

25 May 2021

## ASX Announcement

# EXTENSIVE DRILLING PROGRAM COMMENCES AT MANIRY GRAPHITE PROJECT

### Highlights

- The proposed initial 1,000 metres diamond program will target the shallow high grade Razafy Northwest area identified earlier via trenching
- The drill program has been designed with the aim of materially adding to the existing Total JORC Resource of 20.2Mt at 6.51% TGC, by Q3 2021 (*refer ASX announcement 27 December 2018*)
- The program is being conducted in the large and new high grade graphite precinct within southern Madagascar with port and other strategic advantages
- Expanded Mineral JORC resource can position BlackEarth as one of the largest graphite concentrate developer in Madagascar
- Graphite concentrate from Madagascar to fill a predicted massive growth in demand from the Electric Vehicle ("EV") and other alternative energy markets
- Drill program can provide further detail to downstream processing partners for planned future product supply

BlackEarth Minerals NL (**ASX: BEM**) ("**BlackEarth**" the "**Company**") is pleased to announce that drilling has commenced at the Maniry Graphite Project in southern Madagascar, following the completion of preparatory planning and trenching for this targeted high grade drilling campaign.

The proposed initial drill program for 1,000 metres of diamond drilling will target Razafy Northwest which was identified as a high priority target following initial trenching work completed Q1 2019.



Figure 1 – Diamond drilling at Maniry – Razafy Northwest

**BlackEarth Minerals NL**  
**ACN 610 168 191**

Level 3, 1138 Hay Street  
West Perth WA 6872

info@blackearthminerals.com.au  
**blackearthminerals.com.au**

PO BOX 300  
West Perth WA 6872

## About the Drill Program

The aim of the current 1000 metre diamond drill program is to not only gain a better understanding of the scale and potential of the domain, but also to further delineate high grade mineralisation to compliment the initial stages of a mining operation.

In 2019, BEM undertook trenching at Razafy Northwest which returned assays that included: 48m at 10.22%TGC and 12m at 13.32%TGC ( refer ASX announcement 19 Feb 2019).

The results highlighted the potential for further high-grade resources proximal to the defined Razafy Resource and ultimately the potential to further enhance the value of the Project. The previous exploration program resulted in 47 trenches being excavated for a total of 4,314 metres across the Razafy Northwest area. The 2019 program extended the known mineralisation within the 'Razafy Domain' to more than 5km in length (refer ASX announcement 19 Feb 2019) and is consequently the main focus of current exploration efforts by BlackEarth.

All exploration works will be carried within the Company's Exploration Target area containing an estimated 260Mt-380Mt at 6-8%TGC (**Refer ASX announcement 9 August 2018 and Note 1 below**).

*The Company believes the current drill program could provide a material increase to both the stated overall Resource size and average grade.*



*Figure 2 - Outcropping graphitic mineralisation at Razafy Northwest*

**Note 1-** *The Exploration Targets reported herein are not JORC compliant Mineral Resources. The potential quantity and grade of the Exploration Targets are conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of a Mineral Resource*



## Ongoing development of South Madagascar graphite region

The southern Madagascar region continues to grow and develop as a premium precinct for large and jumbo flake graphite.

The region has a favourable climate, with less interruption to production and infrastructure by seasonal climatic changes and the cyclone season that often impacts the north and east of the country.

The southern Madagascar corridor has, over the past decade, enjoyed massive levels of exploration and development of potential mining sites including those held by the Company and the developing Molo Project held by Nextsource Material ( a company listed on the TSX and with a current market capitalisation of circa A\$186m). Rio Tinto's \$1B Minerals Sands project is also within the Southern Madagascar development region.

Adjacent and closest to the Company's projects is the port city of Fort Dauphin which was the first French Port city developed in Madagascar. The port is a modern deep water port built by the World Bank and Rio Tinto in 2009 and is well designed and suitable to the cost effective export of graphite concentrate.

The Company is currently in discussions with port operators and is well positioned to secure exclusive access agreements as and when required.

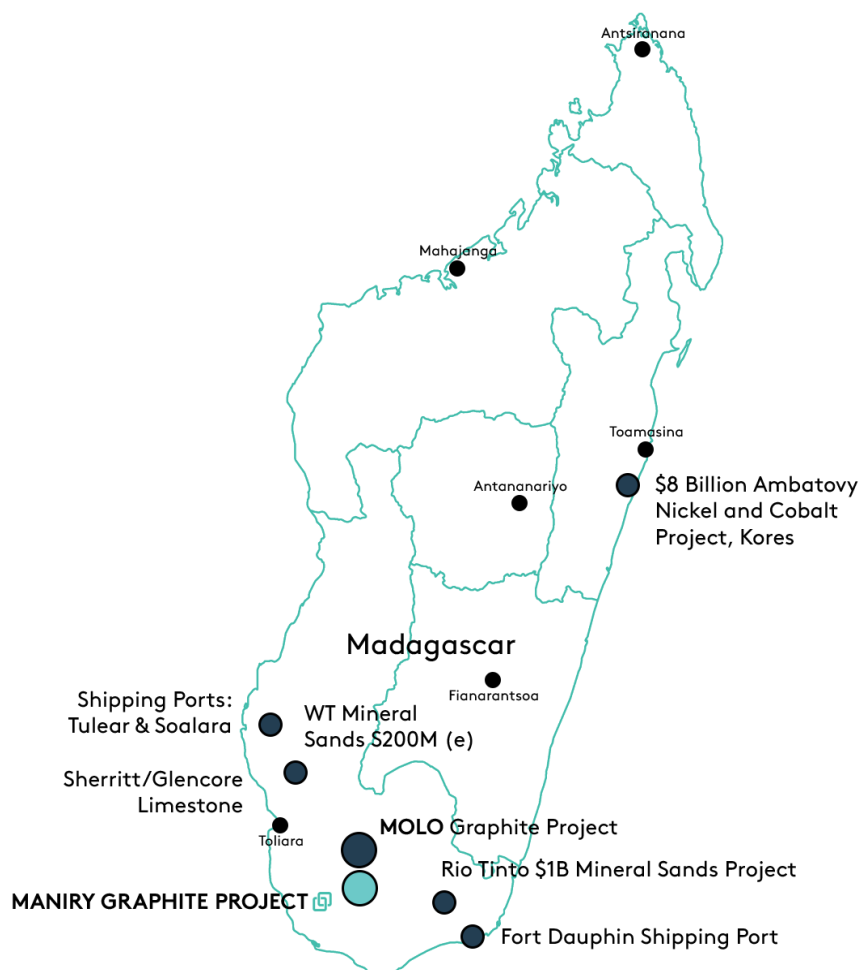


Figure 3 – Map of Madagascar and proximity of the Company's projects to developed infrastructure and other progressed graphite sites

## **Benefits to Downstream processing plans**

Successful completion of the current drill program will also assist the Company in finalising and further developing its downstream processing plans.

Expanding the Company's Resource of large and jumbo, and also fine flake product, allows additional value to be attributed to the assessment of downstream graphite production options.

As at today, the Company continues to assess a number of downstream processing options and the additional value of an upgrading resource will assist the Company and its MOU and Sales and Marketing partners, and others, to advance these plans.

The demand for graphite continues to grow and expand, and the Company is well positioned to enter a number of supply markets with its superior and premium products at an exciting stage in the expansion of the EV and alternative energy markets.



*Figure 4 – Drilling at current program – May 2021*

## **Madagascar as a key supplier to meet massive global demand for Graphite**

Madagascar achieved the highest growth of graphite exports globally with an increase of almost 50% for the period 2012 – 2019 to achieve 9% of the total worldwide export market. This compares to China's increase in exports for this period of 4%. (<https://www.globaltrademag.com/the-rising-electric-vehicle-industry-to-drive-the-global-natural-graphite-market/>).

This market share is likely to increase given recent project developments in Madagascar and the ongoing world demand for large and jumbo flake graphite which is largely sourced from Madagascar.

## Demand Surge

Global metals and materials demand from EV lithium-ion batteries

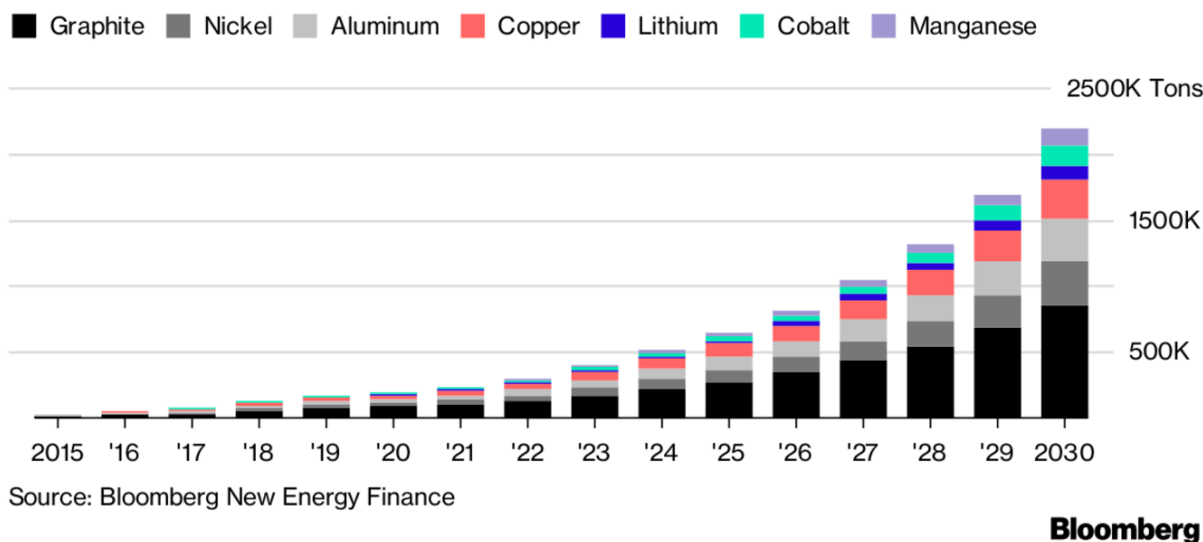


Figure 5 - Projected growth in demand for Graphite

### BlackEarth Managing Director, Tom Revy, commented:

*"We are extremely pleased with what our current exploration activities have presented us to date. Recent and on-going trenching is allowing us to target our diamond drill program with significant confidence. What this program is clearly demonstrating to us, is that we have only scratched the surface of what is a very large graphitic system.*

*As the Company continues its path through the Maniry DFS, the potential of our graphite project is extraordinary – the size of the district, the quality of outcomes to date and the value that lies before us. The three-prong strategic approach we have adopted – focused exploration, completion of the DFS and downstream processing, is all starting to come together nicely".*

### Donnelly River Update

Processed data was received last week from UTS Geophysics following the completion of the VTEM program. This survey incorporates chargeability, conductivity and magnetic susceptibility measurement simultaneously to better understand / characterize the rocks undercover and at depth. The processed data is now with Southern Geoscience Consultants for analysis and interpretation, with an aim of delineating the next phase of exploration at the Donnelly River Prospect. This report is expected to be received within the next 3 weeks. The outcomes and future activities will be announced to the market once the Company receives the report

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
Jane Morgan - Investor and Media Relations	0405 555 618

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](http://www.blackearthminerals.com.au)

## **Competent Person Statement**

The information in this document that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Annick Manfrino, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of the Company.

Annick Manfrino has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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.

The Exploration Targets reported herein are not JORC compliant Mineral Resources. The potential quantity and grade of the Exploration Targets are conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of a Mineral Resource

Annick Manfrino consents to the inclusion of the information in this document in the form and context in which it appears.

## **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.

## **Exploration Targets quoted**

The Exploration Targets reported herein are not JORC compliant Mineral Resources. The potential quantity and grade of the Exploration Targets are conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of a Mineral Resource.