

ASX Announcement

24 May 2018

BLACKEARTH CONTINUES TO STRIKE HIGH GRADE GRAPHITE AT THE RAZAFY PROSPECT IN MADAGASCAR

HIGHLIGHTS

- diamond drill holes at Razafy, return high grade graphite results from surface including:
 - 26 metres at 7.8%TGC (including 10 metres at 10.4%TGC)
 - 10 metres at 9%TGC (including 6 metres at 10.0%TGC)
 - 15 metres at 7.8%Total Graphitic Carbon
- Current drilling at Razafy is expected to be completed within 2 weeks
- Drilling information at Razafy to be utilised to establish maiden JORC Resource by late July 2018
- Drilling to commence shortly at Haja, 2km south of Razafy

OUTSTANDING INITIAL ASSAY RESULTS

BlackEarth Minerals NL (ASX: BEM) (the Company or BlackEarth) is pleased to advise on assay results of Total Graphitic Carbon (TGC) (see Appendix 1 & 2 and Table 1) for full drill hole data and assay results) from its diamond drilling program at the Company's 100% owned Maniry Graphite Project, Madagascar. Figure 3 outlines the location of completed drill holes and the proposed holes. BEM is on target to complete the Razafy program as per its original schedule, in June 2018.

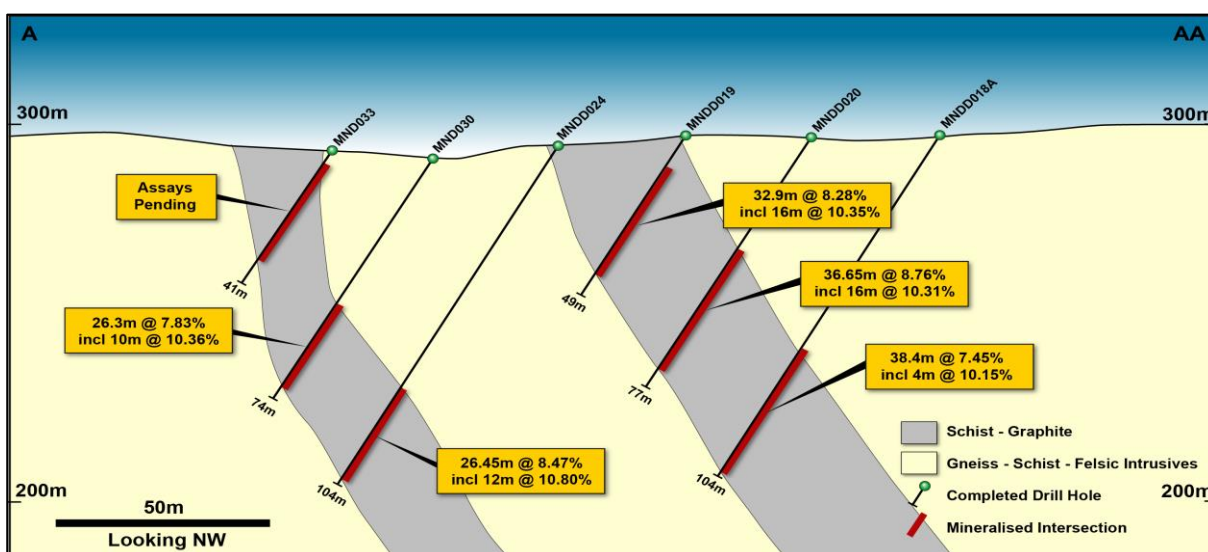


Figure 1 – Cross Section AA (Refer to Figure 3)

FAST TRACK TO CASH FLOW

Drilling at the Razafy prospect, to establish a maiden JORC Indicated Resource by late July 2018, commenced in March 2018. The Razafy prospect is located in the north west of the Maniry Project. This resource will be used as part of the Company's 'fast track to cash flow' strategy, with scoping study completion for Razafy scheduled by the end of the calendar year.

The Company has received all 500 assays from the first shipment of diamond drill samples sent to Intertek (Perth, Western Australia) earlier this month. Assaying of samples from the second shipment is expected to commence shortly, while the third shipment is due to leave Antananarivo, Madagascar by Friday 25 May 2018.



Figure 2 – Samples being prepared for transport in Antananarivo, Madagascar

The Company has now drilled approximately 3,400 metres at the Razafy prospect, representing an estimated 5% of the Razafy prospect area.

The key outcomes of the drilling to date include the following:

- Confirmation of consistent, thick, outcropping, high-grade graphite horizons hosted by felsic gneissic rocks (as demonstrated in the cross sections below figures 4a to 4d);
- Field observations and preliminary mineralogy has confirmed the coarse-grained mineralisation;
- Initial TGC grades received within the horizons are generally consistent from hole to hole and from section to section; and
- Previous surface sampling (rock chips and trenching) has proven to be an accurate guide as to the expected TGC grades in the sub-surface.

Prior to commencing drilling at Haja in June, BlackEarth intends to complete several "step out" diamond drill holes to further understand the full potential that exists at the Razafy prospect.

BlackEarth's consulting Geologists have compiled a number of cross sections which are outlined in Figures 4a to 4d below.

Managing Director, Tom Revy commented:

"The Company continues to meet every milestone of its aggressive development schedule. The results we have received so far have confirmed the Board's initial thoughts that Maniry has the potential to host a large graphitic mineralised system."

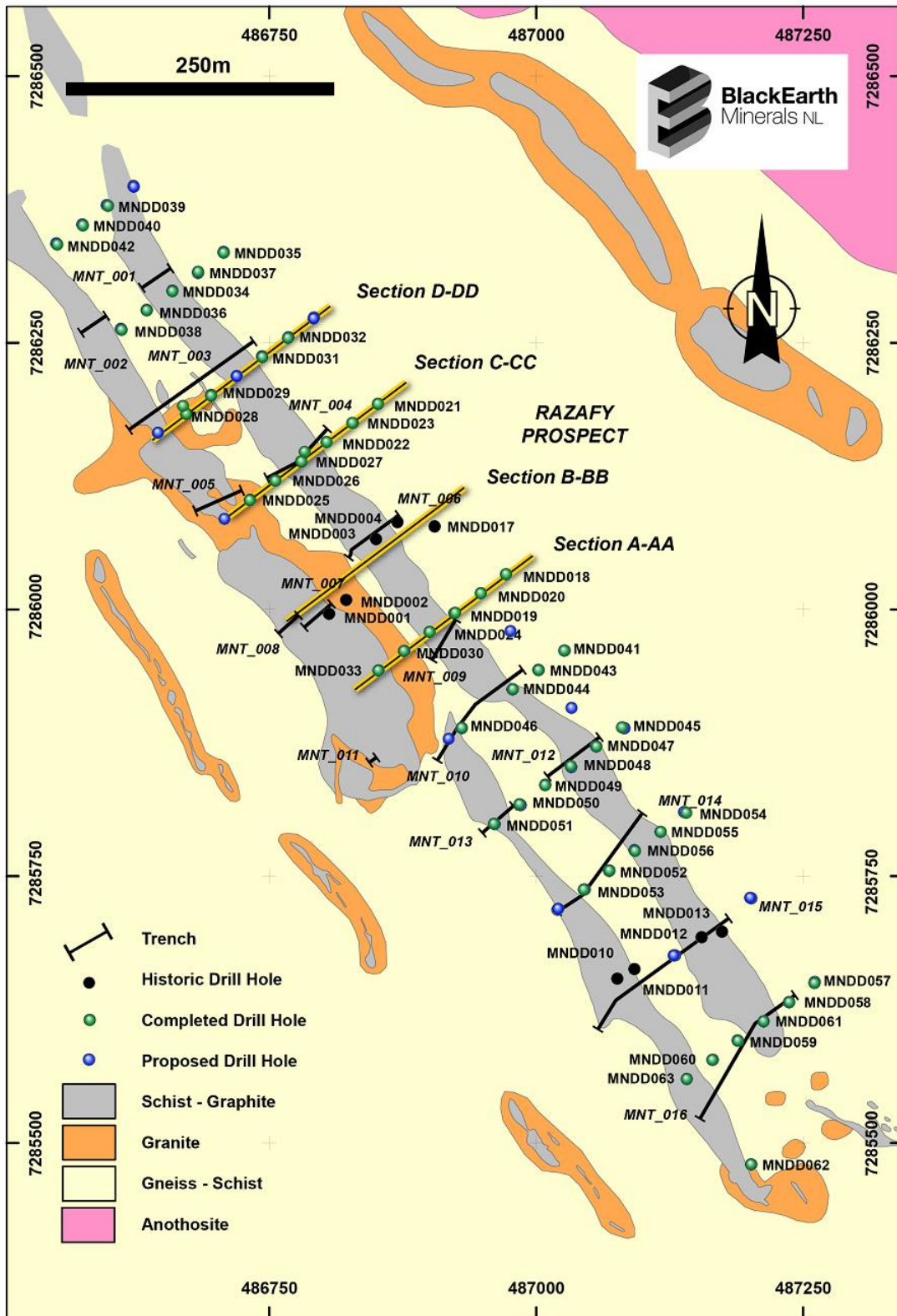


Figure 3 - Location of Razafy Drill Holes completed and planned as of 15/5/18

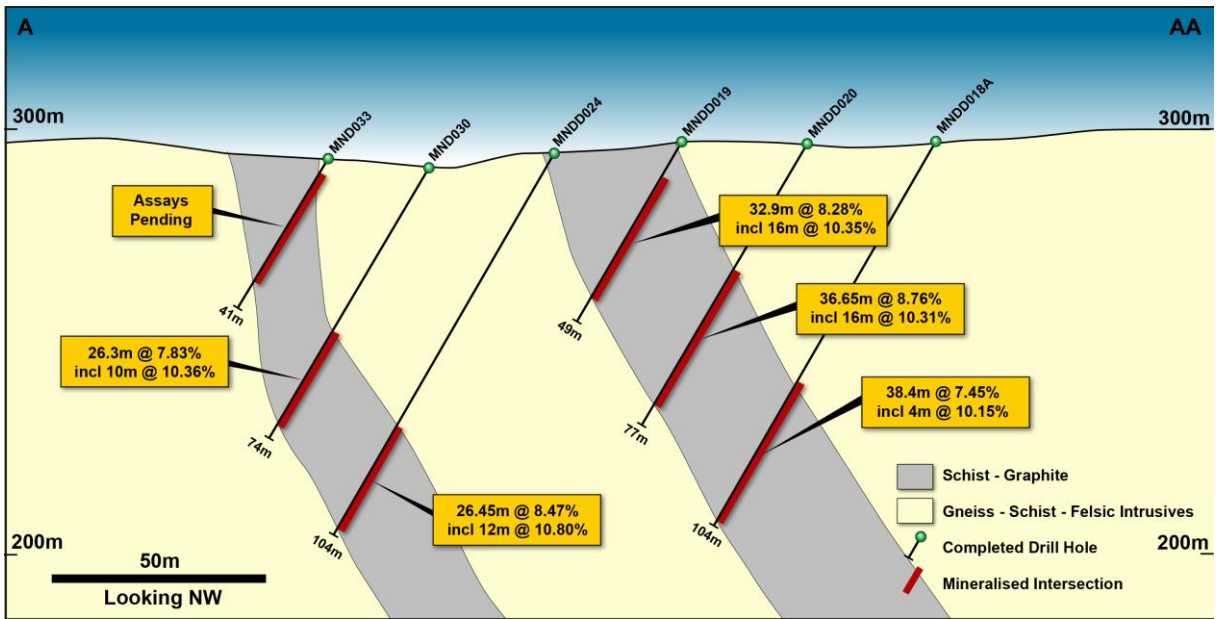


Figure 4a – Section AA (see Figure 3)

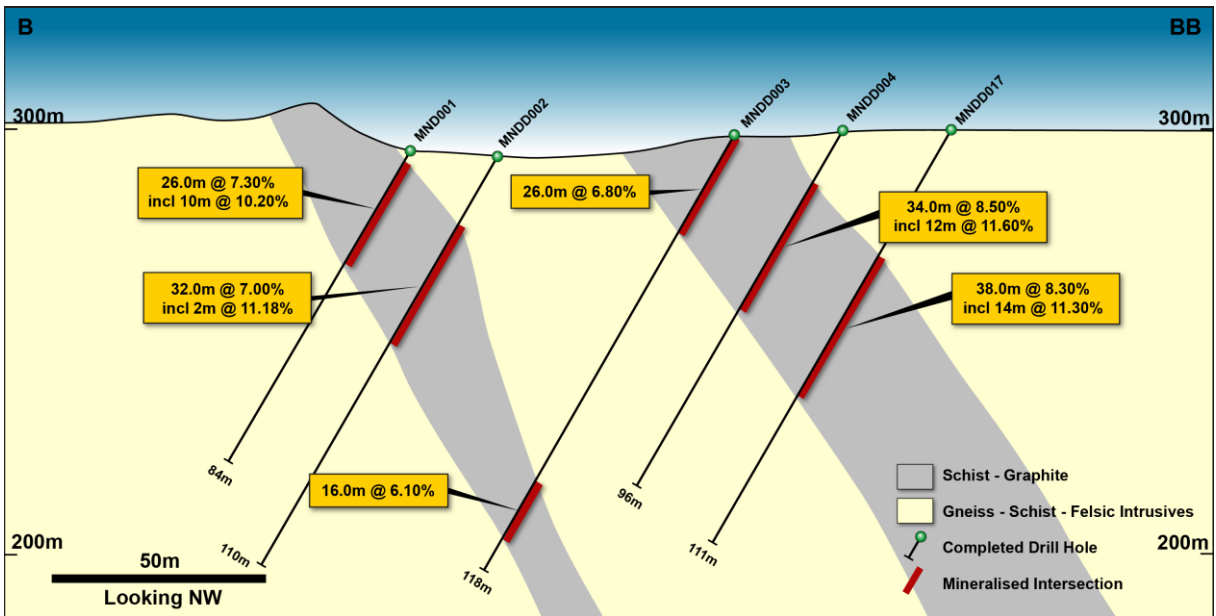


Figure 4b – Section BB (see Figure 3)

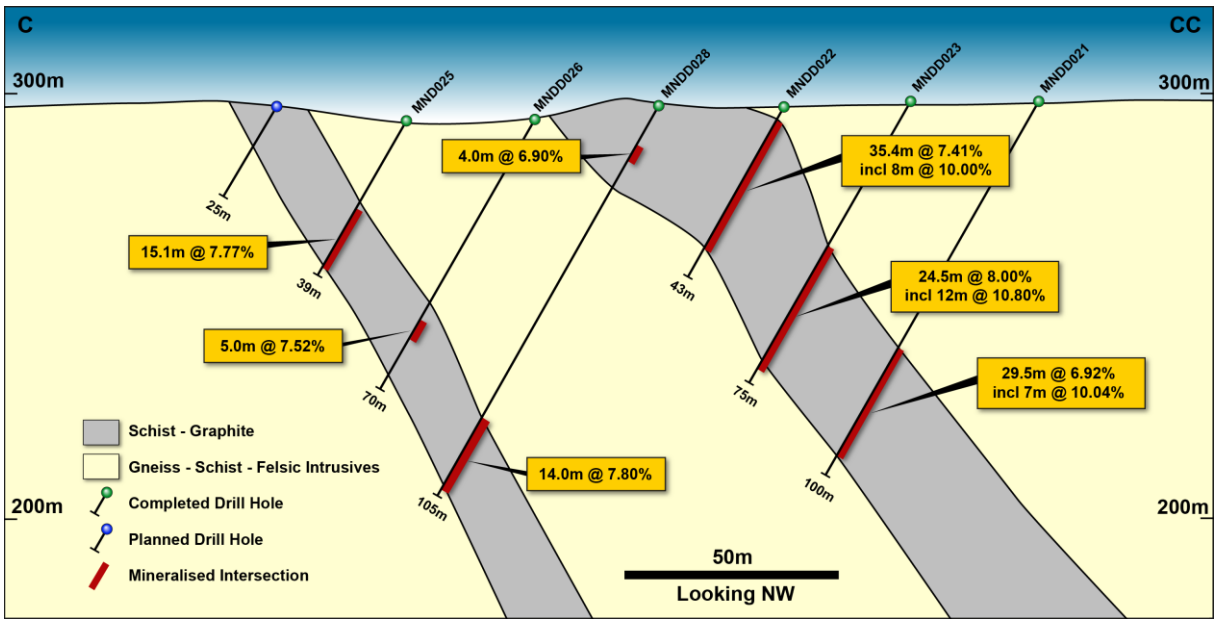


Figure 4c – Section CC (see Figure 3)

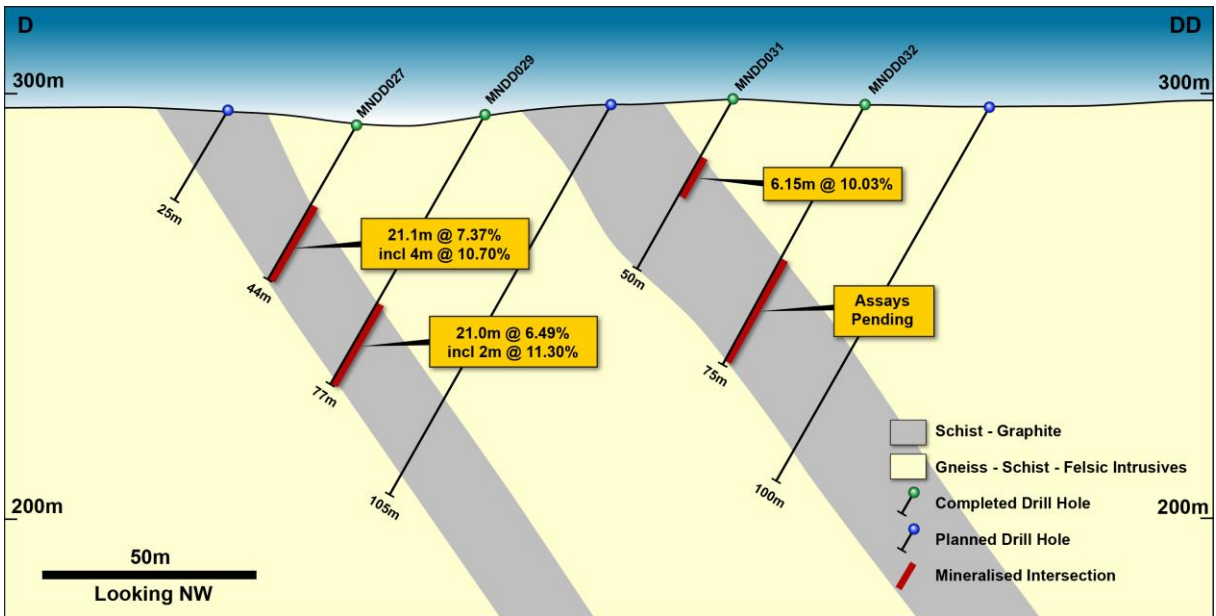


Figure 4d – Section DD (see Figure 3)

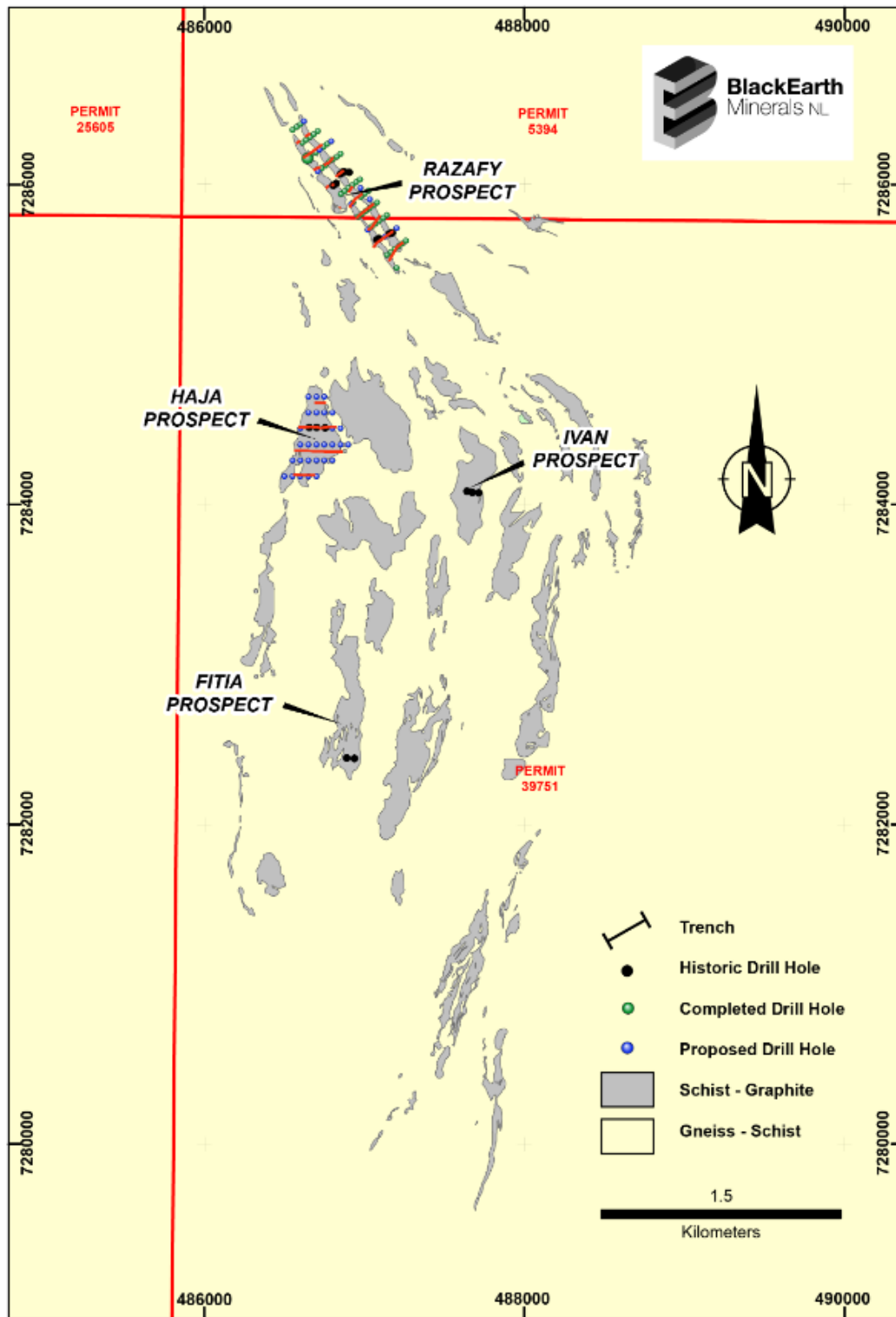


Figure 5 – Maniry Graphite Project Drill Targets

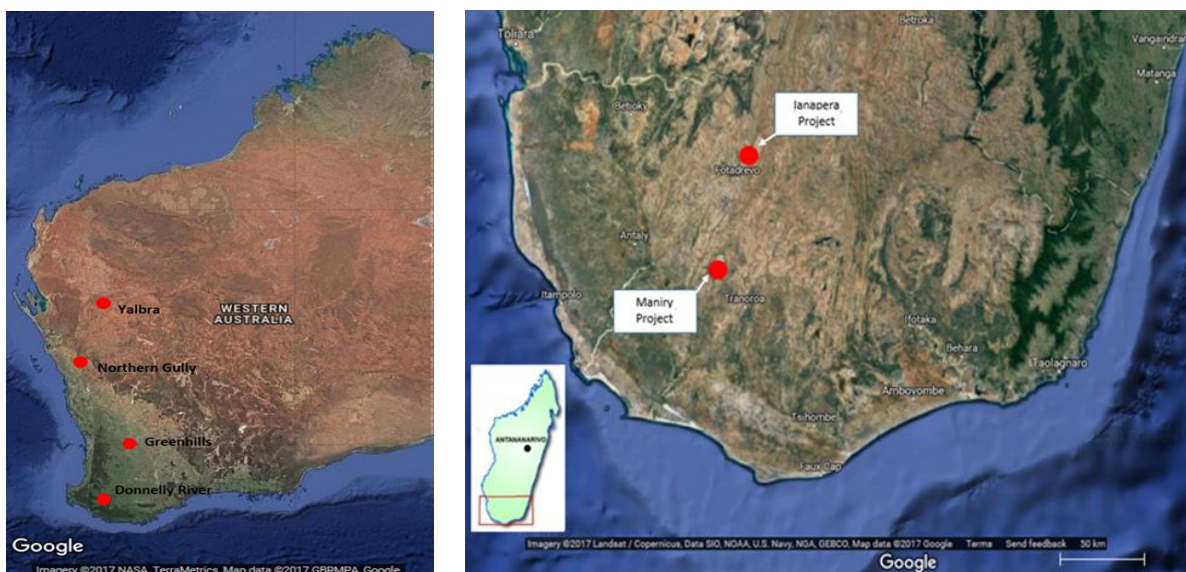
MEDIA CONTACTS

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About BlackEarth Minerals NL

BlackEarth Minerals NL is an ASX listed company focused on the exploration and development of its 100% owned Madagascar and Western Australian graphite projects.



The location of the Company's graphite projects: Madagascar (Maniry & Ianapera - above), Western Australia (Yalbra, Northern Gully, Greenhills & Donnelly River - left)

The Company's Madagascan projects consist of two primary exploration areas: the main Maniry project ("Maniry") in the south, and the Ianapera project ("Ianapera") in the north. Maniry is highly prospective for large-scale, high-quality graphite deposits and is currently at an advanced evaluation stage pending additional work to establish an initial resource, which is expected to be completed by mid-2018. Results, from samples taken within 50m of surface, have been received of 10m at 10.2% TGC, 12m at 11.6% TGC and 14m at 11.3% TGC, as disclosed in the Company's Replacement Prospectus dated 24 November 2017.

Ianapera is located within 10 km of NextSource Material Inc's (TSX: NEXT) Molo graphite deposit. It consists of a series of high-grade outcrops, up to 800m long and 30m wide, of graphite mineralisation within a broader graphite trend. These high-grade (15%+ TGC), near-surface exposures of graphite mineralisation lie over the top of a large conductive body, which indicates the potential presence of a large graphitic mineralised system.

The Company's Western Australian graphite assets include project areas that have been partially explored by a number of companies in the past, with encouraging results reported from several locations. The Company researched graphite data via the extensive historical Western Australian Mineral Exploration (WAMEX) database, which has already led to the identification of targets which will be the focus of initial exploration activities.

Competent Person's Statement

The information contained in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Peter Langworthy, a member of The Australasian Institute of Mining and Metallurgy. Mr. Langworthy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he 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." Mr. Langworthy consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

For more information – www.blackearthminerals.com.au

Appendix 1 – Table outlining drilling status of Razafy Drill Holes

| Prospect | Hole_ID | Status | Easting | Northing | RL | Azi | Dip | PI_Depth | EOH_Depth |
|----------|---------|----------|---------|-----------|-----|-----|-----|----------|-----------|
| Razafy | MNDD018 | Complete | 486,972 | 7,286,033 | 297 | 233 | -60 | 100.00 | 104.12 |
| Razafy | MNDD019 | Complete | 486,924 | 7,285,997 | 297 | 233 | -60 | 35.00 | 49.06 |
| Razafy | MNDD020 | Complete | 486,948 | 7,286,015 | 297 | 233 | -60 | 75.00 | 77.25 |
| Razafy | MNDD021 | Complete | 486,852 | 7,286,193 | 297 | 233 | -60 | 100.00 | 99.86 |
| Razafy | MNDD022 | Complete | 486,804 | 7,286,157 | 296 | 233 | -60 | 45.00 | 42.84 |
| Razafy | MNDD023 | Complete | 486,828 | 7,286,175 | 297 | 233 | -60 | 75.00 | 75.56 |
| Razafy | MNDD024 | Complete | 486,900 | 7,285,979 | 294 | 233 | -60 | 100.00 | 103.93 |
| Razafy | MNDD025 | Complete | 486,732 | 7,286,103 | 293 | 233 | -60 | 35.00 | 41.51 |
| Razafy | MNDD026 | Complete | 486,756 | 7,286,121 | 293 | 233 | -60 | 70.00 | 74.64 |
| Razafy | MNDD027 | Complete | 486,783 | 7,286,148 | 296 | 233 | -60 | 35.00 | 43.72 |
| Razafy | MNDD028 | Complete | 486,669 | 7,286,191 | 297 | 233 | -60 | 105.00 | 104.83 |
| Razafy | MNDD029 | Complete | 486,696 | 7,286,201 | 295 | 233 | -60 | 70.00 | 76.72 |
| Razafy | MNDD030 | Complete | 486,876 | 7,285,961 | 291 | 233 | -60 | 75.00 | 74.08 |
| Razafy | MNDD031 | Complete | 486,743 | 7,286,237 | 299 | 233 | -60 | 45.00 | 49.97 |
| Razafy | MNDD032 | Complete | 486,767 | 7,286,255 | 297 | 233 | -60 | 75.00 | 75.22 |
| Razafy | MNDD033 | Complete | 486,852 | 7,285,943 | 293 | 233 | -60 | 40.00 | 41.03 |
| Razafy | MNDD034 | Complete | 486,659 | 7,286,299 | 297 | 233 | -60 | 105.00 | 113.77 |
| Razafy | MNDD035 | Complete | 486,707 | 7,286,335 | 297 | 233 | -60 | 75.00 | 86.49 |
| Razafy | MNDD036 | Complete | 486,635 | 7,286,281 | 295 | 233 | -60 | 70.00 | 66.82 |
| Razafy | MNDD037 | Complete | 486,683 | 7,286,317 | 297 | 233 | -60 | 45.00 | 48.22 |
| Razafy | MNDD038 | Complete | 486,611 | 7,286,263 | 295 | 233 | -60 | 35.00 | 34.31 |
| Razafy | MNDD039 | Complete | 486,599 | 7,286,379 | 297 | 233 | -60 | 30.00 | 55.72 |
| Razafy | MNDD040 | Complete | 486,575 | 7,286,360 | 297 | 233 | -60 | 70.00 | 80.32 |
| Razafy | MNDD041 | Complete | 487,026 | 7,285,962 | 297 | 233 | -60 | 90.00 | 90.35 |
| Razafy | MNDD042 | Complete | 486,551 | 7,286,342 | 297 | 233 | -60 | 35.00 | 37.72 |
| Razafy | MNDD043 | Complete | 487,002 | 7,285,943 | 297 | 233 | -60 | 65.00 | 65.52 |
| Razafy | MNDD044 | Complete | 486,978 | 7,285,925 | 295 | 233 | -60 | 25.00 | 28.72 |
| Razafy | MNDD045 | Complete | 487,080 | 7,285,890 | 297 | 233 | -60 | 100.00 | 99.22 |
| Razafy | MNDD046 | Complete | 486,930 | 7,285,889 | 291 | 233 | -60 | 75.00 | 75.18 |
| Razafy | MNDD047 | Complete | 487,056 | 7,285,872 | 298 | 233 | -60 | 75.00 | 54.67 |
| Razafy | MNDD048 | Complete | 487,032 | 7,285,854 | 296 | 233 | -60 | 35.00 | 23.17 |
| Razafy | MNDD049 | Complete | 487,008 | 7,285,835 | 293 | 233 | -60 | 100.00 | 100.07 |
| Razafy | MNDD050 | Complete | 486,984 | 7,285,817 | 292 | 233 | -60 | 75.00 | 66.18 |
| Razafy | MNDD051 | Complete | 486,960 | 7,285,799 | 289 | 233 | -60 | 40.00 | 32.37 |
| Razafy | MNDD052 | Complete | 487,069 | 7,285,756 | 291 | 233 | -60 | 100.00 | 96.07 |
| Razafy | MNDD053 | Complete | 487,045 | 7,285,738 | 289 | 233 | -60 | 70.00 | 69.18 |
| Razafy | MNDD054 | Complete | 487,140 | 7,285,810 | 297 | 233 | -60 | 100.00 | 87.87 |
| Razafy | MNDD055 | Complete | 487,116 | 7,285,792 | 297 | 233 | -60 | 75.00 | 65.37 |
| Razafy | MNDD056 | Complete | 487,093 | 7,285,774 | 294 | 233 | -60 | 35.00 | 31.02 |
| Razafy | MNDD057 | Complete | 487,261 | 7,285,650 | 297 | 233 | -60 | 100.00 | 101.50 |
| Razafy | MNDD058 | Complete | 487,237 | 7,285,632 | 293 | 233 | -60 | 70.00 | 69.74 |
| Razafy | MNDD059 | Complete | 487,189 | 7,285,596 | 288 | 233 | -60 | 100.00 | 104.43 |
| Razafy | MNDD060 | Complete | 487,165 | 7,285,578 | 287 | 233 | -60 | 75.00 | 81.18 |
| Razafy | MNDD061 | Complete | 487,213 | 7,285,614 | 291 | 233 | -60 | 35.00 | 30.97 |
| Razafy | MNDD062 | Complete | 487,201 | 7,285,480 | 297 | 233 | -60 | 40.00 | 43.30 |
| Razafy | MNDD063 | Complete | 487,141 | 7,285,560 | 285 | 233 | -60 | 40.00 | 48.20 |
| Razafy | MNDD064 | Complete | 486,646 | 7,286,166 | 296 | 233 | -60 | 25.00 | 27.20 |
| Razafy | MNDD065 | Current | 486,708 | 7,286,085 | 297 | 233 | -60 | 25.00 | |
| Razafy | | Planned | 486,637 | 7,286,404 | 292 | 233 | -60 | 45.00 | |
| Razafy | | Planned | 487,021 | 7,285,719 | 286 | 233 | -60 | 40.00 | |
| Razafy | | Planned | 486,719 | 7,286,219 | 297 | 233 | -60 | 105.00 | |
| Razafy | | Planned | 486,791 | 7,286,273 | 297 | 233 | -60 | 100.00 | |
| Razafy | | Planned | 487,129 | 7,285,676 | 290 | 233 | -60 | 100.00 | |
| Razafy | | Planned | 487,201 | 7,285,730 | 297 | 233 | -60 | 100.00 | |
| Razafy | | Planned | 486,906 | 7,285,872 | 290 | 233 | -60 | 35.00 | |
| Razafy | | Planned | 486,998 | 7,285,996 | 297 | 233 | -60 | 110.00 | |
| Razafy | | Planned | 487,055 | 7,285,924 | 297 | 233 | -60 | 100.00 | |

Appendix 2 – Table of assay results from Razafy Drill Holes

| Hole_ID | Sample_ID | From | To | Sample_Method | Date_Sampled | C/GRA_% |
|---------|------------|-------|-------|---------------|--------------|---------|
| MNDD025 | MNDS001005 | 10.7 | 12.1 | HQQC | 29-03-18 | 4.3 |
| MNDD025 | MNDS001006 | 12.1 | 13.3 | HQQC | 29-03-18 | 0.5 |
| MNDD025 | MNDS001007 | 13.3 | 15 | HQQC | 29-03-18 | 0.4 |
| MNDD025 | MNDS001008 | 15 | 16 | HQQC | 29-03-18 | 0.2 |
| MNDD025 | MNDS001009 | 16 | 17.9 | HQQC | 29-03-18 | 0.3 |
| MNDD025 | MNDS001010 | 17.9 | 19.1 | HQQC | 29-03-18 | 5.1 |
| MNDD025 | MNDS001011 | 19.1 | 20 | HQQC | 29-03-18 | 0.6 |
| MNDD025 | MNDS001012 | 20 | 21.4 | HQQC | 29-03-18 | 1.4 |
| MNDD025 | MNDS001013 | 21.4 | 23 | HQQC | 29-03-18 | 5.4 |
| MNDD025 | MNDS001014 | 21 | 23 | HQQC | 29-03-18 | 6 |
| MNDD025 | MNDS001015 | 23 | 24 | HQQC | 29-03-18 | 3.7 |
| MNDD025 | MNDS001016 | 24 | 26 | HQQC | 29-03-18 | 9.7 |
| MNDD025 | MNDS001017 | 26 | 28 | HQQC | 29-03-18 | 8 |
| MNDD025 | MNDS001018 | 28 | 30 | HQQC | 29-03-18 | 7.2 |
| MNDD025 | MNDS001019 | 30 | 32 | HQQC | 29-03-18 | 9.8 |
| MNDD025 | MNDS001020 | 32 | 34 | HQQC | 29-03-18 | 5.3 |
| MNDD025 | MNDS001021 | 34 | 36 | HQQC | 29-03-18 | 7.8 |
| MNDD025 | MNDS001022 | 36 | 38 | HQQC | 29-03-18 | 6.1 |
| MNDD025 | MNDS001023 | 38 | 39.1 | HQQC | 29-03-18 | 8.7 |
| MNDD025 | MNDS001025 | 39.1 | 40.5 | HQQC | 29-03-18 | 1.4 |
| MNDD025 | MNDS001026 | 40.5 | 41.51 | HQQC | 29-03-18 | 0.6 |
| MNDD026 | MNDS001027 | 47 | 48.86 | HQQC | 30-03-18 | 0.05 |
| MNDD026 | MNDS001028 | 48.86 | 50 | HQQC | 30-03-18 | 4.7 |
| MNDD026 | MNDS001029 | 50 | 52 | HQQC | 30-03-18 | 5.1 |
| MNDD026 | MNDS001030 | 52 | 54 | HQQC | 30-03-18 | 4.8 |
| MNDD026 | MNDS001031 | 54 | 56 | HQQC | 30-03-18 | 7.5 |
| MNDD026 | MNDS001033 | 56 | 57 | HQQC | 30-03-18 | 5.6 |
| MNDD026 | MNDS001034 | 57 | 59 | HQQC | 30-03-18 | 8.5 |
| MNDD026 | MNDS001035 | 59 | 61 | HQQC | 30-03-18 | 5 |
| MNDD026 | MNDS001036 | 61 | 63 | HQQC | 30-03-18 | 5.6 |
| MNDD026 | MNDS001037 | 63 | 65 | HQQC | 30-03-18 | 5.1 |
| MNDD026 | MNDS001038 | 65 | 67 | HQQC | 30-03-18 | 5 |
| MNDD026 | MNDS001039 | 67 | 67.95 | HQQC | 30-03-18 | 5.3 |
| MNDD026 | MNDS001040 | 67.95 | 69.3 | HQQC | 30-03-18 | 1.5 |
| MNDD026 | MNDS001041 | 69.3 | 70 | HQQC | 30-03-18 | 0.5 |
| MNDD027 | MNDS001043 | 19 | 20 | HQQC | 30-03-18 | 0.05 |
| MNDD027 | MNDS001044 | 20 | 21.5 | HQQC | 30-03-18 | 0.3 |
| MNDD027 | MNDS001045 | 21.5 | 23 | HQQC | 30-03-18 | 4.9 |
| MNDD027 | MNDS001046 | 21 | 23 | HQQC | 30-03-18 | 4.7 |
| MNDD027 | MNDS001047 | 23 | 25 | HQQC | 30-03-18 | 8.3 |
| MNDD027 | MNDS001048 | 25 | 27 | HQQC | 30-03-18 | 5.9 |
| MNDD027 | MNDS001049 | 27 | 29 | HQQC | 30-03-18 | 7.7 |
| MNDD027 | MNDS001050 | 29 | 31 | HQQC | 30-03-18 | 6.4 |
| MNDD027 | MNDS001051 | 31 | 33 | HQQC | 30-03-18 | 10.3 |
| MNDD027 | MNDS001052 | 33 | 35 | HQQC | 30-03-18 | 11.1 |

| | | | | | | |
|---------|------------|-------|--------|------|----------|------|
| MNDD027 | MNDS001053 | 35 | 37 | HQQC | 30-03-18 | 5.7 |
| MNDD027 | MNDS001054 | 37 | 39 | HQQC | 30-03-18 | 7.2 |
| MNDD027 | MNDS001055 | 39 | 41 | HQQC | 30-03-18 | 6.7 |
| MNDD027 | MNDS001057 | 41 | 42.1 | HQQC | 30-03-18 | 6.5 |
| MNDD027 | MNDS001058 | 42.1 | 43.1 | HQQC | 30-03-18 | 0.5 |
| MNDD027 | MNDS001059 | 43.1 | 43.72 | HQQC | 30-03-18 | 3 |
| MNDD028 | MNDS001060 | 0 | 2 | HQQC | 30-03-18 | 4.2 |
| MNDD028 | MNDS001061 | 2 | 4 | HQQC | 30-03-18 | 4 |
| MNDD028 | MNDS001062 | 4 | 6 | HQQC | 30-03-18 | 4 |
| MNDD028 | MNDS001063 | 6 | 8 | HQQC | 30-03-18 | 3.7 |
| MNDD028 | MNDS001064 | 8 | 10 | HQQC | 30-03-18 | 4 |
| MNDD028 | MNDS001065 | 10 | 12 | HQQC | 30-03-18 | 6.4 |
| MNDD028 | MNDS001066 | 12 | 14 | HQQC | 30-03-18 | 7.4 |
| MNDD028 | MNDS001067 | 14 | 16 | HQQC | 30-03-18 | 3.7 |
| MNDD028 | MNDS001069 | 16 | 18 | HQQC | 30-03-18 | 5.4 |
| MNDD028 | MNDS001070 | 18 | 20 | HQQC | 30-03-18 | 5.8 |
| MNDD028 | MNDS001071 | 20 | 22 | HQQC | 30-03-18 | 6.1 |
| MNDD028 | MNDS001072 | 22 | 23 | HQQC | 30-03-18 | 2 |
| MNDD028 | MNDS001073 | 23 | 24 | HQQC | 30-03-18 | 1.1 |
| MNDD028 | MNDS001074 | 24 | 25.9 | HQQC | 30-03-18 | 1.8 |
| MNDD028 | MNDS001075 | 25.9 | 27.2 | HQQC | 30-03-18 | 1.1 |
| MNDD028 | MNDS001076 | 35 | 36 | HQQC | 30-03-18 | 0.7 |
| MNDD028 | MNDS001077 | 36 | 37.24 | HQQC | 30-03-18 | 3.9 |
| MNDD028 | MNDS001078 | 37.24 | 38 | HQQC | 30-03-18 | 4.2 |
| MNDD028 | MNDS001079 | 38 | 39.35 | HQQC | 30-03-18 | 5.3 |
| MNDD028 | MNDS001080 | 39.35 | 41 | HQQC | 30-03-18 | 2.4 |
| MNDD028 | MNDS001082 | 41 | 41.65 | HQQC | 30-03-18 | 3.4 |
| MNDD028 | MNDS001083 | 41.65 | 43 | HQQC | 30-03-18 | 0.2 |
| MNDD028 | MNDS001084 | 75 | 76 | HQQC | 30-03-18 | 0.3 |
| MNDD028 | MNDS001085 | 76 | 77 | HQQC | 30-03-18 | 6.2 |
| MNDD028 | MNDS001087 | 77 | 78.8 | HQQC | 30-03-18 | 9.5 |
| MNDD028 | MNDS001088 | 78.8 | 80 | HQQC | 30-03-18 | 0.05 |
| MNDD028 | MNDS001089 | 80 | 82 | HQQC | 30-03-18 | 0.05 |
| MNDD028 | MNDS001090 | 82 | 83 | HQQC | 30-03-18 | 0.05 |
| MNDD028 | MNDS001091 | 83 | 84.3 | HQQC | 30-03-18 | 1.3 |
| MNDD028 | MNDS001092 | 84.3 | 86 | HQQC | 30-03-18 | 9.6 |
| MNDD028 | MNDS001093 | 86 | 88 | HQQC | 30-03-18 | 4.7 |
| MNDD028 | MNDS001094 | 88 | 90 | HQQC | 30-03-18 | 9.5 |
| MNDD028 | MNDS001095 | 90 | 92 | HQQC | 30-03-18 | 9.4 |
| MNDD028 | MNDS001097 | 92 | 94 | HQQC | 30-03-18 | 6.8 |
| MNDD028 | MNDS001098 | 94 | 96 | HQQC | 30-03-18 | 8.9 |
| MNDD028 | MNDS001099 | 96 | 98 | HQQC | 30-03-18 | 5.7 |
| MNDD028 | MNDS001100 | 98 | 100 | HQQC | 30-03-18 | 6.6 |
| MNDD028 | MNDS001101 | 100 | 102 | HQQC | 30-03-18 | 4.8 |
| MNDD028 | MNDS001102 | 102 | 103.3 | HQQC | 30-03-18 | 7.5 |
| MNDD028 | MNDS001103 | 103.3 | 104 | HQQC | 30-03-18 | 1.1 |
| MNDD028 | MNDS001104 | 104 | 104.83 | HQQC | 30-03-18 | 1.1 |
| MNDD029 | MNDS001105 | 0 | 2 | HQQC | 31-03-18 | 2.8 |

| | | | | | | |
|---------|------------|-------|-------|------|----------|------|
| MNDD029 | MNDS001106 | 2 | 4 | HQQC | 31-03-18 | 4.7 |
| MNDD029 | MNDS001107 | 4 | 5.15 | HQQC | 31-03-18 | 3 |
| MNDD029 | MNDS001108 | 5.15 | 6 | HQQC | 31-03-18 | 0.3 |
| MNDD029 | MNDS001109 | 6 | 7.4 | HQQC | 31-03-18 | 0.1 |
| MNDD029 | MNDS001110 | 50 | 51.2 | HQQC | 31-03-18 | 0.05 |
| MNDD029 | MNDS001111 | 51.2 | 53 | HQQC | 31-03-18 | 5.3 |
| MNDD029 | MNDS001112 | 53 | 55 | HQQC | 31-03-18 | 5.7 |
| MNDD029 | MNDS001114 | 55 | 57 | HQQC | 31-03-18 | 6.3 |
| MNDD029 | MNDS001115 | 57 | 59 | HQQC | 31-03-18 | 6.8 |
| MNDD029 | MNDS001116 | 59 | 61 | HQQC | 31-03-18 | 3.8 |
| MNDD029 | MNDS001117 | 61 | 63 | HQQC | 31-03-18 | 6.7 |
| MNDD029 | MNDS001118 | 63 | 65 | HQQC | 31-03-18 | 6.8 |
| MNDD029 | MNDS001119 | 65 | 67 | HQQC | 31-03-18 | 11.3 |
| MNDD029 | MNDS001120 | 67 | 69 | HQQC | 31-03-18 | 7.3 |
| MNDD029 | MNDS001121 | 69 | 71 | HQQC | 31-03-18 | 5 |
| MNDD029 | MNDS001122 | 71 | 72 | HQQC | 31-03-18 | 6.2 |
| MNDD029 | MNDS001124 | 72 | 73 | HQQC | 31-03-18 | 2.3 |
| MNDD029 | MNDS001125 | 73 | 74.8 | HQQC | 31-03-18 | 3.6 |
| MNDD029 | MNDS001126 | 74.8 | 76 | HQQC | 31-03-18 | 1.6 |
| MNDD029 | MNDS001127 | 76 | 76.72 | HQQC | 31-03-18 | 1.2 |
| MNDD030 | MNDS001128 | 24 | 25.15 | HQQC | 01-04-18 | 0.5 |
| MNDD030 | MNDS001129 | 25.15 | 27 | HQQC | 01-04-18 | 7.9 |
| MNDD030 | MNDS001130 | 25 | 27 | HQQC | 01-04-18 | 7.3 |
| MNDD030 | MNDS001131 | 27 | 27.7 | HQQC | 01-04-18 | 0.6 |
| MNDD030 | MNDS001132 | 27.7 | 29 | HQQC | 01-04-18 | 0.4 |
| MNDD030 | MNDS001133 | 41 | 42.8 | HQQC | 01-04-18 | 0.9 |
| MNDD030 | MNDS001134 | 42.8 | 44.7 | HQQC | 01-04-18 | 0.5 |
| MNDD030 | MNDS001135 | 44.7 | 46 | HQQC | 01-04-18 | 6.9 |
| MNDD030 | MNDS001136 | 46 | 48 | HQQC | 01-04-18 | 8.1 |
| MNDD030 | MNDS001137 | 48 | 49.6 | HQQC | 01-04-18 | 6 |
| MNDD030 | MNDS001138 | 49.6 | 51 | HQQC | 01-04-18 | 6.6 |
| MNDD030 | MNDS001139 | 51 | 53 | HQQC | 01-04-18 | 7.8 |
| MNDD030 | MNDS001140 | 53 | 55 | HQQC | 01-04-18 | 12.4 |
| MNDD030 | MNDS001141 | 55 | 57 | HQQC | 01-04-18 | 10.5 |
| MNDD030 | MNDS001143 | 57 | 59 | HQQC | 01-04-18 | 9.8 |
| MNDD030 | MNDS001144 | 59 | 61 | HQQC | 01-04-18 | 10.5 |
| MNDD030 | MNDS001145 | 61 | 63 | HQQC | 01-04-18 | 8.6 |
| MNDD030 | MNDS001146 | 63 | 65 | HQQC | 01-04-18 | 5.2 |
| MNDD030 | MNDS001147 | 65 | 67 | HQQC | 01-04-18 | 4.6 |
| MNDD030 | MNDS001148 | 67 | 69 | HQQC | 01-04-18 | 5.8 |
| MNDD030 | MNDS001149 | 69 | 70.3 | HQQC | 01-04-18 | 5.7 |
| MNDD030 | MNDS001150 | 70.3 | 72 | HQQC | 01-04-18 | 0.6 |
| MNDD030 | MNDS001151 | 72 | 73.08 | HQQC | 01-04-18 | 0.7 |
| MNDD030 | MNDS001152 | 72 | 73.08 | HQQC | 01-04-18 | 1 |
| MNDD030 | MNDS001153 | 73.08 | 74.08 | HQQC | 01-04-18 | 1.3 |
| MNDD031 | MNDS001154 | 0 | 2 | HQQC | 01-04-18 | 0.7 |
| MNDD031 | MNDS001155 | 2 | 4 | HQQC | 01-04-18 | 0.9 |
| MNDD031 | MNDS001156 | 4 | 5 | HQQC | 01-04-18 | 0.6 |

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|---------|------------|-------|-------|------|----------|------|
| MNDD031 | MNDS001157 | 5 | 6.1 | HQQC | 01-04-18 | 0.2 |
| MNDD031 | MNDS001158 | 6.1 | 8 | HQQC | 01-04-18 | 1.1 |
| MNDD031 | MNDS001159 | 8 | 9.25 | HQQC | 01-04-18 | 4.6 |
| MNDD031 | MNDS001160 | 9.25 | 10.2 | HQQC | 01-04-18 | 1.2 |
| MNDD031 | MNDS001161 | 10.2 | 11 | HQQC | 01-04-18 | 4.7 |
| MNDD031 | MNDS001163 | 11 | 12.2 | HQQC | 01-04-18 | 1.4 |
| MNDD031 | MNDS001164 | 12.2 | 13.72 | HQQC | 01-04-18 | 0.7 |
| MNDD031 | MNDS001165 | 13.72 | 15.32 | HQQC | 01-04-18 | 1.6 |
| MNDD031 | MNDS001166 | 15.32 | 17 | HQQC | 01-04-18 | 4.6 |
| MNDD031 | MNDS001167 | 17 | 19 | HQQC | 01-04-18 | 5 |
| MNDD031 | MNDS001168 | 19 | 21 | HQQC | 01-04-18 | 9.6 |
| MNDD031 | MNDS001169 | 21 | 23 | HQQC | 01-04-18 | 9.4 |
| MNDD031 | MNDS001170 | 23 | 24 | HQQC | 01-04-18 | 7.5 |
| MNDD031 | MNDS001171 | 24 | 25.15 | HQQC | 01-04-18 | 13.6 |
| MNDD031 | MNDS001172 | 24 | 25.15 | HQQC | 01-04-18 | 11.9 |
| MNDD031 | MNDS001173 | 25.15 | 27 | HQQC | 01-04-18 | 0.7 |
| MNDD031 | MNDS001174 | 27 | 29 | HQQC | 01-04-18 | 3.1 |
| MNDD031 | MNDS001175 | 29 | 30.75 | HQQC | 01-04-18 | 4.9 |
| MNDD031 | MNDS001176 | 30.75 | 31.5 | HQQC | 01-04-18 | 0.6 |
| MNDD031 | MNDS001177 | 31.5 | 33 | HQQC | 01-04-18 | 5.3 |
| MNDD031 | MNDS001178 | 33 | 34 | HQQC | 01-04-18 | 3.8 |
| MNDD031 | MNDS001179 | 34 | 35.6 | HQQC | 01-04-18 | 3.6 |
| MNDD031 | MNDS001180 | 35.6 | 37.3 | HQQC | 01-04-18 | 0.3 |
| MNDD031 | MNDS001181 | 37.3 | 39 | HQQC | 01-04-18 | 4.2 |
| MNDD031 | MNDS001183 | 39 | 41 | HQQC | 01-04-18 | 5.3 |
| MNDD031 | MNDS001184 | 41 | 43 | HQQC | 01-04-18 | 7 |
| MNDD031 | MNDS001185 | 43 | 45 | HQQC | 01-04-18 | 5.7 |
| MNDD031 | MNDS001186 | 45 | 47 | HQQC | 01-04-18 | 7.3 |
| MNDD031 | MNDS001187 | 47 | 48.5 | HQQC | 01-04-18 | 4.4 |
| MNDD031 | MNDS001188 | 48.5 | 49.97 | HQQC | 01-04-18 | 0.4 |

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|-----------------------|--|---|
| Sampling techniques | <ul style="list-style-type: none"> · <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> · <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> · <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> · <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> | <p>Diamond drilling program - Sampling will consist of 2m composite samples of quarter core. Samples will be cut using a diamond blade core saw. Duplicate samples will be collected every 20th sample for QAQC purposes. CRM's will be inserted every 20th Sample for QAQC purposes. Sampling is considered to be comprehensive and representative. Remaining core was retained as a permeant reference. Graphitic Carbon content is measured at a laboratory using a CS analyser.</p> |
| Drilling techniques | <ul style="list-style-type: none"> · <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> | <p>Diamond drilling. Core size is HQ and NQ typically in 0.5-1.5m runs. Core from a select number of holes will be orientated.</p> |
| Drill sample recovery | <ul style="list-style-type: none"> · <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> · <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> · <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> | <p>Core recovery is routinely recorded every metre by a trained geologist. No bias or relationship is observed at this point between recovery and grade. Recovery is typically +80% within weathered rock, and +95% in fresh rock in nearly all instances.</p> |
| Logging | <ul style="list-style-type: none"> · <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> | <p>All holes are logged by a qualified and experienced geologist. All logging included descriptions of geotechnical, mineralisation, structural and lithological aspects of the core and was digitally</p> |

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| | <ul style="list-style-type: none"> · Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. · The total length and percentage of the relevant intersections logged. | <p>recorded using an industry standard code system. Core is formally photographed. Data collected offers sufficient detail for the purpose of interpretation and further studies.</p> |
| <p><i>Sub-sampling techniques and sample preparation</i></p> | <ul style="list-style-type: none"> · If core, whether cut or sawn and whether quarter, half or all core taken. · If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. · For all sample types, the nature, quality and appropriateness of the sample preparation technique. · Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. · Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. · Whether sample sizes are appropriate to the grain size of the material being sampled. | <p>Quarter core will be cut using a diamond core saw and collected for assay. 2 metre composite sampling are deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples are taken (remaining quarter core) every 20th sample for QAQC purposes</p> |
| <p><i>Quality of assay data and laboratory tests</i></p> | <ul style="list-style-type: none"> · The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. · For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. · Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. | <p>Assaying is undertaken by Intertek Genalysis in Perth (Aus). Samples are pulverised to 75 micron, roasted to 420deg and digested with a weak acid. Final analysis is undertaken by CS analyser (Code: C73/CSA). This method is considered total. Standards and duplicates are routinely inserted every 20th sample by the BEM technical team as well as internal QAQC from the laboratory. No issues been observed with QAQC.</p> |
| <p><i>Verification of sampling and assaying</i></p> | <ul style="list-style-type: none"> · The verification of significant intersections by either independent or alternative company personnel. · The use of twinned holes. · Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. · Discuss any adjustment to assay data. | <p>Significant intersections have been verified by alternative company personnel. No twin holes have been undertaken. All date is recorded digitally using a standard logging system and files are stored in an industry standard database.</p> |
| <p><i>Location of data points</i></p> | <ul style="list-style-type: none"> · Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. · Specification of the grid system used. | <p>The position of drill collars are recorded using a handheld GPS (accurate to 3m), these will be picked up using a DGPS once the drill program is complete. Projection and grid systems used: UTM (WGS84 Z38S). The down hole azimuth</p> |

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| | <ul style="list-style-type: none"> · <i>Quality and adequacy of topographic control.</i> | and dip is recoded using a Magshot instrument (Accurate to 1deg) |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> · <i>Data spacing for reporting of Exploration Results.</i> · <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> · <i>Whether sample compositing has been applied.</i> | Sample intervals are typically between 0.5-2.0m. Data has not been used for resource estimation at this point. |
| <i>Orientation of data in relation to geological structure</i> | <ul style="list-style-type: none"> · <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> · <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> | The orientation of the drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at near perpendicular angles to the strike and dip of the mineralised units. |
| <i>Sample security</i> | <ul style="list-style-type: none"> · <i>The measures taken to ensure sample security.</i> | Samples are cut and sampled on site before being transported to the company sample preparation facility in Antananarivo for preparation. Samples will then be freighted by DHL to Intertek Genalysis in Perth (Aus) for assay. It is reasoned that the samples will be under sufficient security. |
| <i>Audits or reviews</i> | <ul style="list-style-type: none"> · <i>The results of any audits or reviews of sampling techniques and data.</i> | Sampling procedure has been reviewed by an external auditor (Sigma Blue Pty. Ltd.) |

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
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| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> · <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> · <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> | <p>Work was undertaken upon permits 5394 & 3432</p> <ul style="list-style-type: none"> • The tenements are located within the inland South West of Madagascar approximately centred on the township of Ampanihy. • Tenements are held 100% by Mada-Aust SARL Ultimately a wholly owned subsidiary of Black Earth Minerals Ltd. through Madagascar Graphite. • No overriding royalties are in place • There is no native title agreement required • Tenure does not coincide with any historical sites or national parkland • Semi-arid, thinly vegetated, relatively flat to low lying hills with sub-cropping rock. • Tenements are currently secure and in good standing. |

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| <p><i>Exploration done by other parties</i></p> | <ul style="list-style-type: none"> · <i>Acknowledgment and appraisal of exploration by other parties.</i> | <p>Regional mapping by BRGM, Historical diamond drilling and trenching by Malagasy Minerals. Ltd. (2014-2016)</p> |
| <p><i>Geology</i></p> | <ul style="list-style-type: none"> · <i>Deposit type, geological setting and style of mineralisation.</i> | <p>The project overlies a prominent 20km wide zone consisting of a folded assemblage of graphite and quartz-feldspar schists (<60% graphite), quartzite and marble units, with lesser intercalated amphibolite and leucogneiss. This zone, termed the Ampanihy Belt is a core component of the Neoproterozoic Graphite System. The belt is interpreted as a ductile shear zone accreted from rocks of volcanic and sedimentary origins.</p> |
| <p><i>Drill hole Information</i></p> | <ul style="list-style-type: none"> · <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> o <i>easting and northing of the drill hole collar</i> o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> o <i>dip and azimuth of the hole</i> o <i>down hole length and interception depth</i> o <i>hole length.</i> · <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> | <p>Refer to table within text</p> |
| <p><i>Data aggregation methods</i></p> | <ul style="list-style-type: none"> · <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> · <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> · <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> | <p>Significant results reported are weighted averages based upon sample length and grade. No cut offs applied.</p> |
| <p><i>Relationship between mineralisation widths and intercept lengths</i></p> | <ul style="list-style-type: none"> · <i>These relationships are particularly important in the reporting of Exploration Results.</i> · <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> | <p>Drilling has intersected the mineralised units at a near perpendicular angle, however at this point the true width of mineralisation is not known.</p> |

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| | <ul style="list-style-type: none"> · <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> | |
| <i>Diagrams</i> | <ul style="list-style-type: none"> · <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | Refer to figures within text |
| <i>Balanced reporting</i> | <ul style="list-style-type: none"> · <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> | All significant results |
| <i>Other substantive exploration data</i> | <ul style="list-style-type: none"> · <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | Refer to BEM Prospectus. |
| <i>Further work</i> | <ul style="list-style-type: none"> · <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> · <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> | Further assay results to be received. |