

7 September 2022

ASX Announcement

BlackEarth embarks on strategy to be major graphite supplier to lithium battery industry

Study underway to build plant which will convert graphite from the Company's Maniry project into battery anode material

Key Points

- **BlackEarth has commenced a Scoping Study to confirm the commercial viability of processing fines from its Maniry graphite project in Madagascar into Battery Anode Material (BAM)**
- **The BAM Study will assess the viability of building a manufacturing plant which will produce the spheronised and purified graphite, as required for lithium batteries, in Europe; European demand for BAM is expected to soar in coming years**
- **The BAM plant has potential to add significant value to Maniry fines, which will account for 40% of total production; Until now, BlackEarth has planned to sell the fines as a raw product to processors**
- **Preliminary studies show the BAM will sell for ~US\$3500/t compared with ~US\$850/t for the concentrate fines**
- **Commodity forecasters predict there will be a growing supply shortfall in the BAM market from next year due to soaring demand from lithium battery manufacturers**
- **Independent tests undertaken by laboratory and tier-1 end users have previously confirmed the suitability of Maniry concentrate for use in lithium batteries**
- **Wave International, an independent resource development consulting group with specific expertise in graphite downstream processing, has been engaged to undertake the Study**
- **Maniry Definitive Feasibility Study set for completion in October, 2022**

BlackEarth Minerals NL (ASX: BEM) is pleased to announce that it has started a Scoping Study on building a plant to process graphite from its Maniry project in Madagascar into a product suitable for use in lithium batteries.

The strategy is aimed at enabling BlackEarth to capitalise on the emerging supply deficit for battery anode material required to make lithium batteries.

The study will assess the viability of building the plant in Europe, where demand for BAM is forecast to soar over coming years.

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BlackEarth Managing Director Tom Revy said: *"We believe there is an exceptional opportunity to become a vital supplier to the lithium battery industry by processing Maniry fines into BAM.*

"This would allow us to sell a portion of our fines for around four times the price we would realise by selling them as a raw product to others to process into BAM.

"By becoming vertically integrated in this manner, we stand to substantially increase our revenues, margins and free cashflow while becoming an integral part of the booming lithium battery industry in Europe.

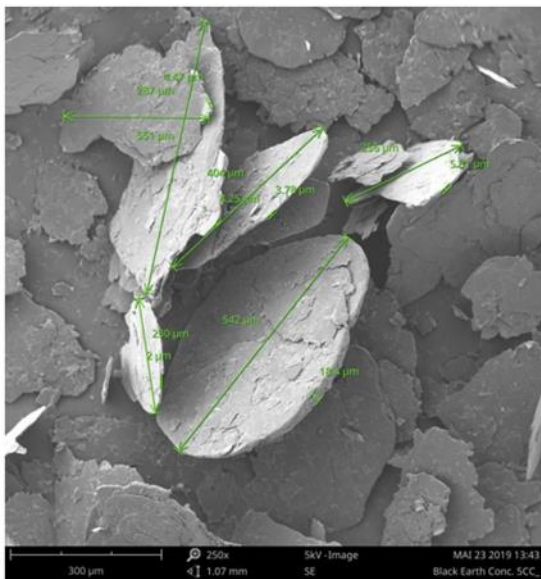
"The BAM strategy is designed to provide valuable income diversity and increased overall financial returns from Maniry".

"At the same time, we will proceed as planned with our strategy to process our coarse graphite via our joint venture in India for sale of expandable graphite into Europe next year."

Details of Scoping Study

Wave International will undertake the BAM Scoping Study for the potential downstream processing of suitable graphite concentrate in Europe.

Spheronised and purified graphite is considered a critical component in the lithium-ion battery supply chain. BlackEarth believes it has the potential to become a strategic supplier of high-value, high-demand SPG into the European lithium-ion battery / electric vehicle markets.



SEM micrograph of Maniry flotation concentrate; magnification 250x



SEM micrograph of Maniry spheronised & purified product; magnification 3,000x

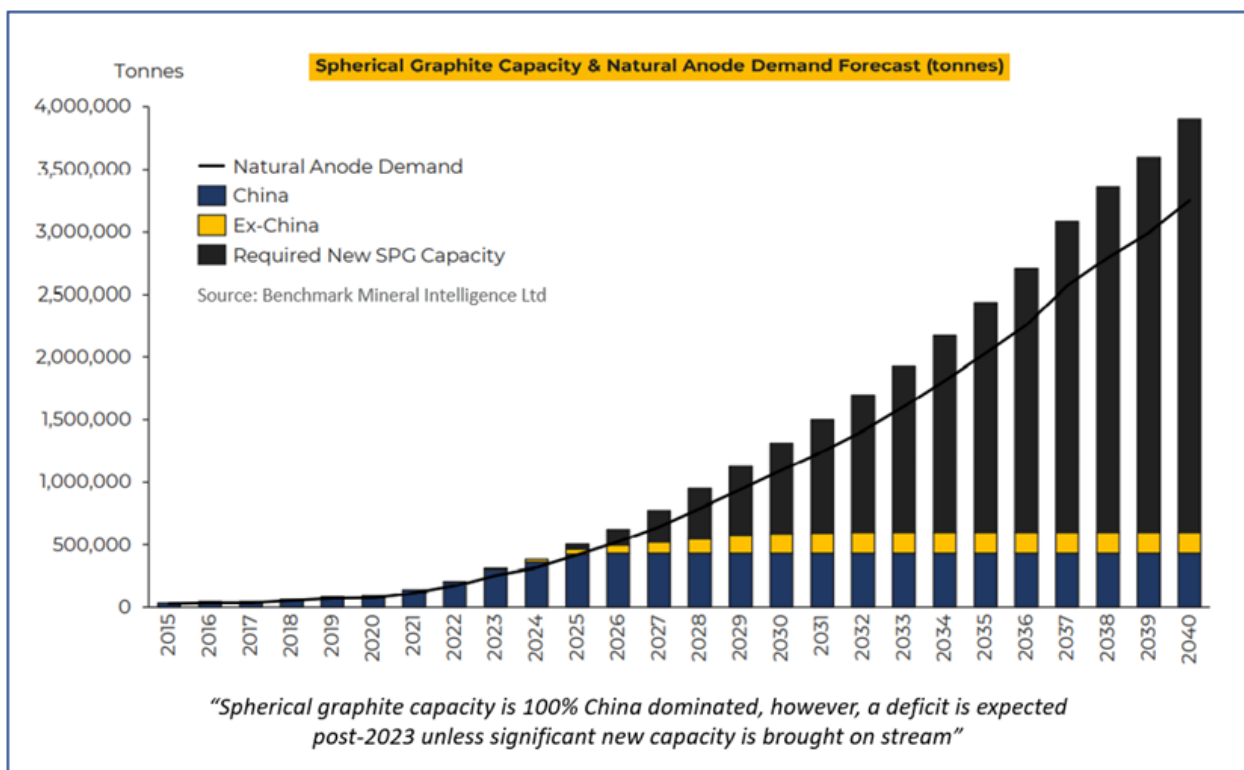
Previous test work undertaken by ANZAPLAN (Germany) found Maniry concentrate can be successfully spheronised and purified by industry-standard methodologies and that preliminary electrochemical test work indicated suitability for Li-battery applications. (Refer ASX Release 14 February 2020).

In its role as Study Manager of the Battery Anode Material Scoping Study, Wave International will evaluate the viability of building a downstream processing facility in Europe to produce (uncoated) spheronised purified graphite from a portion of the graphite concentrate expected to be produced from its Maniry Graphite Project in Madagascar. The flow sheet will consider mechanical shaping (micronisation / spheronisation) followed by purification. The basis of the purification options will be test work previously completed by ANZAPLAN who achieved a minimum 99.96% fixed carbon using a number of different purification methods.

A number of sites in Europe are currently being considered, including site visits undertaken by BEM executives in the past fortnight.

BlackEarth's initial assessments indicate the strategic advantages of establishing a plant in Europe include:

- Proximity to a global hub of new battery giga-factories and electric vehicle producers
- Infrastructure availability including water, power, key logistic routes
- Access to critical consumables and experienced personnel
- Attractive financial incentives to encourage battery-related developments



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

CONTACTS

Tom Revy – Managing Director, BlackEarth Minerals NL 08 6145 0289 | 0411 475 376

David Round – Finance Director, BlackEarth Minerals NL 0411 160 445

Paul Armstrong, Read Corporate - Investor and Media Relations +61 8 9388 1474

For more information – www.blackearthminerals.com.au

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