

29 January 2021

ASX Announcement

BLACKEARTH MINERALS NL QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2020

OPERATIONAL HIGHLIGHTS

- Planning advanced for a drill program at the high grade Razafy NW area in Southern Madagascar, with activity expected to commence in the short term
- Discussions continued with industry leading down-stream graphite producers, with the aim of finalising a development and production plan
- Pilot test work planning continued for the Maniry Project and is now in an advanced stage
- First Phase of Donnelly River Ni-Cu-PGM Project exploration confirmed the existence of Mafic-ultramafic rocks with geochemical samples collected for review
- An airborne electromagnetic survey was designed for Donnelly River with plans to commence during the March 2021 Quarter

CORPORATE HIGHLIGHTS

- Successful completion of the Share Placement and Share Purchase Plan ("SPP") raising in excess of \$1.8m
- Founding Non-Executive Director, George Bauk, appointed Chairman and experienced graphite executive, David Round, appointed to the Board as Finance Director
- Cash reserves in excess of \$2m as at 31 December 2020, well positioning BlackEarth for further growth in 2021

BlackEarth Minerals NL (ASX: BEM) ("**BlackEarth**", or the "**Company**"), a company specialising in critical commodities, is pleased to present shareholders and investors with an overview of key development and exploration assets for the period ending 31 December 2020 ("**Quarter**", "**Reporting Period**").

OPERATIONAL

Northwest Razafy Exploration

During the Reporting Period, the Company concluded planning for a drill program to further define the high-grade graphite potential that lies to the NW of the Razafy Resource. The Razafy NW high-grade discovery is part of the 'Razafy Domain' and directly along strike from the Razafy

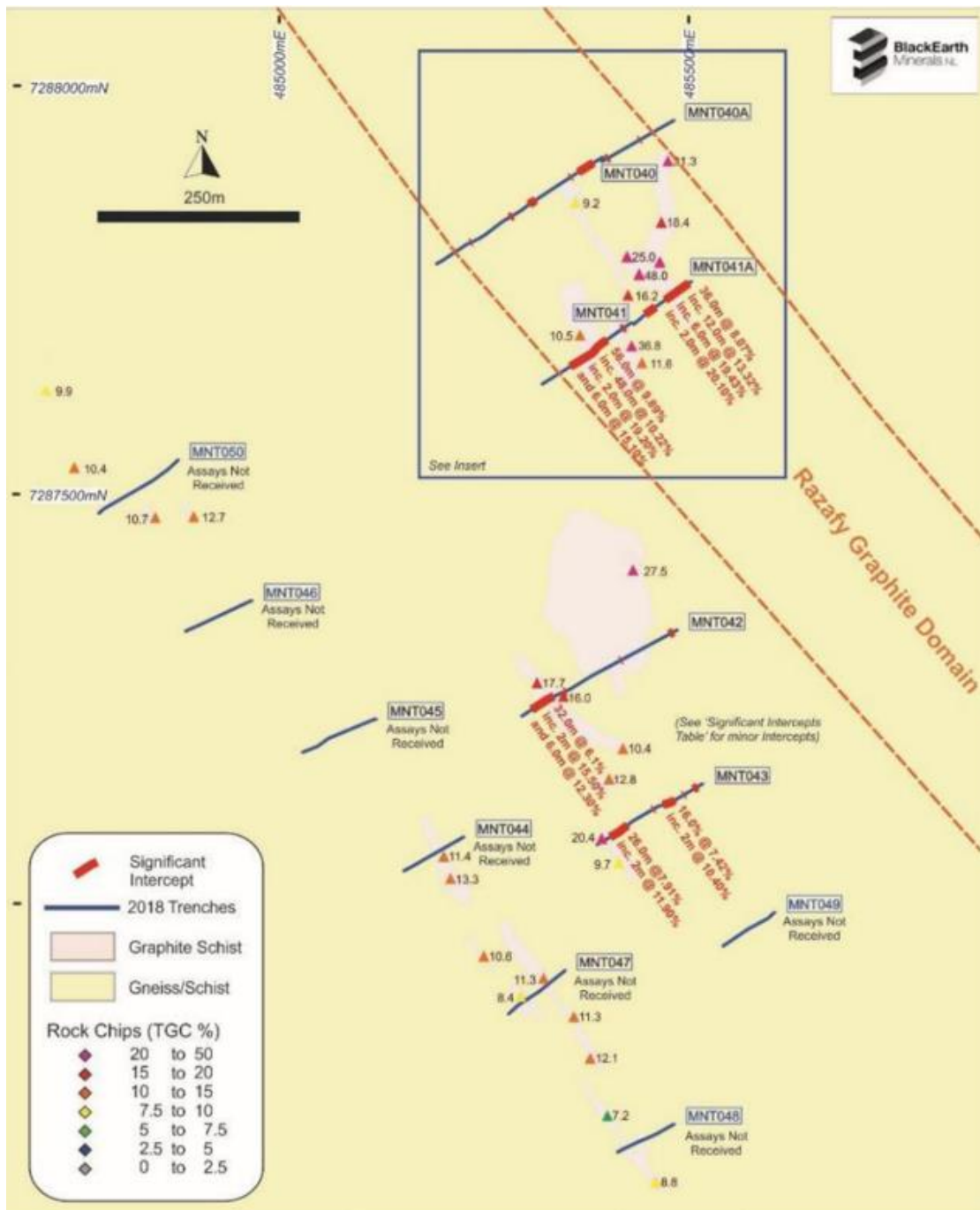
For personal use only

Mineral Resource, with this discovery now extending the known mineralisation within the 'Razafy Domain' to >5km in length. The Company expects to confirm the commencement of this drill program in the short term.

Previous trenching results* in the area included:

- 48m at 10.22% TGC
- 12m at 13.32% TGC
- 6m at 19.43%TGC

(*See ASX Release 12 February 2019)



Maniry Graphite Project - Razafy NW Prospect - Trenching Results

For personal use only

Community Relations

BlackEarth continues its partnerships with the local communities in both Madagascar and Australia, to ensure positive and enduring impacts well into the future, as the Company continues to develop and advance its project portfolio.

All strict COVID protocols, which were implemented during the September 2020 quarter, continue to be maintained and adhered to, and have allowed the Company to progress its planned activities as scheduled.

As part of the Company's in-country CSR initiatives, BEM recently donated 4 tonnes of food to local Maniry residents, and continues to provide the local community with ongoing support. Southern Madagascar is currently facing severe drought conditions, effecting more than one million people in the region.

Western Australia tenements - Donnelly River

The Donnelly River Project is situated immediately adjoining the Thor and Odin Ni-Cu-PGM Prospects, recently identified by Chalice Gold Mines and Venture Minerals at their South West JV.

During the Quarter, the Company provided an exploration update (ASX Announcement - 23 November 2020) in relation to recent activity in the area.

Highlights of the announcement included:

- Mafic-ultramafic rocks confirmed in one location associated with a prominent magnetic anomaly and noted historical nickel-copper anomalism
- This initial reconnaissance exploration program involved first-pass geological mapping and geochemical sampling along available public access roads
- The Company's Geophysical Consultants were retained to design and manage a planned airborne electromagnetic (AEM) survey to cover E70/4825, planned to commence in early 2021

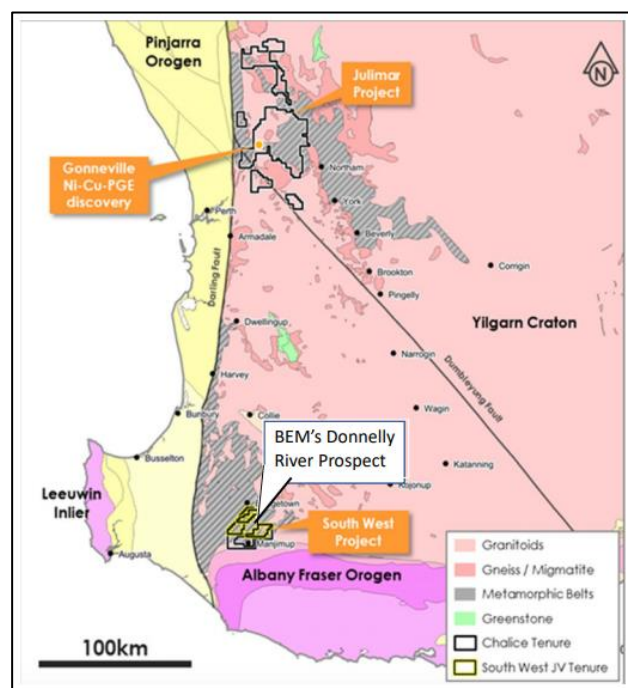


Figure 1: Donnelly River Project Location

For personal use only

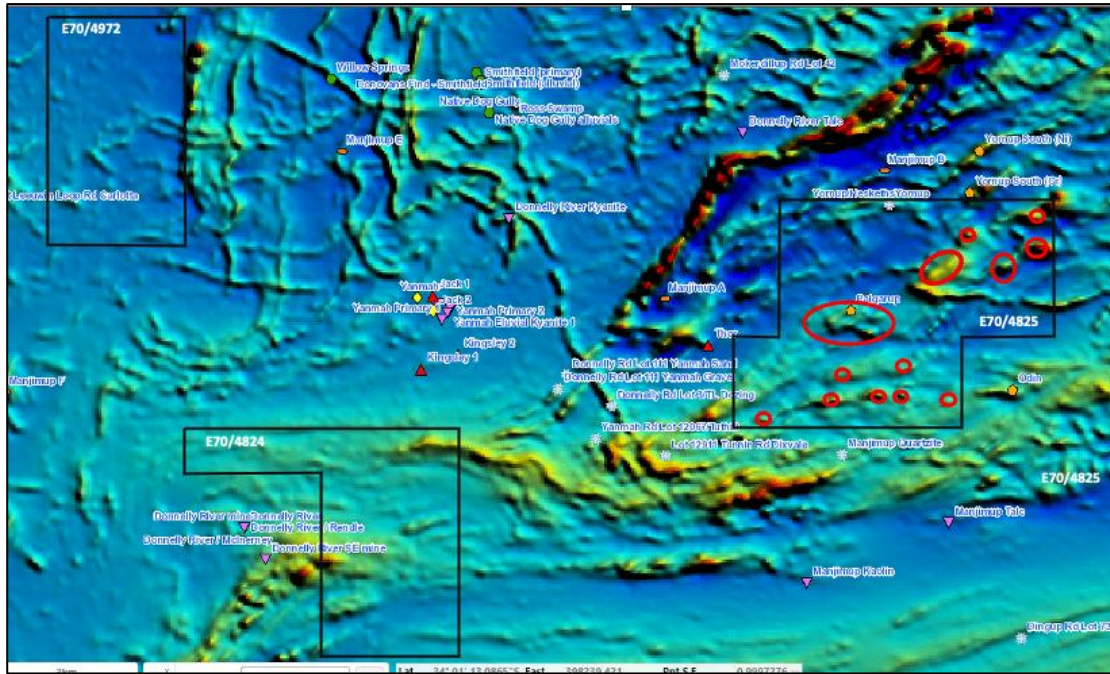


Figure 2: TMI Magnetic Image Highlighting Identified Priority Targets

Following the ASX release on 23 November 2020, the Company announced on 14 December 2020 that Geochemical samples had been collected from the Donnelly River sites and that the samples were in the process of being assessed.

Further highlights of this announcement included:

- Confirmation that an Airborne Electromagnetic Survey had been designed and planned for Jan-Feb 2021, subject to liaison with landowners.
- Geochemical results were expected to be received prior to Christmas, with the Company subsequently being advised that the results would be confirmed in early 2021.
- Land access discussions commenced with local Landowners in the area, to allow the Company to conduct further on the ground extensive assessment of highly prospective locations.

Down-stream processing Opportunities

During the Quarter, BlackEarth continued ongoing discussions world-wide in relation to their down-stream processing strategy.

These plans included the assessment of market demand for expandable graphite and products complementary to the growing demand for development of green energy. The Company also completed a number of production and valuation assessments.

BlackEarth Managing Director, Tom Revy, commented: "We're excited about the level of engagement to date in the development of our plans to enter the down-stream processing market to help fill, amongst other markets, the ever increasing demand for battery powered vehicles. Our Board believes that the demand for expandable and purified graphite will increase dramatically in the next few years, and we aim to be well positioned to supply a range of downstream products to meet the potential short fall in supply, whilst realising higher revenue for our shareholders".

The Company's down-stream development plan remains a priority for BlackEarth and the Company looks forward to updating the market regarding this in the short term.

Corporate

Completion of Oversubscribed Placement and Share Purchase Plan ("SPP")

During the Quarter, the Company announced that it had closed a heavily oversubscribed placement to professional and sophisticated investors, and successfully completed a Share Purchase Plan ("SPP"), with the Company raising a total of \$1,810,694 from the Placement and SPP.

The Board of BlackEarth was delighted with the outcome of the Placement and SPP and the receipt of these funds has strongly positioned the Company at the end of the Quarter, and going into the 2021 calendar year.

The funds raised from the Placement and SPP will be used to further develop the Company's assets including ongoing assessment of the Donnelly River project and the planned drill program in Madagascar.

Changes to the Company's Board

In November 2020, BlackEarth announced that founding Chairman, Phil Hearse, was stepping down as Chairman and that his role was to be filled by current board member and experienced ASX Company Chairman / Executive, George Bauk.

At this time, the Company also announced that recently appointed CFO, David Round, would join the Board as Finance Director. Prior to joining BlackEarth, Mr Round acted as Head of Finance, Sales & Marketing at Australian graphite producer, Bass Metals Ltd, and in this role was responsible for developing sales, marketing and logistics networks for the supply of graphite to the USA, India, and throughout Europe and China.

COVID-19 Response

The health and well-being of BlackEarth employees remains of the utmost importance to the Company. Accordingly, COVID-19 procedures for travel to and from site in Madagascar and for site-based activities have been implemented to maintain social distancing.

All strict COVID protocols, which were put in place during the previous quarter, continue to be maintained and have allowed the Company to progress its planned activities as scheduled.

Payments to related parties of the entity and their associates

Payments made during the Quarter and included in items 6.1 and 6.2 of the Appendix 5B – Mining exploration entity quarterly cash flow report comprise :

- 6.1 Aggregate amount of payments to the related parties and their associates included in cash flow from operating activities - \$126,000. This includes payments of directors and management remuneration for services to the economic entity - \$126,000
- 6.2 Aggregate amount of payments to related parties and their associated included in cash flow for investing activities – nil

This announcement was authorised by the Board of BlackEarth Minerals.

CONTACTS

Tom Revy BlackEarth Minerals NL 08 6145 0289 | 0411 475 376
Jane Morgan Investor and Media Relations 0405 555 618

For more information - www.blackearthminerals.com.au

For personal use only

Competent Person's Statement

The information contained in this report that relates to Exploration Results and Mineral Resources has been compiled and / or reviewed by Ms Annick Manfrino, a member of The Australian Institute of Geoscientists. Ms Manfrino is the Principal of Sigma Blue and Manager Geology of BlackEarth Minerals. Ms Manfrino has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Ms Manfrino consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to the Exploration Target for the Maniry Graphite Project is extracted from the report entitled "Exploration Target Update" dated 14 August 2018 and is available to view on the Company's website www.blackearthminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Maiden Resource Estimation for Razafy at the Maniry Graphite Project is extracted from the report entitled "Update – Maiden Resource Estimation for Razafy at the Maniry Graphite Project" dated 14 August 2018 and is available to view on the Company's website (www.blackearthminerals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to the Maiden Resource Estimation for Haja at the Maniry Graphite Project is extracted from the report entitled "Update – Maiden Resource Estimation for Haja at the Maniry Graphite Project" dated 27 December 2018 and is available to view on the Company's website (www.blackearthminerals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to metallurgical test work results is based on information compiled and reviewed by Mr David Pass, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pass is an employee of BatteryLimits. Mr Pass has sufficient experience relevant to the mineralogy and type of deposit under consideration and the typical beneficiation thereof to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr Pass consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

For more information – www.blackearthminerals.com.au

For personal use only

SCHEDULE OF MINING TENEMENTS

Details of Mining Tenements at Quarter ended 31 December 2020			
(ASX Listing Rule 5.3.3)			
Australia			
Tenement ID	Location	State	Interest
E70/4824	Yanmah, Donnelly	WA	100%
E70/4825	Manjimup, Donnelly	WA	100%
International			
Tenement ID	Location	Country	Interest
PR25605	Maniry	Madagascar	100%
PR25606	Maniry	Madagascar	100%
PR3432	Maniry	Madagascar	100%
PR39750	Maniry	Madagascar	100%
PR39751	Maniry	Madagascar	100%
PE5394	Maniry	Madagascar	100%
PE5391	Ianapera	Madagascar	100%
PE5392	Ianapera	Madagascar	100%
PE5393	Ianapera	Madagascar	100%
PE25093	Ianapera	Madagascar	100%
PE25094	Ianapera	Madagascar	100%

CORPORATE INFORMATION

29 January 2021

- 150,414,483 fully paid ordinary shares
- 28,142,750 \$0.06 partly paid shares paid to \$0.0001 and unpaid \$0.0599
- 16,200,000 Performance Rights
- 1,000,000 unlisted options (ex 7c)
- \$9.20 million market capitalisation

BOARD OF DIRECTORS
George Bauk (Non-executive Chairman)

Tom Revy (Managing Director)

David Round (Finance Director)

About BlackEarth Minerals NL

BlackEarth Minerals (ASX:BEM) is a vertically integrated graphite developer with advanced mining projects in Madagascar and base metal prospects (Ni-Cu-PGE) in Western Australia.

The Company holds the flagship Maniry Graphite Project, which is located in Southern Madagascar, with the Bankable Feasibility Study (BFS) currently underway and a focus on value added products, which are in high demand.

BlackEarth is currently reviewing several downstream value added graphite processing opportunities.

Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which BlackEarth operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company's Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

For personal use only