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ASX: BEM

30 October 2020

ASX Announcement

BLACKEARTH MINERALS NL QUARTERLY ACTIVITIES REPORT

Quarter ended 30 September 2020

OPERATIONAL HIGHLIGHTS

- Planning underway for a drilling program at the high grade Razafy NW area, with activity expected to commence on completion of site preparation.
- Bulk material from the Maniry Project received by BGRIMM for pilot test work.
- First Phase of Donnelly River Ni-Cu-PGM Project Assessment has identified a number of targets with Phase 2 works expected to commence shortly.
- Executives continue discussions with potential partners to develop value added graphite processing capabilities

CORPORATE HIGHLIGHTS

- Signing of binding offtake agreement with Tier 1 refractory producer, RHI Magnesita.
- Completion of Oversubscribed Placement to raise over A$1.4m.
- Commencement of Share Purchase Plan ("SPP") offer.
- Appointment of experienced graphite producing executive to the BEM team.

BlackEarth Minerals NL (ASX: BEM) ("**BlackEarth**", or the "**Company**") is pleased to present shareholders and investors with an overview key development and exploration assets for the period ending 30 September 2020 ("**Quarter**", "**Reporting Period**").

OPERATIONAL

Northwest Razafy Exploration

The Company has prepared a drilling program to further understand 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 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 near future.

Previous trenching results* in the area included:

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

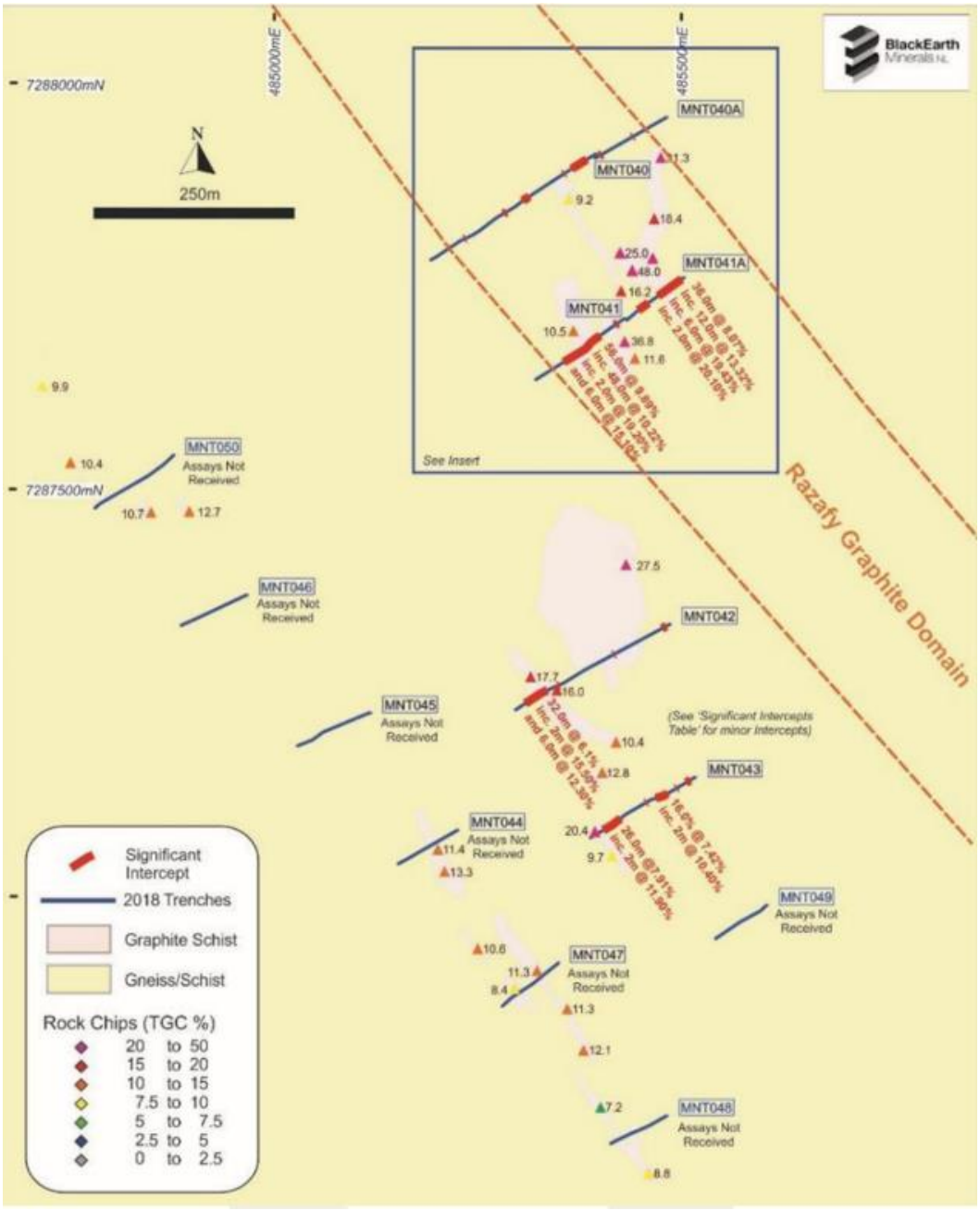
(*See ASX Release 12 February 2019)

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Maniry Graphite Project – Razafy NW Prospect – Trenching Results

Stage 2 Testwork - Bulk Material Arrives at BGRIMM

Bulk material from the Maniry Project in Southern Madagascar is currently held at a pilot plant facility, with Stage 2 test schedule to commence in the short term.

The second stage of testwork to be undertaken by BGRIMM, will involve a large-scale pilot test program, and will use up to 60 tonnes of Maniry graphite bearing material. This stage will be used to optimise the Maniry flow sheet, provide final equipment specifications and produce sufficient material required to finalise legally binding offtake arrangements.

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The results from the Stage 2 test work program will also provide significant input into the Project's final Environmental and Social Impact Assessment ("ESIA"), and will also provide BFS engineers the final process design criteria (PDC) to undertake final engineering design works in 2H 2020.

Community Relations

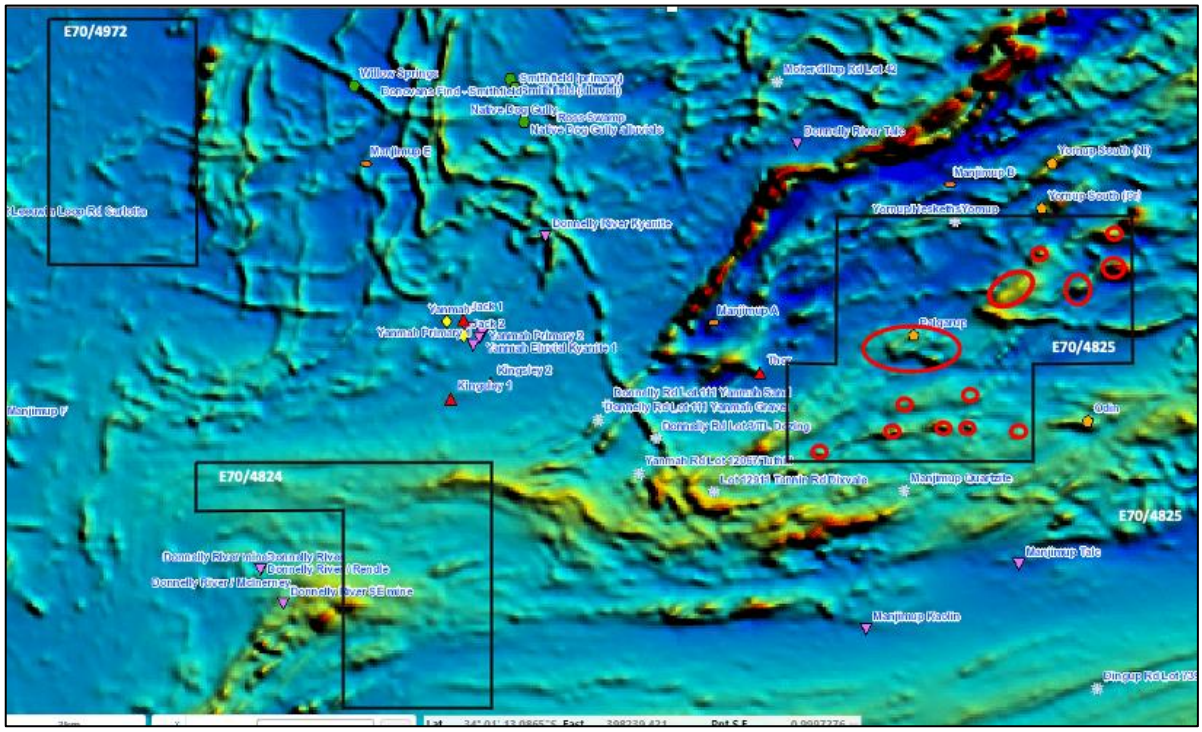
BlackEarth continues its partnerships with the local communities in which it operates, to ensure positive and enduring impacts well into the future.

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

Western Australia tenements – Donnelly River

Subsequent to the end of the Quarter (ASX:BEM 22 October 2020 release), the Company announced that it had completed the first phase of its of Donnelly River Ni-Cu-PGE Project ("Project") assessment and announced that :

- Preliminary targeting utilising available geophysical datasets had identified 13 first-order targets within the Project area (figure 1 below).
- Targets include an area of elevated nickel centrally located within the Project area, which will be specifically investigated as a priority.



Open File TMI Magnetic Image Highlighting Identified Priority Targets

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.

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Proposed Work Programs

- BlackEarth's Geochemical Consultants are currently assessing the available reconnaissance geochemical sampling, previously completed across the project area, which will form the basis for follow-up programs targeting the newly identified targets. Pending any permitting requirements this work is expected to commence during November 2020.
- The Company's Geophysical Consultants have been appointed to undertake processing of historical geophysical surveys and to design and cost an initial airborne electromagnetic survey covering E70/4825. Targets generated from this will subsequently be the subject of focused ground based geophysical, geochemical and geological work programs.
- Commence statutory permitting process.

Corporate

Signing of binding offtake agreement

During the Quarter, the Company announced that it had entered a binding Memorandum of Understanding ("**MOU**") with the world's largest refractory group, RHI Magnesita ("**RHIM**"), the leading global supplier of high-grade refractory products, systems and solutions, and a large consumer of natural flake graphite for various refractory products and materials. RHIM's global procurement office is based in the Netherlands.

Under the MOU with RHIM, BlackEarth will work with RHIM to further explore possibilities to produce "tailor-made" natural graphite concentrate samples and products for RHIM, according to their specification and technical requirements. RHIM will also test and evaluate BlackEarth's samples in different sizes and at different stages, providing feedback and technical advice to further optimise the BEM "tailor-made" products.

Completion of Oversubscribed Placement

As an after balance date event, on 2 October 2020, the Company announced that it had completed a placement to raise over A$1.4m and highlights of this announcement included:

- The Placement was completed and oversubscribed by over 50%
- Funds will be applied to exploration activities at the Maniry and Donnelly River Projects
- Pilot work will be completed to formalise further offtake arrangement discussions
- Ongoing testing and evaluation of downstream processing opportunities with overseas parties will be quickly advanced

Share Purchase Plan ("SPP")

Shortly after the completion after the announcement relating to the Capital Raising, the Company confirmed the release of a Share Purchase Plan offered to all existing shareholders and that the SPP would remain open until 6 November 2020.

Appointment of Experienced Graphite Executive

In July 2020, BlackEarth announced the appointment of Mr David Round as the Company's Chief Financial Officer and Company Secretary. Mr Round joins the Company after an extensive period as the Head of Finance, Sales & Marketing at Australian graphite producer, Bass Metals Ltd ("Bass").

In his role at Bass, Mr Round lead the team that acquired the Graphmada Mine in Madgascar, worked with the executive team to manage operations, lead a large and experienced finance department

and, critically, developed sales, marketing and logistics networks for the supply of Graphite to the USA, India, throughout Europe and China.

COVID-19 Response

The health and well-being of our employees remains of the utmost importance to BEM. 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 last quarter, continue to be maintained and have allowed the Company to progress its planned activities as scheduled.

Discussion for Value Added Plant Development

During the Quarter, executives of the Company continued and advanced discussions with a number of organisations in relation to the development of down-stream processing activities.

Discussions and planning with these groups in graphite advanced technology over the last 12 months will continue and the Company will keep the market informed in the short term with material developments.

The Company's participation in the growing down-stream processing market is a priority as the global demand for battery and other products continues to expand and grow.

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 - $97,000. This includes payments of directors and management remuneration for services to the economic entity - $97,000
- 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

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For more information – www.blackearthminerals.com.au

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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

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SCHEDULE OF MINING TENEMENTS

Details of Mining Tenements at Quarter ended 30 June 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

31 October 2020

- 142,614,483 fully paid ordinary shares
- 28,142,750 $0.25 partly paid shares paid to $0.0001 and unpaid $0.2499
- 8,000,000 Performance Rights
- $7.13 million market capitalisation

BOARD OF DIRECTORS

Phil Hearse (Non-executive Chairman)

Tom Revy (Managing Director)

George Bauk (Non-executive 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.

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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.

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