

28 April 2021

ASX Announcement**BLACKEARTH MINERALS NL QUARTERLY ACTIVITIES REPORT****Quarter ended 31 March 2021****OPERATIONAL HIGHLIGHTS**

- The Large Scale Pilot test work commenced on Maniry mined material with significant work completed during and following the end of the quarter
- Mobilisation of technical personnel and planning continued for a drill program at the high grade Razafy NW area in Southern Madagascar, with drilling to commence in the short term
- Ongoing discussions continued with industry leading down-stream graphite producers, with the aim of finalising a development and production plan
- An airborne electromagnetic survey was completed for the Donnelly River Prospect; processing of data expected to be completed in mid-May

CORPORATE HIGHLIGHTS

- Memorandum of Understanding ("MOU") was signed with Urbix Resources LLC ("Urbix") – a US based Company leading the development of Graphite products for the growing EV market
- An Agreement was signed with LuxCarbon GmbH, Germany - World Leaders in the procurement, supply and marketing of graphite concentrate and downstream graphite products
- Subsequent to the end of the Quarter, the Company announced the successful completion of a heavily oversubscribed Share Placement raising in excess of \$4.89m
- Cash reserves in excess of \$2.55m as at 31 March 2021 (\$7.0m as at 27 April 2021) - 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 March 2021 ("Quarter", "Reporting Period").

OPERATIONAL

Large Scale Pilot Plant Program

On 31 March, the Company announced its outstanding preliminary results from the Stage 2 large scale pilot plant program. The program is a significant investment by BlackEarth and is designed to optimise the Maniry flow sheet, provide final equipment specifications, and the results will also provide significant input into the Project's final Environmental and Social Impact Assessment ("ESIA").

The initial results were highlighted by –

- Confirmation of the earlier Stage 1 results - grades of fixed carbon ("FC") content of over 95% reaffirming Maniry's graphite product potential as highly attractive for downstream processing and feed for the rapidly expanding electric vehicle ("EV") markets
- Additional analysis of the jumbo and large flake results indicate that a high proportion of graphite concentrate yields are classified as jumbo flake size – such product is in worldwide shortage and currently selling for in excess of US\$1,750/mt



Figure 1 – BGRIMM Pilot Plant used for testing

Subsequent to the quarter ended, an update was published which confirmed additional premium high grade results with the following highlights –

- Additional testwork undertaken has focused on achieving even higher increases to concentrate grades with spectacular outcomes – results have demonstrated that over 31% of BEM's product can be produced at an Fixed Carbon ("FC") level above 96.5%
- Furthermore, test results achieved have indicated that the designed flowsheet can achieve an average FC level of 96.5% for all large and jumbo flake product testing, grades which are currently attracting significant price premiums in the graphite market
- These results further validate Maniry's graphite product potential as highly attractive for downstream processing and feed for the rapidly expanding electric vehicle ("EV") markets
- ***Further analysis of concentrate tests resulted in an average fixed carbon level of 96.77% for greater than 80% of the jumbo and large flake product tested - making this product some of the highest value graphite concentrate produced in the world***

The board of BlackEarth are delighted with the Large Scale program test results to date and expect processing to be completed in late May 2021; a final report to be concluded early July 2021.

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 Madagascan CSR initiatives, BEM continues to provide the local community with ongoing support.

Western Australia tenements – Donnelly River

During the Quarter, the Company provided an exploration update (ASX Announcement – 27 January 2021) in relation to sampling with prospective Ni Cu targets in the target areas at Donnelly River.

Highlights of the announcement included:

- Geochemistry has identified a number of strong trends across the southern half of the Donnelly River Ni-Cu-PGM Project near Bridgetown, WA.
- The assay results confirm the presence of a strong mafic-ultramafic signature across at least three prominent magnetic trends.
- A further number of similar magnetic trends across the property have now been identified and will be followed up.
- The anomalous geochemical and magnetic trends are defined by:
 - A large "Ovoid" feature located central to the project. The geochemistry at this location is nickel dominant (peak value 811ppm Ni).
 - Two east west trending linear trends of coincident Ni-Cu anomalism, both over a strike-length of 5-6km.

Down-stream processing Opportunities

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

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.

Assisting the Company's plans for the development of a Downstream processing plant is the potential to source exceptionally high grade, premium product from its wholly owned Maniry project in Madagascar.

Corporate

MOU with Urbix Resources, USA

On 3 February 2021, BlackEarth signed an MOU with Urbix Resource Inc, USA ("Urbix").

Urbix is globally recognised for its graphite purification processes that can develop specialised graphite product for the globally expanding EV market. Urbix's advanced technology includes environmentally friendly purification methods that are not reliant on unsustainable hydrofluoric acid treatments. Urbix holds significant intellectual property across a wide range of graphite applications including proprietary Li-ion battery cells, electrolyte, graphene products and energy storage materials.

BlackEarth intends to, in the short term, supply samples of its premium grade concentrate to Urbix for further testing and refinement with a longer term plan to be a supplier of concentrate to Urbix and a proposed joint venture ("JV") for the production of downstream products to meet the growing demand of processed graphite to meet the expanding demand for the EV market.

On the signing of the MOU, BlackEarth Managing Director, Tom Revy, said: *"The Board are delighted to sign off on this MOU with Urbix and we are actively working toward developing an operational JV in the short term. Clearly there is significant and growing demand for value added graphite projects for electric vehicles and many other applications, and we believe this JV will allow us to enter a growing market, with a world class product, at an exciting time of change of world energy and power demands*

Commenting on the signing of the MOU, Urbix Executive Chairman, Nico Cuevas, said: *"We're pleased to initiate this MOU with Tom and David and the team at BlackEarth Minerals.*

"They're experienced and professional and understand the industry thoroughly. They appreciate the demand for our product, are cognizant of new energy challenges and appreciate our environmentally friendly production methods.

"Developing a joint venture that sees BlackEarth supply our US plant is a first step toward our companies potentially developing a plant in Madagascar or Australia. We see this as an important and exciting opportunity for Urbix and we look forward to growing our businesses together."

A proposed JV, still in discussion, can position BlackEarth as a globally significant supplier of downstream graphite products and forms part of BlackEarth's strategy to fast track the development of its Maniry Graphite Project in Madagascar.



Figure 4 - Urbix's completed pilot plant at its expanded location in Arizona

Sales and marketing distribution agreement with LuxCarbon, Germany

On 10 February 2021, the Company announced the signing of a graphite and supply and marketing agreement with world leading, German based graphite supply chain group, LuxCarbon.

The marketing and sales components of the Agreement provide BEM with the opportunity to supply its refined product to meeting growing demand from EV manufacturers and related industries that require expanded and purified graphite products.

Highlights of the announcement included –

- Luxcarbon is currently one of Germany's major suppliers of Graphite & Carbon products to top tier suppliers of Volkswagen, Mercedes, Ford and to major chemical corporations.
- The supply arrangement will continue whilst BlackEarth fast tracks the development of its own high grade, large scale graphite properties in Madagascar, which will then form a regular supply to its proposed downstream graphite operations.
- The Agreement provides that BlackEarth will sell up to 25,000 mtpa of downstream products from its operations and JV operations into the European market to meet the growing demand for battery EV material.
- Luxcarbon will provide technical advisory services to BlackEarth on the production of downstream products from the Company's proposed facilities in Australia and / or Madagascar.
- Luxcarbon will work closely with the BlackEarth Executive team to further develop supply chain, logistics and sales channels for their downstream graphite production into the expanding EV and Battery markets.

The Luxcarbon Group of Companies is based in the city of Essen, Germany and is one of Germany's major suppliers of graphite based products, with an extensive treatment facility. Luxcarbon has an

extensive processing plant at Essen that can supply a range of natural graphite related products and high value, downstream graphite products.

The Luxcarbon Group is a large supplier of graphite products to the automotive and rapidly expanding EV markets.

Luxcarbon's supply chain of downstream graphite products has expanded and continues to grow in Germany and other parts of Europe. The Company is well positioned to meet the growing demand for their products and the opportunity to form a relationship with BlackEarth Minerals NL is highly beneficial.

This supply and agency agreement will ensure BlackEarth has access to an extensive range of products from anywhere in the world and our world class supply network will ensure their concentrate and downstream produced products are sold to Tier 1 buyers throughout Europe.

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.

Placement subsequent to the Quarter ended

Just subsequent to the end of the Quarter, the Company announced the completion of a heavily oversubscribed placement, raising over \$4.89m at an issue price of \$0.135.

The receipt of placement funds has left the Company with cash on hand as at the date of this report of \$7.0m and positions the Company well to complete its DFS and conclude a number of exciting plans during 2021.

Part Paid shares and 2021 AGM

On the 11 January 2021, the Company held its 2020 AGM and all Resolutions were passed at this meeting.

One of the Resolutions passed was for the balance payable of issued part paid shares to be reduced from 24.99 cents to 5.99 cents. As at the date of the AGM, the Company had 28,142,748 part paid shares on issue and from this date until today, 18,738,998 shares have been fully paid resulting in the Company receiving \$1,122,466 in funds.

This now leaves 9,403,750 part paid shares outstanding.

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 - \$189,000. This includes payments of directors and management remuneration for services to the economic entity - \$189,000
- 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 - Managing Director - 08 6145 0289 0411 475 376 |
| David Round | BlackEarth Minerals NL – Executive Director – 0411 160 445 |
| Jane Morgan | Investor and Media Relations 0405 555 618 |

For more information – www.blackearthminerals.com.au

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.

For more information – www.blackearthminerals.com.au

SCHEDULE OF MINING TENEMENTS

| Details of Mining Tenements at Quarter ended 31 March 2021 | | | |
|--|--------------------|------------|----------|
| (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% |

- PE n° 25093 and PE n° 25094, previously under Amodiation Contract with SQNY INTERNATIONAL SARL, Amodiation terminated in 2017 ;
- PR n° 25605 and PR n° 25606, previously under Amodiation Contract with ERG -, Amodiation terminated in 2018
- PE n° 5394, under Amodiation Contract with JUPITER MINES ET MINERALS SARL for mining Labradorite only.

CORPORATE INFORMATION

27 April 2021

- 207,287,703 fully paid ordinary shares
- 9,403,750 \$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)
- 2,000,000 unlisted options (ex 8c)
- 4,500,000 unlisted options (ex 15c)
- \$30 million market capitalisation

BOARD OF DIRECTORS

George Bauk (Non-executive Chairman)

Tom Revy (Managing Director)

David Round (Finance Director)

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.