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BlackEarth Minerals NL
ACN: 610 168 191
Level 1
675 Murray Street
West Perth WA 6005
PO Box 1088
West Perth WA 6872
Mobile 0411 475 376
info@blackearthminerals.com.au
blackearthminerals.com.au

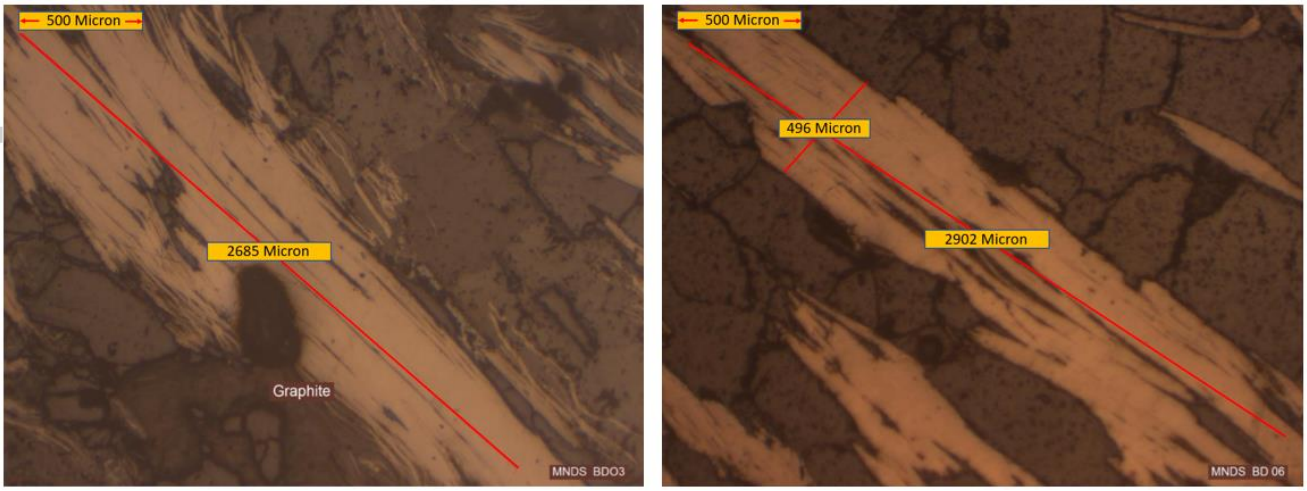
RAZAFY DETAILED MINERALOGY CONFIRMS QUALITY GRAPHITE FLAKE UP TO 2900 MICRON

- **Detailed mineralogy completed on samples from the Razafy graphite prospect**
- **All samples returned significant 500+ micron flakes; over 60% returned 2000+ micron flakes**
- **Flakes free of any deleterious contaminants**
- **Super jumbo flakes (800+ microns) attract significant premium pricing in the expandable graphite market**

BlackEarth Minerals NL (ASX: BEM) (the **Company** or **BlackEarth**) has received a mineralogical report (Report or Townend) undertaken by Townend Mineralogy Laboratory on 19 samples taken from the Company's Razafy graphite prospect in southern Madagascar.

The detailed Report, which is consistent with findings from an earlier preliminary mineralogical report (released to the ASX on 16 February 2018), confirms that:

- Very large flakes (> 500 micron) occur frequently within the two drilled and tested lenses currently making up the Razafy prospect. Significant flakes exist in excess of 850 microns which attracts a premium price in the expandable graphite market;
- The lack of deleterious minerals inside the flakes also suggests the potential for high purity graphite production which is used in higher value end products (eg Li-ion batteries); and
- The 2 Razafy lenses contain largely weathered graphite and are consistent in mineralogy laterally and at depth



Figures 1 & 2: Photomicrographs of 2 Razafy samples reviewed by Townend

Figure 1 (left) from hole MNDD034 (12-14 metres) and Figure 2 (right) from hole MNDD019 (17-19 metres)

Polished sections were reviewed by Townend Mineralogy Laboratory from 19 samples taken from the Razafy prospect in the Maniry graphite project where the Company has recently completed its diamond drill program. The samples were deemed representative of the 2 main Razafy lenses that remain open both laterally and at depth. All samples were also reviewed using XRD. The findings of the Report will be used in conjunction with the Company's extensive XRF database on Razafy to enable a representative bulk sample to be sent to Australia for definitive metallurgical test work to be undertaken, starting late 3Q 2018

The Report states:

- "Graphite flake sizes in both veins frequently have long dimensions of a mm or greater";
- "Estimated graphite content appears greater in the East vein (lens)"; and
- "The silicate lithologies in both veins (lens) are similar."

Drilling continues at Haja, 2 km south of Razafy, with reports of very wide zones of graphitic schist logged to date. Approximately 600 metres of drilling has been completed at Haja with assays to follow next month.

Figure 3: Logging of drill core continues at the Maniry Graphite Project

Managing Director, Tom Revy commented:

> This report by globally respected Townend Mineralogy Laboratory, reaffirms the Board's decision to fast track the Maniry Graphite Project. The Company has met every milestone it set itself pre-IPO to date including drill commencement, assay reporting, average daily drill metres and completion of detailed mineralogy. BEM is still on target to define a JORC Resource at Razafy within the next 4-5 weeks and complete a scoping study on the Maniry Graphite Project by the end of 2018. The upcoming metallurgical test work will provide final flake size distribution which is regarded as critical to project economics.

MEDIA CONTACTS
Tom Revy, BlackEarth Minerals NL 08 6145 0289 | 0411 475 376

About BlackEarth Minerals NL (www.blackearthminerals.com.au)
BlackEarth Minerals NL (ASX: BEM) ("Company") is an ASX listed company focused primarily on the exploration and development of its 100% owned Madagascan graphite projects.

The location of the Company's primary graphite projects: Madagascar (Maniry & Ianapera - above)

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 late July 2018. Results, from current diamond drilling have confirmed that the Razafy Prospect (contained within the Maniry Project area) consists of high grade, thick outcropping graphitic mineralisation contained within distinct lenses which remain not only open along strike but also at depth. Recent identification of further lenses to the east also highlights the prospectivity of the immediate area which, based on mapping and previous exploration only represents 5% of the current Maniry Project area.

Ianapera is located approximately 50km north of Maniry. It consists of a series of high-grade outcrops, up to 800m long and 30m wide, of graphite mineralisation within a broader graphite trend. Identified as a large conductive body, potential exists for the presence of a large graphitic mineralised system.

The Company's Western Australian graphite assets include 4 early stage project areas that have been partially explored by a number of companies in the past, with encouraging results reported from several locations.

Competent Person's Statement
The information contained in this report that relates to mineralogy is based on information compiled by Mr. Roger Townend, a member of The Australasian Institute of Mining and Metallurgy. Mr. Townend 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. Townend consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.



TABLE (1) – SAMPLE LOCATIONS FOR POLISHED THIN SECTION ANALYSIS

No	Hole Name	Sample_ID	From	To	Weathering	Vein
1	MNDD019	**MNDSBD01**	3	5	weathered	East Vein
2	MNDD022	**MNDSBD02**	4	6	weathered	East Vein
3	MNDD034	**MNDSBD03**	12	14	weathered	East Vein
4	MNDD056	**MNDSBD04**	8	10	weathered	East Vein
5	MNDD051	**MNDSBD05**	6	8	weathered	West Vein
6	MNDD019	**MNDSBD06**	17	19	fresh	East Vein
7	MNDD020	**MNDSBD07**	44	46	fresh	East Vein
8	MNDD021	**MNDSBD08**	68	70	fresh	East Vein
9	MNDD022	**MNDSBD09**	30	32	fresh	East Vein
10	MNDD031	**MNDSBD10**	43	45	fresh	East Vein
11	MNDD043	**MNDSBD11**	51	53	fresh	East Vein
12	MNDD045	**MNDSBD12**	78	80	fresh	East Vein
13	MNDD024	**MNDSBD13**	91	93	fresh	West Vein
14	MNDD025	**MNDSBD14**	23	24	fresh	West Vein
15	MNDD026	**MNDSBD15**	50	52	fresh	West Vein
16	MNDD027	**MNDSBD16**	39	41	fresh	West Vein
17	MNDD030	**MNDSBD17**	65	67	fresh	West Vein
18	MNDD033	**MNDSBD18**	29	31	fresh	West Vein
19	MNDD049	**MNDSBD19**	63	64.6	fresh	West Vein

TABLE (2) – DRILL HOLE LOCATION DETAILS

Hole_ID	Prospect	Depth (m)	Easting	Northing	RL (m)	Azimuth	Dip
MNDD019	Razafy	49.06	486924	7285997	297	233	-60
MNDD022	Razafy	42.84	486804	7286157	296	233	-60
MNDD034	Razafy	113.77	486659	7286299	297	233	-60
MNDD056	Razafy	31.02	487093	7285774	294	233	-60
MNDD051	Razafy	32.37	486960	7285799	289	233	-50
MNDD020	Razafy	77.25	486948	7286015	297	233	-50
MNDD021	Razafy	99.86	486852	7286193	297	233	-60
MNDD031	Razafy	49.97	486743	7286237	299	233	-60
MNDD043	Razafy	65.52	487002	7285943	297	233	-60
MNDD045	Razafy	99.22	487080	7285890	297	233	-60
MNDD024	Razafy	103.93	486900	7285979	294	233	-60
MNDD025	Razafy	41.51	486732	7286103	293	233	-80
MNDD026	Razafy	74.64	486756	7286121	293	233	-80
MNDD027	Razafy	43.72	486783	7286148	296	233	-60
MNDD030	Razafy	74.08	486876	7285961	291	233	-60
MNDD033	Razafy	41.03	486852	7285943	293	233	-60
MNDD049	Razafy	100.07	487008	7285835	293	233	-60

APPENDIX 1
Table 1 JORC Code, 2012 Edition
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	· *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.* · *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* · *Aspects of the determination of mineralisation that are Material to the Public Report.* · *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.*	**DRILL CORE SAMPLING** Sampling consisted of 2m composite samples of quarter core from all significantly mineralised zones. Samples were cut using a diamond blade core saw. Duplicate samples were collected every ~20th sample for QAQC purposes. Sampling is considered to be comprehensive and representative. Remaining core was retained as a permanent reference. **THIN SECTION SELECTION** Representative "spot" samples were taken from quarter diamond core samples from the following drill hole locations. Samples were taken from both weathered and fresh mineralised zones.

No	Hole Name	Sample_ID	From	To	Weathering	Vein
1	MNDD019	MNDSBD01	3	5	weathered	East Vein
2	MNDD022	MNDSBD02	4	6	weathered	East Vein
3	MNDD034	MNDSBD03	12	14	weathered	East Vein
4	MNDD056	MNDSBD04	8	10	weathered	East Vein
5	MNDD051	MNDSBD05	6	8	weathered	West Vein
6	MNDD019	MNDSBD06	17	19	fresh	East Vein
7	MNDD020	MNDSBD07	44	46	fresh	East Vein
8	MNDD021	MNDSBD08	68	70	fresh	East Vein
9	MNDD022	MNDSBD09	30	32	fresh	East Vein
10	MNDD031	MNDSBD10	43	45	fresh	East Vein
11	MNDD043	MNDSBD11	51	53	fresh	East Vein
12	MNDD045	MNDSBD12	78	80	fresh	East Vein
13	MNDD024	MNDSBD13	91	93	fresh	West Vein
14	MNDD025	MNDSBD14	23	24	fresh	West Vein
15	MNDD026	MNDSBD15	50	52	fresh	West Vein
16	MNDD027	MNDSBD16	39	41	fresh	West Vein
17	MNDD030	MNDSBD17	65	67	fresh	West Vein
18	MNDD033	MNDSBD18	29	31	fresh	West Vein
19	MNDD049	MNDSBD19	63	64.6	fresh	West Vein

The initial samples were cut by diamond core on site and samples provided to Townend Mineralogy Laboratory in Perth, Australia, for industry standard preparation of polished thin sections.

Criteria	JORC Code explanation	Commentary
Drilling techniques	· *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).*	Diamond drilling was undertaken. Core sizes collected were HQ and NQ in 3m intervals. Core was not orientated.
Drill sample recovery	· *Method of recording and assessing core and chip sample recoveries and results assessed.* · *Measures taken to maximise sample recovery and ensure representative nature of the samples.* · *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.*	Core recovery was routinely recorded every metre by a trained geologist. Core recovery at the start of hole, 0-10m, averaged 65% recovery whilst from 10m onwards recovery typically ranged between 95-100%. Mineralised zones reported in this announcement have incurred core loss, at this stage it is unsure whether a relationship exists between grades and core loss.
Logging	· *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.* · *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* · *The total length and percentage of the relevant intersections logged.*	All rock chip and channel samples were logged by a qualified and experienced geologist. All holes were logged by a qualified and experienced geologist. All sample logging included descriptions of geotechnical, mineralisation, structural and lithological aspects and was digitally recorded using an industry standard code system. Core was formally photographed. Data collected offers sufficient detail for the purpose of interpretation and further studies.
Sub-sampling techniques and sample preparation	· *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.*	The rock chip and channel composite sampling was deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples were taken approximately every ~20th sample for QAQC purposes Quarter core was cut using a diamond core saw and collected for assay. 2 metre composite sampling was deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples were taken (remaining quarter core) approximately every ~20th sample for QAQC purposes

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	· *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 (ie lack of bias) and precision have been established.*	All samples were prepared at Intertek-Genalysis Madagascan operations. Samples were pulverised and split into 200g samples and freighted to ACME laboratories in Canada for Assay. Samples were leached with concentrated nitric acid followed by KOH and finally dilute HCl then analysed by a LECO Carbon-Sulphur analyser to give a Total Graphitic Carbon (TGC) percentage. The laboratory procedures are considered to be appropriate for reporting TGC according to industry best practice. The insertion of CRM's and duplicates every ~20 samples by MGY was used as an internal means of QAQC of laboratory standards. No issues were encountered.
Verification of sampling and assaying	· *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.*	Significant samples and drilling intersections have been verified by consulting geologists to the group, OMNI GeoX Pty. Ltd. No holes have been twinned. All data has been captured digitally upon logging and stored digitally securely within the Perth head office database.
Location of data points	· *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.* · *Quality and adequacy of topographic control.*	All XYZ surveying was collected using a handheld Garmin GPS accurate to ±4m. Projection and Grid system used: UTM (WGS84) Z38S
Data spacing and distribution	· *Data spacing for reporting of Exploration Results.* · *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.* · *Whether sample compositing has been applied.*	Sample spacing for rock chip samples was dependent on the distribution of each outcrop. Channel sampling was based on geological mapping to determine a representative location of the graphite lense. Drill hole spacing on each section is between 20-40m across various prospects over a 20km2 area.
Orientation of data in relation to geological structure	· *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the rock chip samples, channel composite and drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at near perpendicular angles to strike.

Criteria	JORC Code explanation	Commentary
	· *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.*	
Sample security	· *The measures taken to ensure sample security.*	Samples were packaged and stored in secure storage from the time of gathering through to submission. Laboratory best practice methods were employed by the laboratory upon receipt.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	An audit of the sampling technique and data was carried out by consulting geologists to the group, OMNI GeoX Pty. Ltd. and deemed to have been satisfactory.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	· *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.* · *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.*	Work was undertaken upon permits 5391, 5392,5393, 25093, 25094, 5394, 39750, 39751,3432, 25605, and 25606. • The tenements are located within the inland South West of Madagascar approximately centered on the townships of Fotradrevo and Ampanihy. • Tenements are held 100% by Mada-Aust SARL. A wholly controlled subsidiary of BlackEarth Minerals NL. • 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.
Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Regional mapping by BRGM

Criteria	JORC Code explanation	Commentary
Geology	· *Deposit type, geological setting and style of mineralisation.*	The project overlies a prominent 20km wide zone of folded and 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
Drill hole Information	· *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* · *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.*	

Hole_ID	Prospect	Depth (m)	Easting	Northing	RL (m)	Azimuth	Dip
MNDD019	Razafy	49.06	486924	7285997	297	233	-60
MNDD022	Razafy	42.84	486804	7286157	296	233	-60
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MNDD056	Razafy	31.02	487093	7285774	294	233	-60
MNDD051	Razafy	32.37	486960	7285799	289	233	-50
MNDD020	Razafy	77.25	486948	7286015	297	233	-50
MNDD021	Razafy	99.86	486852	7286193	297	233	-60
MNDD031	Razafy	49.97	486743	7286237	299	233	-60
MNDD043	Razafy	65.52	487002	7285943	297	233	-60
MNDD045	Razafy	99.22	487080	7285890	297	233	-60
MNDD024	Razafy	103.93	486900	7285979	294	233	-60
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MNDD030	Razafy	74.08	486876	7285961	291	233	-60
MNDD033	Razafy	41.03	486852	7285943	293	233	-60
MNDD049	Razafy	100.07	487008	7285835	293	233	-60

Criteria	JORC Code explanation	Commentary
Data aggregation methods	· *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.* · *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.* · *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No top cuts have been applied. A nominal 4% lower cut-off has been applied in the determination of significant intercepts. High grade intercepts within broader low grade intervals have been separated as 'including' results. No metal equivalent values are used in this report.
Relationship between mineralisation widths and intercept lengths	· *These relationships are particularly important in the reporting of Exploration Results.* · *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* · *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').*	Most drilling has intersected mineralised zones at a near perpendicular angle and as so true widths can inferred by the reader.
Diagrams	· *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.*	Refer to figures within text
Balanced reporting	· *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.*	Representative reporting of low and high grades has been effected within this report
Other substantive exploration data	· *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.*	**MINERALOGY** 19 polished thin sections were examined and reported on by Dr Roger Townend (Townend Mineralogy Laboratory). A full report including descriptions and photomicrographs has been provided to the Company. Mapping, rock chip sampling and trenching has been completed across the project area. These results were utilised to provide targets for the drilling programs.

Criteria	JORC Code explanation	Commentary
Further work	· *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* · *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Potential resource definition drilling to be undertaken.