

3 February 2022

ASX Announcement

BLACKEARTH SIGNS OFFTAKE AGREEMENT TO SECURE SUPPLY FOR EXPANDABLE PLANT OPERATIONS

Highlights

- BlackEarth has signed An Offtake and Supply Agreement (“the Agreement”) with **Technogرافit GmbH (“Technogرافit”), Germany - a world leader** in the supply of Graphite Concentrate and downstream products
- The leadership team at Technogرافit have been actively **supplying and investing in graphite operations worldwide** for many decades and are recognised within Europe as an industry leader
- The Agreement provides for the **BlackEarth/ Metachem JV to acquire up to 2,500 tonnes per annum** of suitable graphite concentrate from Technogرافit to feed its proposed operations in India
- The Agreement has been facilitated with BlackEarth’s Sales and Marketing Partners in Europe, **LuxCarbon, whom will work closely with Technogرافit to ensure our end to end supply chain** is managed to a world class level
- The Agreement provides **certainty of supply of graphite concentrate for our Expandable Plant development** before product can be directly supplied from our Maniry operations.

BlackEarth Managing Director, Tom Revy, commented - “ This Agreement provides an enormous boost to our JV with Metachem and the development of our plant in India and now completes our supply chain which will underpin our operations.

The agreement guarantees our Indian operations a supply of world class concentrate to feed our operations for the next few years prior to supplying product from our own operations at Maniry in Madagascar.

We can now move forward quickly knowing that we not only have a product offtake agreement in place (with Grafitberbau, Austria) to sell the Expandable Graphite we produce, this agreement also provides us with immediate access to world class concentrate to ensure we are able to produce and sell quality high value product in the short term.

The Agreement also assists to underpin our proposed plant development in Madagascar, as concentrate from this development will be provided to our downstream operations with Metachem as soon as this is available.

Our relationship with Technogرافit and Luxcarbon further broadens our association with industry leading Graphite product developers in Germany who have access to markets for expandable graphite and other down stream products in Europe and Worldwide” .

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About Technogرافit and their supply chain

Technogرافit is a world renowned leader in trading mineral raw materials, graphite sales and distribution in Europe.

Managing Director, Dominik Georg Luh, is the fourth generation of the Luh family, which has been dealing in graphite for 110 years.

Technogرافit will supply graphite concentrate from a range of pre-qualified sources for the phased commenced of the BlackEarth/Metachem JV operations in accordance with specifications required.

Technogرافit will also work closely with our sales partners, Luxcarbon to ensure product from our expandable graphite operations is produced to the required specification and that supplies continue on a regular and consistent basis to meet short term demand and our ambitions for longer term supply worldwide.

Mr Luh has previously worked closely with members of the BlackEarth management team in developing supply chain operations in to Europe and Asia.

Other key terms of the agreement are –

1. BlackEarth will buy from Technogرافit up to 2,500 tonnes per annum of Graphite Concentrate (“the Product”) from the Commencement date of its JV operations in India.
2. BlackEarth may act as agent for JVCO and payment for the Product may be made by either BlackEarth or JVCO in the future..
3. Technogرافit must ensure the graphite concentrate provided to the Buyer is supplied to the specification required and nominated by BlackEarth and / or their agents.
4. The Commencement date shall be 1 February 2022 or some other later date nominated by BlackEarth when its JV operational plant has been completed.
5. The acquisition of the Product shall be based on negotiated and agreed market prices at the time of agreement.
6. The Product pricing shall not be fixed or based on any other mechanism proposed or contemplated unless the Parties subsequently and mutually agree to this

Demand for Expandable Graphite Growth and Projections

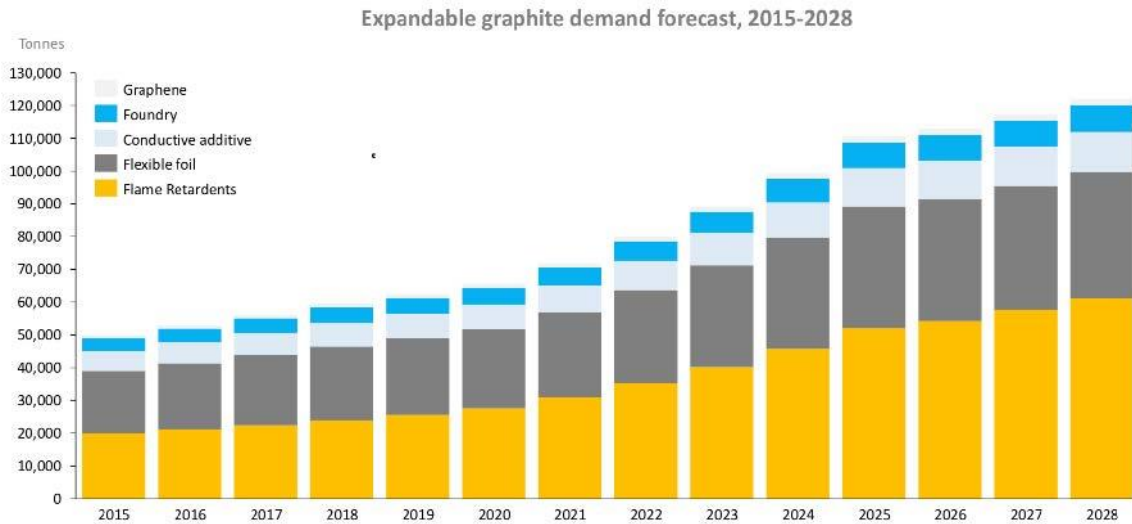


Figure 1 – Expandable Graphite demand and growth – Source:- Benchmark Mineral Intelligence

About and the application of Expandable Graphite

Approximately 35% of expandable graphite production is processed into fire retardants. This is the single biggest end market for expandable graphite. The remaining product is processed into flexible graphite which is the precursor to a number of end products such as graphite foils for use in the **automotive, EV and alternative energy sectors.**

Rapid demand growth is also forecast due to the increasing use of high energy density batteries in mobile devices.

Demand for Expandable Graphite Growth – Flame Retardant Projections

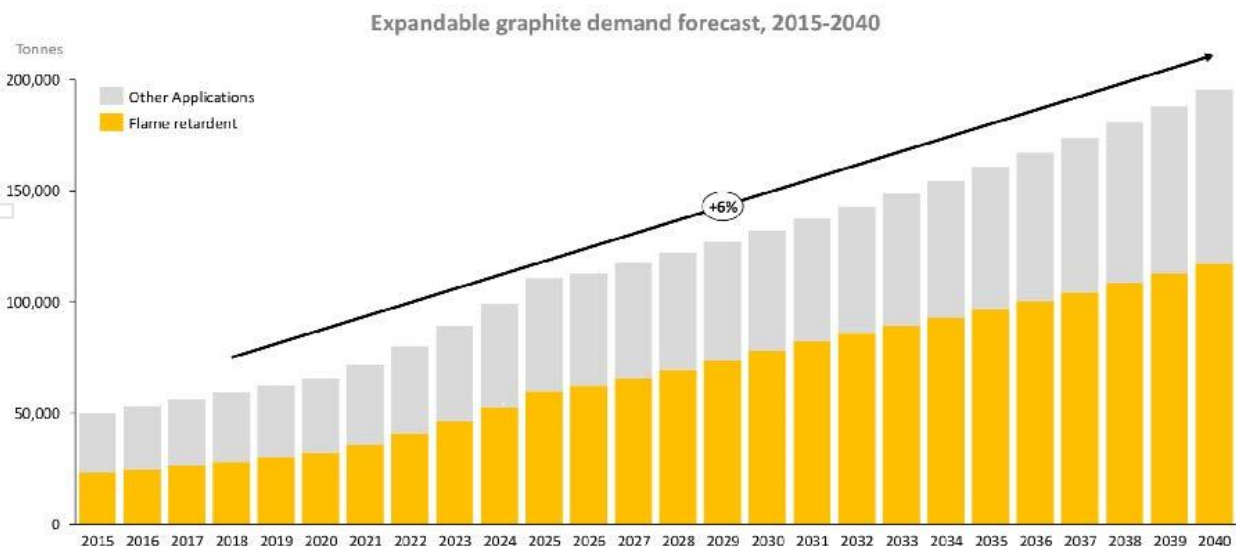


Figure 2 – Fire Retardant use as a portion of Expandable Graphite demand and growth – Source:- Benchmark Mineral Intelligence

The Global Expandable Graphite Market is expected to grow from US\$202.8m in 2020 to around US\$351.9 Million by 2027 (source – globalnewswire.com). Such growth and demand for a range of products and applications provides BlackEarth with an enormous opportunity.

This release has been authorised by the Company's Disclosure Committee

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BlackEarth encourages investors to update their contact details to stay up to date with Company news and announcements here: <http://www.blackearthminerals.com.au/update-details/>

For more information – www.blackearthminerals.com.au

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.

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References

Note 1 – Indmin.com / ubs.com valuations