

31 July 2020

ASX: BEM

ASX Announcement

BLACKEARTH MINERALS NL QUARTERLY ACTIVITIES REPORT

Quarter ended 30 June 2020

HIGHLIGHTS FOR THE QUARTER

OPERATIONAL

- Bulk material from the Maniry Project dispatched to BGRIMM
- Stage 2 test work results to be used to optimise the Maniry flow sheet
- Results will provide BFS engineers the final process design criteria (PDC) to undertake final engineering design works in 2H 2020
- Preparations underway for a drilling program for the high grade Razafy NW area expected to commence 2H 2020

CORPORATE

- COVID-19 response protocols remain in place
- Non-essential spending deferred



Bulk material from the Maniry Project in Madagascar

BlackEarth Minerals NL (ASX: BEM) ("**BlackEarth**", or the "**Company**") is pleased to present its June 2020 quarterly update ("**Quarter**") on its Madagascan graphite projects.

Commenting on the Quarter, Tom Revy, BEM Managing Director said:

"The June 2020 quarter has been more subdued in terms of activity given the global situation in the wake of the COVID 19 pandemic however BlackEarth has continued to fast track our flagship Maniry graphite project in Southern Madagascar whilst at the same time scaling back activities wherever possible in the interests of prudently managing the Company's expenditure

We are very pleased that the bulk sample of Maniry material arrived, as the pilot test work forms a critical component of our current BFS activities. This is also an important step in progressing discussions towards finalising offtake agreements. The graphite concentrate produced during Stage 2 will aid the Company's continued discussions with Tier-1 players in the global graphite industry, across the high value expandable, refractory and lithium ion battery markets. We look forward to updating the market with the results once completed."

1. STAGE 2 TESTWORK - BULK MATERIAL ARRIVES AT BGRIMM

During the quarter the bulk material from the Maniry Project in Southern Madagascar was dispatched to the pilot plant facility, to conduct Stage 2 of testwork, which was expected to take 3 months to complete.

The second stage of testwork to be undertaken by BGRIMM, will involve a large-scale pilot test program, and will use approximately 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.

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.

As announced on 26 February 2020, BlackEarth received results from laboratory testwork completed by BGRIMM. Stage 1 of testwork was based on an initial 250kg sample of Maniry graphite material, with results from this stage being used to confirm all work carried out at ALS Perth (ASX Release - 12 December 2018). The testwork also aimed to optimise process flow, reagent systems, industrial equipment selection and process operating conditions, for the Stage 2 large scale process pilot test.

The results achieved in Stage 1 Testwork were comparable to data produced in previous test work by ALS Perth (ASX release 12 December 2018).

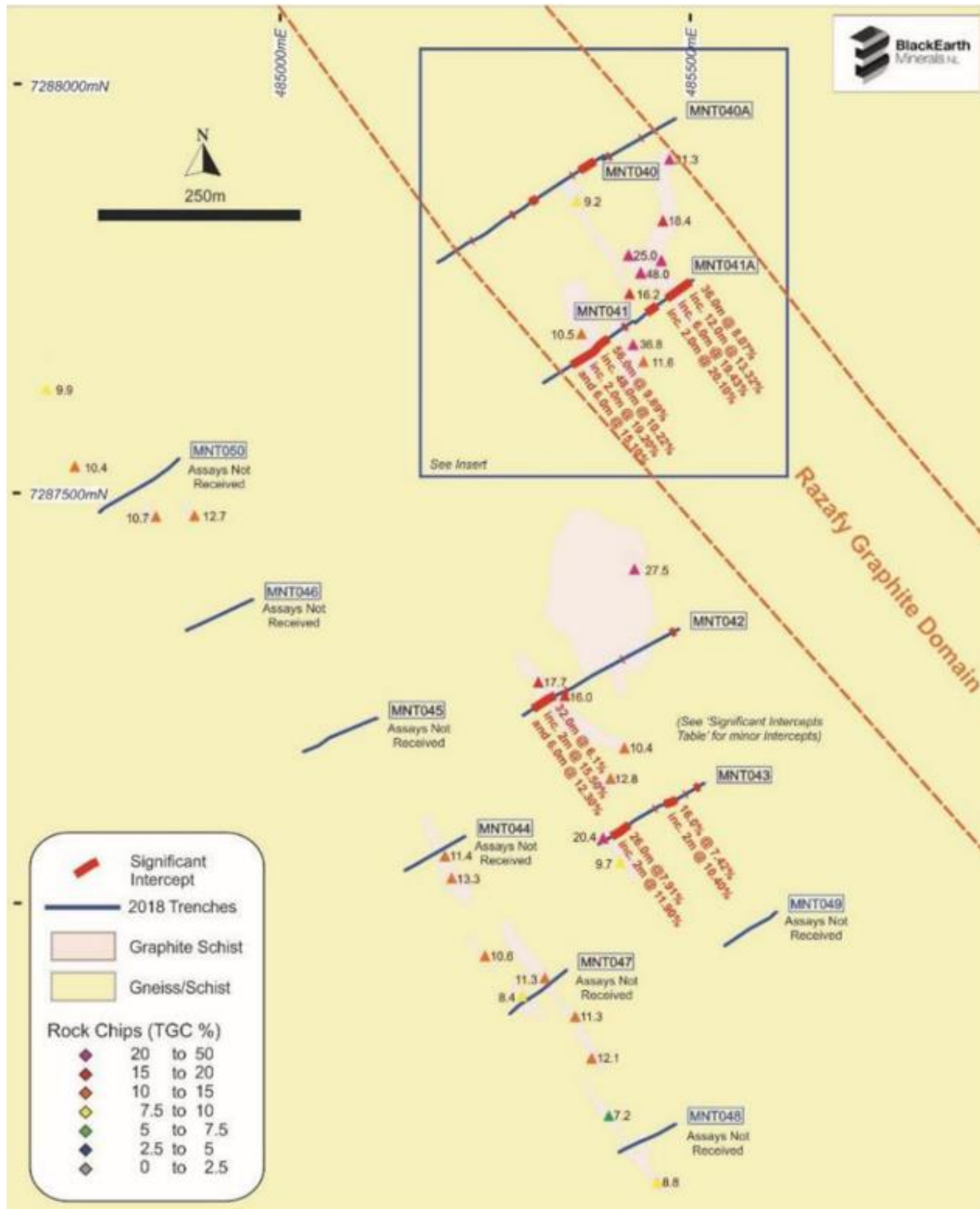
2. NORTHWEST RAZAFY EXPLORATION

The Company 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. This discovery has now extended the known mineralisation within the 'Razafy Domain' to >5km in length.

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)



Maniry Graphite Project – Razafy NW Prospect – Trenching Results

3. COMMUNITY RELATIONS

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

4. WESTERN AUSTRALIA TENEMENTS

The Company continues to review the Donnelly River tenements.

The Company will continue focusing its efforts during the remainder of CY2020 on its Maniry and Ianapera graphite projects located in Madagascar.

5. CORPORATE

(a) 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.

In light of Government restrictions on the movements of personnel and the volatility of capital markets, BEM has implemented a work program which will see all non-essential spending across the Company deferred while at the same time facilitating the continued advancement of the definitive feasibility study over the remainder of CY2020.

(b) OPTIONS EXPIRY

During the quarter the following unlisted options expired and were unexercised:-

Type:	Unlisted Options
ASX Code:	BEMAE
Date of Expiry:	22 June 2020
Number Expired:	2,750,000
Exercise Price per Security	A\$0.30

(c) 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 related parties and their associates included in cash flows from operating activities - \$100,996.

This includes:

Payments of directors' remuneration for services to the economic entity - \$96,708; and

Payment of directors' remuneration to directors' associates for services provided to the economic entity - \$4,288.

6.2 Aggregate amount of payments to related parties and their associates included in cash flows from investing activities Nil

This announcement is authorised for release by Mr Tom Revy, Managing Director.

CONTACTS

Tom Revy	BlackEarth Minerals NL	08 6145 0289 0411 475 376
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/>

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

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
	Razafy - 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 1.5% 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".

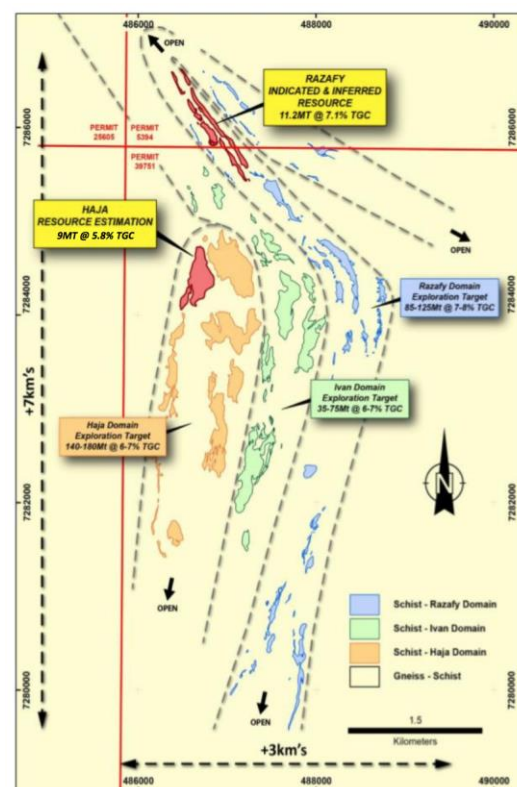
The inferred mineral resource at Haja was first reported in the announcement of 27 December 2018 entitled "Maiden Resource Estimation for Haja at Maniry Graphite Project".

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"

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 July 2020
 113,655,521 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
 \$5 million market capitalisation

BOARD OF DIRECTORS

Phil Hearse (Non-executive Chairman)
Tom Revy (Managing Director)
George Bauk (Non-executive Director)