

22 August 2019

Placement to raise approximately A\$1.68 million

HIGHLIGHTS

- **Commitments secured from investors for approximately 28m new fully paid ordinary shares in the Company, to raise gross proceeds of approximately A\$1.68 million before costs.**
- **Peloton Capital Pty Ltd was appointed as the Company's lead manager for the Placement and will continue to work with BEM as its Corporate Advisor**
- **The funds raised through the Placement will be used to continue to fast track BEM's graphite projects in southern Madagascar, including bulk trial mining, export of ore to a pilot plant, a pilot trial, bankable feasibility study and working capital.**

BlackEarth Minerals NL (ASX:BEM) ("**BlackEarth**" or the "**Company**") is pleased to announce that, through the Company's newly appointed corporate advisor, Peloton Capital Pty Ltd ("**Peloton**"), it has successfully completed a bookbuild and secured commitments from investors in Australia to subscribe for approximately 28m new fully paid ordinary shares ("**New Shares**") in the Company, to raise proceeds of A\$1.68 million before costs ("**Placement**").

Placement details

The Company expects to issue approximately 28 million New Shares at an issue price of A\$0.06 per share to investors to raise a gross proceeds of approximately A\$1.68 million before costs.

The issue price of A\$0.06 represents a discount of:

- 15.5% to BlackEarth's last closing price of A\$0.07 per share on 19 August 2019;
- 14.5% to the 10 day volume weighted average price of A\$0.07 per share; and
- 14.7% to the 15 day volume weighted average price of A\$0.07 per share.

The New Shares will be placed within the Company's:

- 15% placement capacity under ASX Listing Rule 7.1 (3,008,333 New Shares); and
- placement facility approved as Resolution 2 at the shareholders meeting held on 30 May 2019 (25,000,000 New Shares).

The New Shares under the Placement are to be issued without disclosure under the Corporations Act and the Placement is not subject to shareholder approval. The New Shares will rank equally with the Company's existing fully paid ordinary shares. The Placement is expected to be completed with the New Shares issued on or about 28 August 2019.

4,000,000 options will be issued to Peloton exercisable at \$0.08 and expiring 3 years after the date of issue under BlackEarth's existing Listing Rule 7.1 capacity, in consideration for services provided by Peloton.

Use of Funds

The funds raised will be used to continue to fast track BlackEarth's graphite projects in Southern Madagascar and in particular will be used for:

- Bulk trial mining and export of ore to a pilot plant;
- Pilot trial;
- BFS (feasibility) related activities / consultants / contractors; and
- Working Capital

BlackEarth Managing Director, Tom Revy, commented: "On behalf of the Board, I would like to thank new and existing shareholders for their support to date, as we continue to build on the important milestones achieved over the past year, with the funds raised to be used to lay the platform for the next stages of project development, in line with our fast track development strategy".

CONTACTS

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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/>

About BlackEarth Minerals NL

BlackEarth Minerals NL (ASX:BEM) is an ASX listed company focussed primarily on the development of its 100% owned Madagascan Maniry and lanapera graphite projects. For more information, visit <https://www.blackearthminerals.com.au/>.



Project Life	10 Years
NPV @ 10% pre-tax	US\$ 103M
IRR pre-tax	42%
Project CAPEX Stage 1	US\$ 41M (500ktpa ore)
Project CAPEX Stage 2	US\$ 29M (1Mtpa ore)
Payback for Stages 1 & 2	3.7 years (Stage 1 - Only 2.7 years)
Annual graphite production	Av 30ktpa (Stage 1 – Years 1-3) Av 60ktpa (Stage 2 – Years 4+)

Project	Deposit	Tonnes (Mt)	TGC Grade (%)	Contained Tonnes (t)
Razafy	Indicated	8	7.22	677,600
	Inferred	3.2	6.8	217,600
	Razafy -Total	11.2	7.1	795,200
Maniry	Haja - Inferred	9	5.79	521,100
	Haja Total	9	5.79	521,100
Total Resources		20.2	6.51	1,316,300

Above: Maniry Graphite Project Scoping Study Results
Left: Location of BEM's Maniry & lanapera graphite projects

The Razafy Resources (both indicated and inferred) are reported at 6% TGC with cut off constraining wireframe solids defined at a nominal 3% cut off grade.

The Haja Resource is reported at 5% TGC cut off with cut off constraining wireframe solids defined at a nominal 15% cut off grade.

The indicated mineral resource at Razafy was first reported in the announcement of 14 August 2018 entitled "Update – Maiden Resource Estimation for Razafy at Maniry Project".

The inferred mineral resource at Razafy was first reported in the announcement of 14 August 2018 entitled "Update – Maiden Resource Estimation for Razafy at Maniry Project".

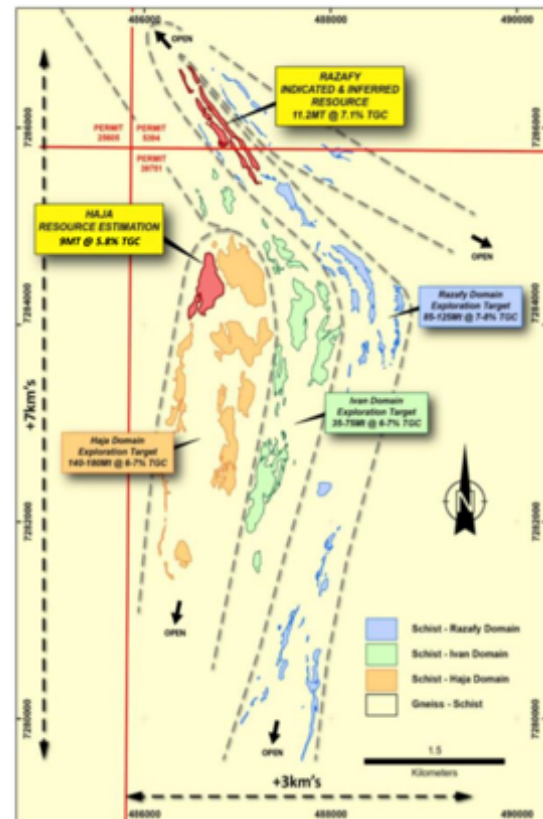
The inferred mineral resource at Haja was first reported in the announcement of 27 December 2018 entitled "Maiden Resource Estimation for Haja at Maniry Graphite Project".

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The potential quantity and grade of an exploration target is 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 mineral resources or that the production target itself will be realised.

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 in respect of the scoping study results (see the announcement of 30 January 2019 entitled "BlackEarth announces positive Scoping Study results for the Maniry Graphite Project") and that all material assumptions and technical parameters underpinning the estimates of forecast financial information continue to apply and have not materially changed.

Additionally, the Company confirms that it is not aware of any new information or data that materially affects the information regarding the indicated mineral resource at Razafy in the announcement of 14 August 2018 entitled "Update – Maiden Resource Estimation for Razafy at Maniry Project", which forms the basis of the production targets outlined in the table above.



Maniry Graphite Project – Overview

For further information regarding the Maniry exploration target, please refer to the announcement entitled "Exploration Target Update" dated 14 August 2018 "Update Maniry Exploration Target".