

5 October 2020

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BlackEarth Minerals Share Purchase Plan Offer

Dear Shareholder,

You have received this information pack as you may be eligible to participate in the current BlackEarth Minerals NL Share Purchase Plan announced via the ASX on 5 October 2020.

Enclosed you will find the Offer Booklet which contains the terms and conditions of the Offer. In addition, you will find your personal Application Form with all the information required for you to participate in this Offer.

How to Participate?

Shareholders can also request their personalised Application Form at: www.blackearthminerals.com.au/SPP

Please note all funds must be received and cleared no later than 5pm (Perth time) on 30 October 2020.

BPAY® In order to participate, the only action required is to BPAY® the funds for the amount you would like to invest in this Offer, using your unique Reference number. The action of BPAY® the funds will constitute your acceptance of the Offer, and there is no need for you to return the paper Application Form enclosed. Your unique BPAY® details can be found in the bottom left corner of your Share Purchase Plan Application Form.

Direct Credit

Direct credit of application funds will also be available and banking and deposit details will be available on the Application Form you will receive.

By applying to purchase Shares under the Plan (including by making a BPAY® payment), unless you are a Custodian, you warrant and certify that the aggregate of the following do not exceed \$30,000:

- the new Shares that are the subject of this Application;
- any other Shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the Application), whether:
 - in your own right, or
 - jointly with one or more persons, or
 - in your capacity as a Participating Beneficiary,
- any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
- any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before your Application under the Plan as a result of you instructing

the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares.

Share Purchase Plan

The Share Purchase Plan (**Plan**) provides Eligible Shareholders (being shareholders who were recorded on the share register as a holder of one or more fully paid ordinary Shares as at 7:00pm (WST) on 2 October 2020 (**Record Date**) with a registered address in Australia or New Zealand and who are not acting for the account or benefit of a person in the United States), with an opportunity to acquire up to \$30,000 worth of new fully paid ordinary shares (**Shares**) at the same issue price as the Placement announced on 2 October 2020 (\$0.05) without incurring brokerage or any other transaction costs.

The maximum amount to be raised under the Plan is \$1,700,000. All new Shares issued under the Plan will rank equally with existing Shares in the Company.

The Plan is currently expected to close on 30 October 2020 and is not subject to Shareholder approval. The Company reserves the right to alter the dates in its absolute discretion and without prior notice.

This letter and its attachments, including the Terms and Conditions and the Application Form, set out the details of the Plan. We encourage Eligible Shareholders to read the enclosed material and seek their own financial and tax advice before deciding whether to participate in the Plan.

Indicative timetable

Record Date	7:00pm (WST) on 2 October 2020
Plan offer opens	9:00am (WST) on 12 October 2020
Plan offer closes	5:00pm (WST) on 30 October 2020
Plan allocation announcement and any scale-back	3 November 2020
Issue Date	5 November 2020

BlackEarth Minerals NL (**BlackEarth** or the **Company**) may vary any of the above dates by lodging a revised timetable with the ASX.

For further information visit www.blackearthminerals.com.au or contact:

BlackEarth Minerals NL

Mr Tom Revy (Managing Director) or Mr David Round (CFO / Company Secretary)

T: +61 8 6145 0289

E: info@blackearthminerals.com.au



BlackEarth Minerals NL

ACN 610 168 191

Share Purchase Plan Offer Booklet

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by an Application Form and both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

These materials do not constitute an offer to sell, or a solicitation of an offer to buy, any Shares or other securities in the United States. The Shares to be offered and sold under the Plan have not been, and will not be, registered under the United States Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States, and therefore will only be offered and sold to Eligible Shareholders in Australia or New Zealand in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

5 October 2020

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

On 5 October 2020, BlackEarth Minerals NL (**BlackEarth** or the **Company**) announced its intention to offer Eligible Shareholders the chance to participate in a share purchase plan to subscribe for additional Shares in the Company (**Plan**).

The board of directors of the Company (**Board**) is now pleased to make this offer to Eligible Shareholders on the terms and conditions set out in this Offer Booklet (**Offer**).

Shareholders Eligible to Participate in the Plan

The Offer is available exclusively to Eligible Shareholders. You are an Eligible Shareholder if you are a registered holder of fully paid Shares on the Record Date, if your registered address is in Australia or New Zealand and if you are not acting for the account or benefit of a person in the United States.

Participation in the Plan is entirely voluntary. If you do not wish to participate in the Plan, no action is required on your part.

Offer of Shares under the Plan

The Plan entitles Eligible Shareholders, irrespective of the number of Shares held by them, to purchase up to \$30,000 worth of Shares at an Issue Price of \$0.05 per Share free of brokerage and commission. The Issue Price is equal to the issue price under the Placement and represents a 9.2% discount to the volume weighted average market price of Shares on ASX over the last five days on which trades in the Shares were recorded immediately prior to the 1 October 2020 (being \$0.065). .

Details of the Offer are set out in this letter and the enclosed Terms and Conditions and Application Form.

Current Activities

Details of the Company's current activities are set out in the announcements made to the ASX and are available from the ASX or the Company's website at www.blackearthminerals.com.au.

Use of funds

Depending on the final amount raised through the Plan, the total aggregate funds raised by the Placement and the Plan will, together with the Company's existing funds, be used to fund some or all of the following work to progress the feasibility study for the Maniry Graphite Project and development of Western Australian assets:

- Exploration Drilling at the Maniry and Donnelly River Projects (up to est. A\$400,000)
- Hydrology and geotechnical work (up to est. A\$100,000)
- Further bulk metallurgical test work testing (up to est. A\$250,000)
- Independent social, community and environmental studies (up to est. A\$100,000)
- Further testing and evaluation of downstream processing opportunities (up to est \$350,000)
- General Working Capital (up to \$500,000)

How Much Can Eligible Shareholders Invest?

Eligible Shareholders may acquire a maximum of up to 600,000 (or \$30,000 worth of) new Shares under the Plan, regardless of the number of Shares they hold on the Record Date, but subject to any scale-back.

If you receive more than one copy of this letter, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the Plan in all capacities, and in aggregate, is \$30,000.

By applying to purchase Shares under the Plan (including by making a BPAY® or direct credit payment), unless you are a Custodian, you warrant and certify that the aggregate of the following do not exceed \$30,000:

- the new Shares that are the subject of this Application;
- any other Shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the Application), whether:
 - in your own right, or
 - jointly with one or more persons, or
 - in your capacity as a Participating Beneficiary,
- any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
- any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before your Application under the Plan as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares.

Subscription and Application Procedure

If you would like to participate in the Plan, please follow the application instructions in the Offer Booklet and the enclosed Application Form. Please note that the closing date of the Offer is **5pm (WST) on 30 October 2020 (Closing Date)**. No late Applications will be accepted unless the Company extends the offer by releasing a revised timetable on ASX.

Eligible Shareholders may participate by selecting one of the following Offers to purchase Shares under the Plan:

	Amount	Number of Shares
Offer A	\$30,000	600,000
Offer B	\$25,000	500,000
Offer C	\$20,000	400,000
Offer D	\$15,000	300,000
Offer E	\$10,000	200,000
Offer F	\$5,000	100,000
Offer G	\$2,500	50,000

Once an Application has been made it cannot be revoked. All valid Applications shall be deemed accepted if received before the Closing Date.

Calculation of the Issue Price and Acceptance of Risk Factors

On 30 September 2020, the closing price of the Shares traded on ASX was \$0.065. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of this Offer. As such, the Issue Price may differ from the market price of Shares on the day the Shares are issued or allotted to you, and the market price may be higher or lower, at any time, than the Issue Price of the Shares you receive.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that, although the Issue Price is at a discount to the market price on the trading day immediately before the Announcement Date, Shares are a speculative investment and the price of Shares on ASX may change between the Announcement Date and the date of issue of Shares under the Offer and that the price and/or value of the Shares received under the Plan may rise or fall accordingly. Key risks associated with holding Shares and participating in the Plan are further detailed later in this Offer Booklet.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer. This Offer Booklet does not purport to contain all of the information that you need to make an investment decision.

Non-renounceable

The Offer is non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

Issue of Shares

It is intended that Shares issued under the Plan will be issued on 5 November 2020. Application for quotation on ASX of the new Shares will be made promptly following the issue of those Shares. .

Oversubscription and scale-back

The maximum number of Shares that may be issued pursuant to this Offer is 34 million. In the event of an oversubscription by the Closing Date, the Directors may, in their absolute discretion, scale-back Applications. The Company may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale-back and therefore the extent of the scale-back may differ between Applications.

If the Company rejects or scales-back an Application, the Company will promptly return to the Shareholder the relevant application monies, without interest.

No underwriting

The Offer is not underwritten.

Taxation

You should consult your own taxation advisor about the tax status of the investment in the Shares.

Indicative Timetable

Record Date	7:00pm (WST) on 2 October 2020
Opening Date of Offer	9:00am (WST) on 12 October 2020
Closing Date of Offer	5:00pm (WST) on 30 October 2020
Plan allocation announcement and any scale-back	3 November 2020
Issue of Shares under the Plan	5 November 2020

The above dates are indicative only. The Company may vary the dates and times of the Offer by lodging a revised timetable with ASX. Accordingly, Eligible Shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this Offer Booklet, do not hesitate to contact the Company Secretary (David Round) on +61 411 160 445.

Yours faithfully

Tom Revy
Managing Director

BlackEarth Minerals NL
ACN 610 168 191

SHAREHOLDER SHARE PURCHASE PLAN – KEY RISKS

Introduction

Subscribing for securities involves a number of risks. Shareholders should consider the risk factors described below, together with the Company's other disclosures and other publicly available information, before deciding whether to apply for the Shares under the Offer.

BlackEarth is an exploration company and you should consider that an investment in the Company is speculative. You should consult your professional advisers before deciding whether to apply for Shares pursuant to this Offer.

The risk factors set out below and others not specifically referred to below must not be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value of the Shares. Accordingly, the Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Some risks can be mitigated by the use of appropriate safeguards, systems and controls by the Company. However, some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited.

Key risks specific to the Company

1. Compliance risk

The Company's ability to achieve its objectives and maintain its interest in all of its project areas is dependent upon it complying with all the terms and conditions of the Tenements and any other relevant legislation. Any failure to comply with these obligations may result in the Company not being able to maintain an interest in the Tenements which may have a material adverse effect on the Company's operations and performance and the value of the Shares.

2. Contractual risk

The Directors are not able to presently assess the risk of financial failure or default or the insolvency or other failure by any of the contractors engaged by the Company for any exploration or other activity. Any such failure could adversely affect the operations and performance of the Company.

3. Sovereign and political risk

Mineral exploration tenure in the Republic of Madagascar is governed by Madagascan legislation.

BlackEarth's interests in the Republic of Madagascar are subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits be provided to local residents.

The Company may also be hindered or prevented from enforcing its rights with respect to government instrumentalities because of the doctrine of sovereign immunity.

Any future material adverse changes in government policies or legislation in the Republic of Madagascar that affect ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

The legal system operating in the Republic of Madagascar is different to that in Australia and this may result in risks such as:

- different forms of legal redress in the courts whether in respect of a breach of law or regulation, or in ownership dispute;
- a higher degree of discretion on the part of governmental agencies;
- differences in political and administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;
- different attitudes of the judiciary and courts; and
- difficulty in enforcing judgments.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, approvals, authorisations, applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

The Company cannot guarantee that the Tenements will be renewed beyond their current expiry date and there is a material risk that, in the event the holder of those Tenements is unable to renew any of them beyond their current expiry date, all or part of the Company's interests in the corresponding projects may be relinquished.

Further, there is no guarantee that any applications for mining or environmental tenements or other approvals or authorisations will be granted or granted on conditions satisfactory to the Company.

The Company's future operations in the Republic of Madagascar may be affected by changing political conditions and changes to laws and mining policies. The effects of these factors cannot be accurately predicted and developments may impede the operation or development of a project or even render it uneconomic.

4. Exploration risks

You should be aware that mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Tenements, or of any other tenements that may be acquired by the Company in the future, will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend on the Company having access to sufficient development capital, being able to maintain title to the Projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects or the Shares, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Projects.

5. Access risk – Native Title and Aboriginal heritage

In regards to the Company's WA Projects, the Tenements, or tenements which the Company currently has or may in the future acquire, might extend over areas in which legitimate common law native title rights of indigenous Australians may exist. The ability of the Company to gain access to its Tenements and to conduct exploration, development and mining operations remains subject to native title rights and the terms of any registered native title agreements.

6. Reliance on key personnel

The Company's management and key personnel are responsible for overseeing the day to day operations of the Company. The Company is aware of the need to have sufficient management to properly supervise the exploration and, if exploration is successful, the development of the Projects. As the Projects and the Company's prospects progress and develop, the Board will continually monitor the management requirements of the Company and look to employ or engage additional personnel when and where appropriate to ensure proper management of the Projects. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its planned exploration programmes within the expected timetable. No assurance can be given that there will be no adverse effect on the Company if one or more of its existing Directors or management personnel cease their employment or engagement with the Company.

7. Limited operating history

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements or any other tenements acquired by the Company. Until the Company is able to realise value from its Projects or any other undertaking it may in the future acquire an interest in, it is likely to incur ongoing operating losses.

8. Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under the Placement and the Offer. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

9. Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Shares.

10. Title risk – Australia and Madagascar

Interests in tenements in both Australia and Madagascar are governed by government legislation and are evidenced by the granting of permits, licences or leases. Each permit, licence or lease is for a specific term and a part from mandatory annual fees, in the case of Australia, has annual expenditure and reporting commitments, together with other conditions requiring compliance. Consequently, the Company could lose its title to or its interest in one or more of the Tenements if

licence conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

Tenements in which the Company has or may acquire an interest in, will be subject to renewal, which is usually at the discretion of the relevant authority. If a Tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop the Tenement.

Exploitation permits PE/25605 and PE/25606 expired on 17 June 2011 and exploration permits PR/39/750, PR/39/751 and PR/3432 expired on 20 September 2018. Applications for their renewals have been submitted to the BCMM. BCMM has suspended all its activities during the period that the applications for renewal of those exploitation permits and exploration permits were made. Any renewal applications filed during this period would be systematically rejected or not even received by the BCMM. On the 28 November 2010, the BCMM issued a "Note" explaining that the BCMM has suspended the filing of demands for (i) authorisation for reservation of mining perimeters for exclusive use and (ii) mining licenses until further notice. The last paragraph of the Note states that "when the BCMM will resume the receipt of applications, an additional delay equal to the period BCMM's activities were suspended would be granted to any interested party filing an application pursuant to any provisions of the Mining Code or its application decree imposing a statutory delay to file the application." Accordingly, the Directors understand that any filing formality which requires a specific timeframe under the Mining Code or its application decree, shall be extended by the period the BCMM has had its activities suspended. The Company has received advice that BCMM or any other competent authority is unlikely to dispute the admissibility of the renewal applications of exploitation permits PE/25605 and exploration permits PE/25606 and PR/39/750, PR/39/751 and PR/3432.

The Company cannot guarantee that any Tenements will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew any of the Tenements beyond their current expiry date, the Company's interests in the relevant tenements may be relinquished.

Environmental approval for exploration or exploitation, by the grant of an environmental tenement by the relevant Madagascan government authority is yet to be acquired in respect of exploitation permit PE/39751. Furthermore, a number of environmental tenements exist over the Ampanihy Project. Applications need to be made to BCMM to include graphite as an authorised substance to which those environmental tenements apply. There can be no guarantee that environmental approval (including adding graphite as an authorised substance for the environmental tenements) will be granted in respect of that area, which may prevent the Company from carrying out exploration or other activities on it.

BlackEarth Madagascar SARL (**BlackEarth Madagascar**), a company held by BlackEarth, has entered into a number of contracts with third parties affecting certain areas of the tenements that comprise the Madagascan Projects known as amodiation contracts. Under those amodiation contracts the third parties have been granted exclusive rights to prospect, explore, extract and/or exploit certain mineral resources. The tenements affected by amodiation contracts are PE/5394, PE/25093, PE/25094, PR/25605 and PR/25606. BlackEarth Madagascar does not have the rights to prospect, explore, extract and exploit certain mineral resources on those tenements to the extent that exclusive rights have been granted under an amodiation contract. BlackEarth Madagascar is in the process of negotiating to discharge certain of the amodiation contracts or to remove certain tenements from the amodiation contract.

Under Madagascan law, the holder of a mining tenement does not have an automatic right in the land the subject of that tenement and must therefore enter into a lease agreement with the owners of the land. If land is held in the name of the Madagascan state, there is no objection by the state to the entry into a lease agreement on ordinary terms and conditions. If, however, the land the subject of any of the tenements it owns in Madagascar is not held in the name of the Madagascan state, BlackEarth Madagascar will need to negotiate a lease with the private landholders.

11. New projects and acquisitions

The Company will identify and evaluate additional projects and assets in the resources sector in Australia and/or overseas. If any are considered by the Board to have the potential to add Shareholder value, the Company will seek to acquire them by way of direct project acquisition, farm in, joint venture or direct equity in the project owners.

There can be no guarantee that any proposed acquisition will be secured, completed or successful. If the proposed acquisition is not completed, monies advanced or due diligence costs may not be recoverable, which may have a material adverse effect on the Company. This could affect the growth of the Company. If the Company is able to acquire such projects, there is a risk that if these projects do not perform to expectations such adverse performance will be detrimental to the performance of the Company and therefore the value of Shares and returns delivered to Shareholders.

If the Company identifies and proceeds with the acquisition of an additional project or asset, the Company may be required to re-comply with Chapters 1 and 2 of the Listing Rules. This will cause the Shares to be suspended from quotation in which event the Shares cannot trade on the ASX during this period. The length of any suspension will be subject to the requirements of the ASX and the time needed by the Company to comply with those requirements.

12. Liquidity risk

There is no guarantee that there will be an ongoing liquid market for Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

13. Impact of COVID-19 and resulting risks

The COVID-19 pandemic has had some impact on the timing of business activity for the Company and for a significant portion of 2020, Madagascar closed its borders to international visitors and trade was delayed.

Whilst the Company has continued with much of its planned activity for 2020, COVID-19 has caused some delay in a number of outcomes and there is no guarantee that the impact of COVID-19 related travel and logistical restrictions in the future won't also contribute to delays to the Company's activities and functions.

14. Possible Risk associated with Climate Change

The Company acknowledges that climate change may pose a risk to future operations and performance and is currently developing a strategy to manage this.

The Company believes and acknowledges that climate change risk can be classified as follows:-

- Physical risks: risks to your company from the effects of climate change such as temperature changes, rising sea levels, changed rainfall patterns etc.
- Transition risks: risks to which your company is exposed as a result of different parties focused on mitigating or avoiding climate change; these include policy responses, technology shifts, market mechanisms and changes in public sentiment.

Industry risks

1. Operating risks

The current and future operations of the Company, including exploration, project appraisal and possible production activities may be affected by various factors which can limit or prevent such activities. Such factors may include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in surveying, drilling, other exploration activities and/or production activities, difficulties in commissioning and operating plant and equipment, electrical or mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse

weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of skilled labour, consumables, spare parts, plant and equipment.

2. Commercial risk

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Projects or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

3. Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of graphite or any other minerals it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Madagascan Ariary as determined in international markets.

If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

4. Insurance risks

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company endeavours to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or the coverage not adequate to cover all claims.

5. Environmental risks

The operations and proposed activities of the Company are currently subject to Madagascan, Western Australian and Commonwealth of Australia laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The

Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

6. Access to infrastructure

If the Company progresses to production there is no guarantee that appropriate and affordable road, rail and or port capacity will be available, which could have an adverse effect on the Company. In the event of production the Company will also require the use of both power and water infrastructure. In the event that there is high demand for and limited access to power and water access there is a risk that the Company may not be able to procure such access which could have an adverse effect on the Company.

General risks

1. General economic conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities both in Australia and overseas.

2. Share market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) the introduction of tax reform or other new legislation (such as royalties);
- (c) interest rates and inflation rates;
- (d) currency fluctuations;
- (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or graphite sector within that industry);
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Shares and subsequently any return on an investment in the Company. Shareholders who decide to sell their Shares after the Company is admitted to the ASX may not receive the entire amount of their original investment.

3. Volatility in global credit and investment markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

4. Government and legal risk

The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Company and its Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy.

5. Unforeseen expenditure risk

Expenditure may need to be incurred that has not been considered by the Company to date. If such expenditure is subsequently incurred, this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

SHAREHOLDER SHARE PURCHASE PLAN - TERMS AND CONDITIONS

Purpose

The purpose of the Plan is to offer Eligible Shareholders the opportunity to acquire additional Shares in the Company worth up to a maximum of \$30,000 (subject to any scale back) at an Issue Price of \$0.05 per Share (which is equal to the issue price under the Placement and represents a 9.2% discount to the volume weighted average market price of Shares on the ASX during the five (5) days on which Shares were traded immediately prior to 1 October 2020) without the need to pay brokerage costs and without the need for the Company to issue a prospectus.

Shareholders eligible to participate

You may participate in the Plan if you are an Eligible Shareholder. Due to foreign securities laws, it is not practical for other Shareholders to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions.

Non-renounceable

The Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in the ASIC Instrument (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as Custodian provided you annexe to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you are a Custodian;
- that you hold Shares (either directly or via one or more interposed Custodians) in the Company on behalf of one or more other persons with a registered address in either Australia and New Zealand who is not a Custodian and is not acting for the account or benefit of a person in the United States (each a **Participating Beneficiary**) at 7pm (WST) on 2 October 2020 who has subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied for under the Plan for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as Custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
- that a copy of the written this Offer Booklet was given to each Participating Beneficiary; and
- the name and address of each other Custodian (if any) that holds a beneficial interest in Shares on behalf of the Participating Beneficiary.

For the purposes of the ASIC Instrument, you are a 'Custodian' if you are a person that provides a custodial or depository service in relation to Shares that:

- holds an Australian financial services licence that allows you to perform custodian or depository services or operate IDPS accounts;
- is exempt from the requirements to hold an Australian financial services licence covering the provisions of custodial or depository services;

- is a trustee of a self-managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS-like schemes; or
- a registered holder of Shares that is noted on the Company's register of members as holding the shares on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries. To request a Custodian Certificate, or if you would like further information on how to apply, you should contact the Company's share registry, Automic Pty Ltd (**Registry**), during normal business hours, Monday to Friday on +61 8 9324 2099.

The Company reserves the right to reject any Application for Shares to the extent it considers that the Application (whether alone or in conjunction with other Applications) does not comply with these requirements, or otherwise in accordance with these Terms and Conditions.

Price of Shares

The Issue Price of Shares is equal to the issue price under the Placement and represents an 9.2% discount to the average market price of Shares quoted on ASX during the five (5) trading days immediately prior to the 1 October 2020. On 30 September 2020, the closing price of the Shares traded on ASX was \$0.065. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your acceptance of the Offer. As such, the Issue Price may differ from the market price of Shares on the day the Shares are issued or allotted to you, and the market price may be higher or lower, at any time, than the Issue Price of the Shares you receive.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that, although the Issue Price is at a discount to the market price, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer. This Offer Booklet does not purport to contain all of the information that you need to make an investment decision.

Number of shares

Eligible Shareholders may acquire a maximum of up to 600,000 (or \$30,000 worth of) new Shares under the Plan, regardless of the number of Shares they hold on the Record Date of the Offer, but subject to any scale-back.

If you receive more than one copy of a letter in respect of an Offer, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the Plan in all capacities, and in aggregate, is \$30,000.

By applying to purchase Shares under the Plan (including by making a BPAY® or direct credit payment), unless you are a Custodian, you warrant and certify that the aggregate of the following do not exceed \$30,000:

- the new Shares that are the subject of this Application;
- any other Shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the Application), whether:
 - in your own right, or
 - jointly with one or more persons, or
 - in your capacity as a Participating Beneficiary,

- **any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and**
- **any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before your Application under the Plan as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares.**

Applications and Notices

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

Acknowledgements

By making an Application you:

- represent that you are, and each person for whom you are acting, is an Eligible Shareholder;
- agree to provide (and, if applicable, direct your Custodian to provide) any requested substantiation of your eligibility to participate in the Plan;
- authorise the Company (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
- agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- accept the risk associated with any return of application monies (for example, in the event of a rejected Application) or other refunds that may be despatched to you by to your address shown on the Company's share register;
- agree to indemnify the Company for, and to pay to the Company within five (5) business days of demand, any dishonour fees or other costs the Company may incur in presenting a cheque or bank draft for payment which is dishonoured;
- acknowledge that none of BlackEarth, its advisors or agents, or the Registry has provided you with investment advice, financial product advice or taxation advice, and that none of them has any obligation to provide this advice, concerning your decision to apply for and purchase Shares;
- acknowledge and agree to these Terms and Conditions and the Constitution of the Company;
- agree not to send any materials relating to the Plan to any person outside Australia and New Zealand; and
- certify that the aggregate of the application price for the following does not exceed \$30,000:
 - the new Shares that are the subject of this Application;
 - any other Shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the Application), whether:
 - in your own right, or
 - jointly with one or more persons, or
 - in your capacity as a Participating Beneficiary,
 - any other Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
 - any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before your Application under the Plan as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares,

but not including in your capacity as a trustee or nominee where it is expressly noted on the Company's register of members that your shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which this entitlement relates, they are taken to be a single registered Shareholder and this certificate given by any of them is taken to be given by all of them.

If a trustee or nominee is expressly noted on the Company's register of members as holding the Shares to which this entitlement relates on account of another person (the "beneficiary"), this certification and confirmation is taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

Oversubscription and scale-back

If the Offer is oversubscribed, the Directors may, in their absolute discretion, scale-back Applications. The Company may take into consideration the size of an applicant's shareholding when determining the amount of any potential scale back and therefore the extent of the scale back may differ between Applications.

If the Company rejects or scales-back an Application or purported Application, the Company will promptly return to the shareholder the relevant Application Payment, without interest.

No underwriting

The Offer is not underwritten.

Issue of Shares

Shares are intended to be issued under the Plan on 5 November 2020.

Shares issued under the Plan will rank equally in all respects with all other Shares in the Company from the date of issue.

Shareholding statements or CHESS notifications will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Shares under the Plan, make an application for those Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. An omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of the Shares applied for would contravene any applicable law (including the ASIC Instrument) or the Listing Rules of ASX.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, Application or Shares. The decision of the Company in this respect will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the Directors of the Company or any delegate of the Directors of the Company.

Privacy

Chapter 2C of the Corporations Act requires information about Shareholders (including their name, address and details of the securities they hold) to be included in the public register of the entity in which they hold securities. This information must continue to be included in the public register even if they cease to be a Shareholder.

BlackEarth and the Registry may collect personal information to process Applications and implement the Plan, and to administer holdings of Shares.

The personal information contained in the Company's share register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including taxation laws and the Corporations Act.

Shareholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law.

Personal information regarding Shareholders may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers, and professional advisors), related entities of the Company and each of their agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom the Company will disclose personal information may be located overseas.

The main consequence of not providing the personal information outlined in the above would be that the Company may be hindered in, or prevented from, processing Applications, and from conducting and implementing the Plan.

The Registry's privacy policy is available on their website:

<https://www.automicgroup.com.au/privacy-policy/>.

Questions and Contact Details

To request a Custodian Certificate, or if you would like further information on how to apply, you should contact the Registry during normal business hours, Monday to Friday on +61 8 9324 2099.

If you have any other questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or David Round, Company Secretary on +61 411 160 445.

Governing Law

This Offer Booklet and the Application Form are governed by the laws in force in Western Australia.

Definitions

Announcement Date	The announcement date of the Offer, being 5 October 2020.
Application	A correctly completed and submitted Application Form (including a deemed application form in the same terms, where a valid BPAY® or electronic funds transfer payment is made).
Application Form	The personalised application form relating to the Plan that you received with this Offer Booklet (including a deemed application form in the same terms, where a valid BPAY® or direct credit payment is made).
Application Payment	The application monies paid via electronic funds transfer or BPAY® in accordance with the instructions set out in the Application Form.
ASIC Instrument	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 issued by the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires.
BCMM	The Bureau du Cadastre Minier de Madagascar, being the department in the Republic of Madagascar responsible for the administration of the Mining Code (Republic of Madagascar) 1999.
BlackEarth Madagascar	BlackEarth Madagascar SARL, a company registered and domiciled in the Republic of Madagascar having company number 2004 B 00494 and formerly named Mada-Aust SARL.
Board	The board of directors of the Company.
Closing Date	5pm (WST) on 30 October 2020.
Company	BlackEarth Minerals NL.
Constitution	The constitution of the Company.

Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	A custodian as defined in the ASIC Instrument.
Directors	The directors of the Company from time to time.
Eligible Shareholder	A person that is a registered holder of fully paid Shares on the Record Date, whose registered address is in Australia or New Zealand and is not acting for the account or benefit of a person in the United States.
Issue Price	\$0.05 per Share.
Listing Rules	The Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.
Madagascan Projects	The Maniry graphite project located in Madagascar, consisting of Exploration Permits PR/39750, PR/39751, PR/3432, PR/25605 (subject to an application for renewal) and PR/25606 (subject to an application for renewal), applied for and granted under the Mining Code, and Exploitation Permit PE/5394, applied for and granted under the Mining Code.
Mining Code	The <i>Mining Code (Republic of Madagascar 1999)</i> as amended from time to time.
Offer	The offer made to Eligible Shareholders to participate in the Plan on the terms set out in this Offer Booklet.
Offer Booklet	This offer booklet in respect of the Plan.
Placement	The placement of Shares to institutional and professional investors announced on 2 October 2020.
Plan	The shareholder share purchase plan, on the terms set out in this Offer Booklet.
Projects	The WA Projects and the Madagascan Projects.

Record Date	7.00pm (WST) on 2 October 2020.
Registry	The Company's designated share registry, being Automic Pty Ltd.
Share or Shares	A fully paid ordinary share in the Company.
Shareholder(s)	Holder(s) of Shares.
Tenements	The tenements held, or to be acquired, by the Company and its subsidiaries.
Terms and Conditions	The terms and conditions of the Plan set out in this Offer Booklet, including these definitions and the Application Form.
WA Projects	The Company's Donnelly River Project.