**-**	**-**	**(1,693,170)**	**(2,952,443)**
Issue of ordinary shares	**3,652,828**	**-**	**-**	**-**	**-**	**3,652,828**
Cost of shares issued to Directors and consultants	**172,065**	**-**	**-**	**-**	**-**	**172,065**
Cost of share capital issued	**(330,346)**	**-**	**-**	**-**	**-**	**(330,346)**
Options expired not vested during the period	**-**	**694,792**	**-**	**(694,792)**	**-**	**-**
Cost of share based payments	**-**	**-**	**-**	**170,228**	**-**	**170,228**
Balance as at 31 December 2020	**64,484,336**	**(41,224,795)**	**-**	**608,308**	**(436,605)**	**23,431,244**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated	
	31 December 2020 $	31 December 2019 $
Cash flow from operating activities		
Payments to suppliers and employees	(1,315,493)	(1,796,460)
Net cash flows used in operating activities	(1,315,493)	(1,796,460)
Cash flow from investing activities		
Exploration expenditure	(149,124)	(730,628)
Interest received	435	1,619
Payments for property, plant and equipment	(632)	(3,679)
Net cash flows used in investing activities	(149,321)	(732,688)
Cash flows from financing activities		
Proceeds from issue of shares and options	3,652,828	3,000,000
Payment of share issue costs	(330,346)	(134,601)
Net cash flows provided by financing activities	3,322,482	2,865,399
Net increase in cash held	1,857,668	336,251
Cash and cash equivalents at the beginning of the period	722,097	1,907,467
Exchange movement	(539)	699
Cash and cash equivalents at the end of the period	**2,579,226**	**2,244,417**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This condensed consolidated interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Comparative Financial Information

Administrative expenses in the condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2019 have been reclassified to provide users a better understanding of the nature of the expenditure incurred in prior periods and to ensure consistency of classification with the current period.

The following amounts have been reclassified in the condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2019, from administrative expenses, to the following expense categories:

- Consulting Expense: $203,245
- Employee Benefit Expense: $45,204
- Other expenses from ordinary activities: $61,475

New or amended standards adopted by the Group

The Group has adopted all of the new or amended accounting standards or interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Going Concern

The interim financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred net losses of $1,259,273 (31 December 2019: $2,040,448) and experienced net cash outflows from operating activities of $1,315,493 (31 December 2019: $1,796,460) and net cash outflows from investing activities of $149,321 (31 December 2019: $732,688) for the period ended 31 December 2020.

During the period the Group deployed its working capital into advancing its graphite project in Mahenge, Tanzania by undertaking the following work streams:

- Finalisation of the Strategic Alliance Agreement with POSCO Group which includes:
    - Agreement of terms in relation to the proposed POSCO equity investment of US$7.5m (15% stake) in Black Rock;
    - Completion of Commercial, Legal, and Technical due diligence activities by POSCO; and
    - Confirmation that Black Rock's Mahenge Graphite meets POSCO's battery grade anode specification.
- Progressing positive discussions with the Government of Tanzania on a Free Carry Interest (FCI) Agreement,
- Obtaining approval from the Tanzanian Chief Government Valuer's office for Black Rock's Resettlement Action Plan (RAP), and
- Continued discussions with financiers including due diligence activities with the TIB Development Bank.

Management have prepared a cash flow forecast for the period ending 31 March 2022 reflecting the Group's key objectives, which indicates that the Group needs to raise additional capital to meet the Group's stated strategic objectives and for general working capital purposes.

On 18 January 2021, Black Rock announced that final internal approval had been provided from POSCO for the agreement of an Investment Term Sheet for the placement of USD$7.5m worth of shares in Black Rock to acquire an equity interest of 15%. The Term Sheet is subject to the satisfaction of the following Conditions Precedent:

- receipt of any necessary third party and regulatory approvals for the transaction including Australian Foreign Investment Review Board and Tanzanian Government Fair Competition Commission approval; and
- Black Rock Mining shareholder approval for the issue of shares to POSCO.

At the date of this report the conditions precedent to the POSCO Investment Term Sheet are yet to be satisfied. In the event that these conditions precedent are not met prior to funding being required, the Company will look to obtain additional funding through equity raisings, and to manage and defer costs where applicable to coincide with the receipt of this additional funding to ensure all obligations can be met.

In the absence of receiving funding from POSCO, the cash flow forecast for the period ending 31 March 2022 indicates that the Group is required to raise additional equity funding by November 2021 of at least $600,000 in order to continue as a going concern.

Based on the Company's history of raising capital, and subject to the general market conditions, the Directors are confident of the Company's ability to raise additional capital as required. Based on this and on the cash flow forecasts, the Directors believe that the going concern basis of preparation is appropriate.

Should the Group be unable to obtain funding through capital raising or alternative sources, or otherwise reduce its operational spending in line with available cash resources, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities as and when they fall due.

The interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2. OTHER INCOME

Other income represents government grants related to COVID-19 stimulus, specifically relating to cash flow boost income. The full amount is yet to be received as at 31 December 2020 with $51,106 (June 2020: Nil) remaining in trade and other receivables at period end.

3. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location of resources being explored and evaluated for. The principal categories of geographical location for the Group is Graphite in Tanzania.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

For the six months ended 31 December 2020

	Australia Corporate $	Tanzania Graphite $	Consolidated $
Segment income	51,541	-	51,541
Segment results	(1,004,677)	(254,596)	(1,259,273)
Segment assets	2,704,937	21,234,255	23,939,192

For the six months ended 31 December 2019

	Australia Corporate $	Tanzania Graphite $	Consolidated $
Segment income	1,619	-	1,619
Segment results	(1,697,858)	(342,591)	(2,040,448)
Segment assets	2,356,972	21,764,206	24,121,178

4. ISSUED CAPITAL

	31 December 2020	30 June 2020
	$	$
713,187,816 ordinary shares issued and fully paid (30 June 2020: 628,943,708)	64,484,336	60,989,789

4.1 Fully paid ordinary shares

	Number of shares	Share capital
		$
Balance at 1 July 2020	628,943,708	60,989,789
Shares issued 11 August 2020 ($0.042 cents per share)	39,308,982	1,650,977
Shares issued 12 October 2020 ($0.049 cents per share)	40,816,327	2,000,000
Exercise of options 5 November 2020 ($0.084 cents per option)	22,020	1,850
Shares issued (Directors) 23 December 2020 ($0.072 cents per share)	2,953,922	124,065
Shares issued (Consultants) 23 December 2020 ($0.072 cents per share)	1,142,857	48,000
Less: Capital raising costs	-	(330,345)
	713,187,816	64,484,336

4.2 Options

As at 31 December 2020, there were 94,486,962 unlisted options (30 June 2020: 64,200,000).

	Opening balance	Exercised in period	Granted in period	Expired in period	Closing balance
Unlisted options					
Expiring 31 August 2020 at $0.10	6,250,000	-	-	6,250,000	-
Expiring 31 August 2020 at $0.10	6,250,000	-	-	6,250,000	-
Expiring 31 August 2020 at $0.10	6,250,000	-	-	6,250,000	-
Expiring 31 August 2020 at $0.10	6,250,000	-	-	6,250,000	-
Expiring 31 October 2021 at $0.10	1,000,000	-	-	-	1,000,000
Expiring 7 November 2021 at $0.10	13,000,000	-	-	-	13,000,000
Expiring 18 December 2021 at $0.10	3,000,000	-	-	-	3,000,000
Expiring 14 March 2021 at $0.20	5,000,000	-	-	-	5,000,000
Expiring 9 July 2021 at $0.07	5,000,000	-	-	-	5,000,000
Expiring 28 October 2022 at $0.15	9,200,000	-	-	-	9,200,000
Expiring 18 November 2022 at $0.15	3,000,000	-	-	-	3,000,000
Expiring 10 August 2023 at $0.084	-	22,020	39,308,982	-	39,286,962
Expiring 4 November 2020 at $0.0785	-	-	5,000,000	-	5,000,000
Expiring 21 December 2020 at $0.116	-	-	11,000,000	-	11,000,000
	64,200,000	22,020	55,308,982	25,000,000	94,486,962

5. EXPLORATION AND EVALUATION ASSET

	31 December 2020	30 June 2020
	$	$
Balance at beginning of the period	22,770,344	20,978,368
Expenditure incurred during the period (at cost)	149,124	1,529,353
Foreign exchange difference	(1,707,137)	262,623
Balance at end of period	21,212,331	22,770,344

The ultimate recoupment of capitalised exploration expenditure is dependent on the successful development and/or commercial exploitation or, alternatively through the sale of the respective underlying licences.

The balance of $21,212,331 (June 2020: $22,770,344) represents the carrying value of the Groups Mahenge graphite project located in Tanzania

6. TRADE AND OTHER PAYABLES

	31 December 2020	30 June 2020
	$	$
Trade creditors	183,598	295,795
Accruals	126,597	523,605
Other liabilities	124,253	19,626
	434,448	839,026

Included in trade creditors and accruals is an amount of $36,025 (June 2020: $30,921) relating to exploration expenditure.

7. FINANCIAL INSTRUMENTS

The Group holds the following financial instruments:

	31 December 2020 $	30 June 2020 $
Financial assets		
Cash and cash equivalents	2,579,226	722,097
Trade and other receivables	124,157	93,368
Financial liabilities		
Trade and other payables	(434,448)	(839,026)
Provisions	(73,500)	(59,812)
	2,195,435	(83,373)

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

8. EXPENDITURE COMMITMENTS

a. *Exploration*

As part of the Company's license conditions with the Tanzanian Energy and Minerals Department, the Company is obliged to pay USD$100 per square kilometer to maintain the 11486/2020* license and USD$150 per square kilometer for the remaining tenements to keep them in good standing.

Additional obligations exist for the new mining licenses held of USD$2,000 per square meter for mining license 612/019 and 611/2019.

The license costs per annum are as follows:

Project Name	*License Type*	*License Number*	*Area km²*	*Rate per km²*	*Total*
Mahenge North Project	Graphite – Prospecting License	PL 11486/2020*	118.37	USD$100	USD$11,837
Mahenge North Project	Graphite – Mining License	ML 612/2019	9.79	USD$2,000	USD$19,580
Mahenge North Project	Graphite – Mining License	ML 611/2019	9.40	USD$2,000	USD$19,880
Makonde Project	Graphite – Prospecting License	PL 10111/2014	12.55	USD$150	USD$1,883
Mahenge East Project	Graphite – Prospecting License	PL 10426/2014	77.46	USD$150	USD$11,619
Mahenge Southwest Project	Graphite – Prospecting License	PL 10427/2014	111.60	USD$150	USD$16,740
Total			**339.17**		**USD$81,539**

*On 25 September 2020 tenement reference number PL 13752/2019 was amended to PL 11486/2020.

As part of the original conditions to acquire the exploration licenses there were minimum exploration expenditure commitments. These had all been met by 31 December 2020. As part of the contract to acquire the graphite exploration licenses, under certain milestone conditions the Company will be obliged to make additional payments. These payments are subject to the following conditions:

Exploration license PL7802/2012

There are no contractual payments under PL 7802/2012 (30 June 2020: Nil).

Exploration license PL10111/2014, PL10426/2014 and PL10427/2014

- $250,000 cash or equivalent number of fully paid Black Rock (at the election of the vendor) upon announcement of a JORC compliant mineral resource of greater than 250,000 tonnes of contained graphite at >9% total graphite content. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and
- $375,000 cash and the equivalent value ($375,000) in Black Rock shares to be paid when a JORC compliant mineral resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at any of the Projects is announced by Black Rock on the Australian Stock Exchange. The issue price of Black Rock shares is to be calculated based on the VWAP of Black Rock Mining Limited shares in the 5 days prior to the release of the announcement.

Exploration Programme

Other than as noted above, there are no commitments to exploration as at the date of this report.

b. *Capital Commitments*

The Group has no capital commitments (2020: Nil).

c. *Short Term Lease Commitments*

At 31 December 2020 the Company had a commitment under the lease of $23,925 excl. GST all of which is due and payable within 12 months.

At 31 December 2020 the Company had the following a lease agreement for the serviced offices at 45 Ventnor Avenue, West Perth with the following applicable terms and conditions:

Commencement date: 1 June 2020

Expiry date: 31 May 2021

Monthly lease fee: $4,200 excl. GST

Notice period: from 1 June 2020 either party may terminate the lease by providing 60 days notice.

The Group has assessed the lease and determined that it does not fulfill the requirements of AASB 16 as it is short term and therefore exempt from the requirements of AASB 16.

d. *Contractual Commitments*

The Group has no contractual commitments at 31 December 2020.

9. SUBSEQUENT EVENTS

Other than the below, the Directors are not aware of any matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of these operations, or the state of affairs of the Group in subsequent financial years.

- On 18 January 2021 the Company announced that POSCO Ltd had completed it's final internal approval sign off and that both the Company and POSCO were now committed to completing the remaining conditions precedent to finalise the POSCO investment (refer ASX announcement on 18 January 2021).
- On 11 February 2021 the Company announced it had signed a Subscription Agreement and Umbrella Deed pursuant to the US$7.5m term sheet announced on 17 December 2020 with POSCO Ltd (refer ASX announcement on 11 February 2021).
- On 4 March 2021 the Company announced it had been notified by the Commonwealth Treasurer, on the advice of the Foreign Investment Review Board (FIRB) under the Foreign Acquisitions and Takeovers Act 1974 (Cth), that it has no objection to the acquisition of a 15% interest by POSCO Group of Korea (POSCO) in Black Rock as part of a strategic alliance for the development of the Mahenge Graphite Project (Transaction). Further details in relation to the Transaction are set out in the Company's announcement to the ASX on 17 December 2020.

10. CONTINGENT LIABILITIES

Resettlement Action Plan (RAP)
Black Rock announced on the 11 May 2020 that its Tanzanian based consultant had finalised field activities thereby substantially completing the Mahenge Graphite Project (the Project) Resettlement Action Plan (RAP) process. Completion of RAP fieldwork facilitated the continued progress in relation to financing the Project which is subject to completion and resolution of the Free Carried Interest (FCI) negotiations, amongst other matters.

The compensation for the resettlement and relocation of people and assets affected by the project is a requirement according to the Land Acquisition Act No. 47 of 1967, and some provisions related to land acquisition in the Land Use Planning Act No. 6 of 2007. The valuation process was governed by the Valuation and Valuers Act of 2016 along with its General Regulations of 2018 that which are complemented and supplemented by other acts such as the District Authorities Act (1982), Land Act of (1999) Village land Act (1999) and other laws and regulations that govern different procedure and practices during valuation.

The process was designed to meet the International Finance Corporation's (IFC) Performance Standards on Social and Environmental Sustainability and is a typically mandated condition precedent for debt funding and Mining Licenses. A multi-disciplined Tanzanian team including Surveyors, Valuers, Sociologists, Data Entry and Geographic Information Systems (GIS) experts completed the study. The team's work was overseen by Government Officials to ensure accuracy and compliance with legislation.

As part of Project development activities, Black Rock will need to acquire some land currently used for subsistence agriculture, and relocate some village accommodation proximal to mining operations. All affected persons will be compensated where appropriate and moved to better quality properties with vastly improved amenities. All farming landowners will be compensated with cash, permitting them to buy and establish new farms, or land of their choosing.

At the date of this report, the Company is not in a position to quantify the final costs for all RAP and associated activities, and does not expect to be in that position until it has completed the following work streams:

- Metallurgical Testwork & 500t Pilot Plant Program;
- Early Contractor Involvement Phase; and
- Detailed Design Phase.

The RAP provides the framework under which the Company can progress land acquisition, should a development decision be made in relation to the Project, at which point land acquisition agreements and related compensation agreements will be finalised.