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MINERALOGY CONFIRMED AS HIGH QUALITY LARGE FLAKE GRAPHITE AT MANIRY

- **Preliminary mineralogy undertaken on samples from Maniry graphite project**
- **Frequent high value 500+ micron jumbo flakes reported - up to 1mm in length**
- **All flakes reported as free of any internal contaminants confirming the high quality nature of the graphite**
- **Mineralogy points towards high quality low cost premium product**

BlackEarth Minerals NL (ASX: BEM) (the **Company** or **BlackEarth**) has received a mineralogical report (Report or Townend) dated 31 January 2018 undertaken by Townend Mineralogy Laboratory on samples taken from the Company's Maniry graphite project in southern Madagascar.

Polished sections were reviewed by Townend Mineralogy Laboratory from 8 diamond core samples taken from the Razafy, Ivan, Haja and Fita areas in the Maniry graphite project where the Company has defined 34 large scale zones of prominently outcropping highly predictable graphite mineralisation over an area of 6.5km x 2.5km; the northern region of the Maniry project is pictured in Figure 1.

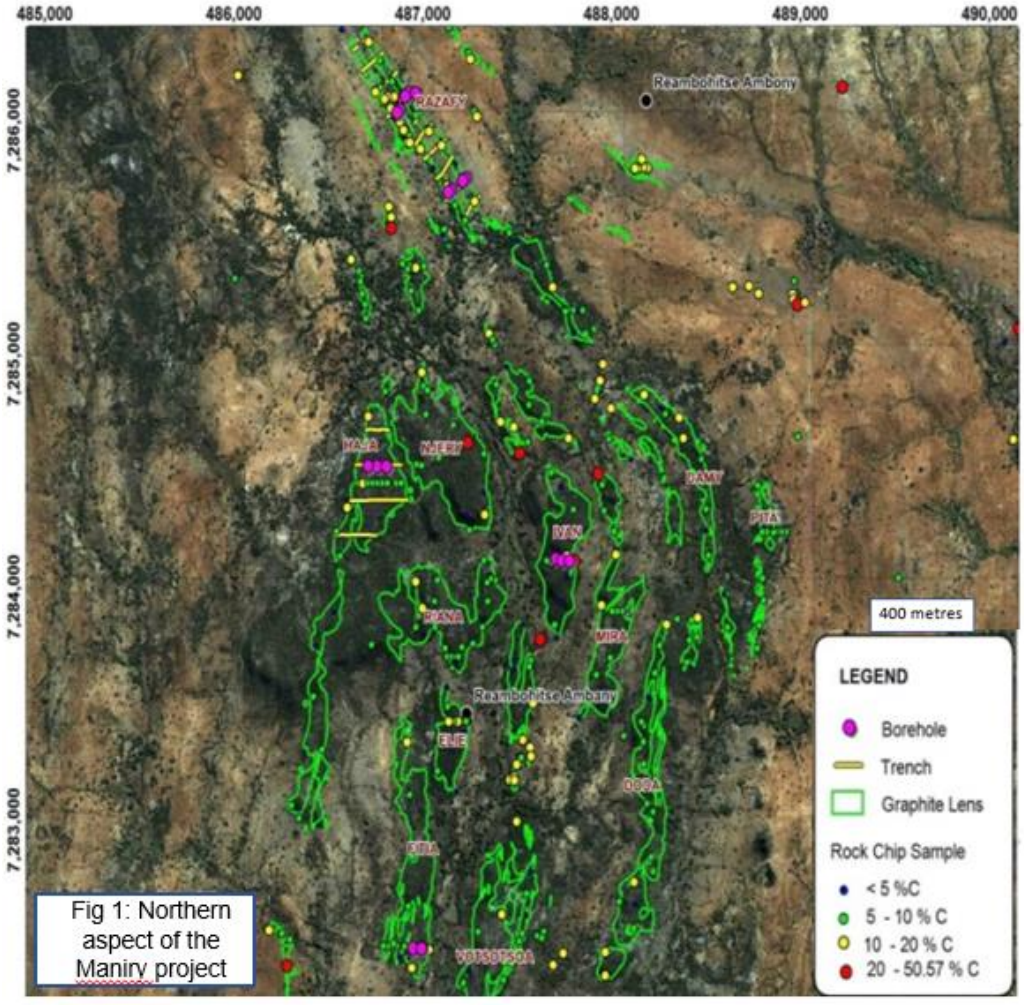

Fig 1: Northern aspect of the Maniry project

The Report states:

- "Graphite is a significant mineral in all samples and its habit, typically reflects the nature of the associated gangue" (kaolin/clay).
- "As a result of the close association with "kaolin', much of the graphite has extreme dimensions, lengths frequently > 500 micron".
- "Contamination of the graphite otherwise is limited to pyrite as margins and within cleavages in the totally fresh drill core, and close marginal rather than internal association with goethite in several altered others."

Given the current global shortfall in large flake supplies, these results are seen as very encouraging.

- Jumbo flake sized graphite (>300micron) typically attracts a significant price premium over fine to large flaked concentrates.
- The lack of contaminants inside the flakes also suggests the potential for high purity graphite production which is used in higher value end products (eg Li-ion batteries).
- This is seen as a key component in attracting product sales.

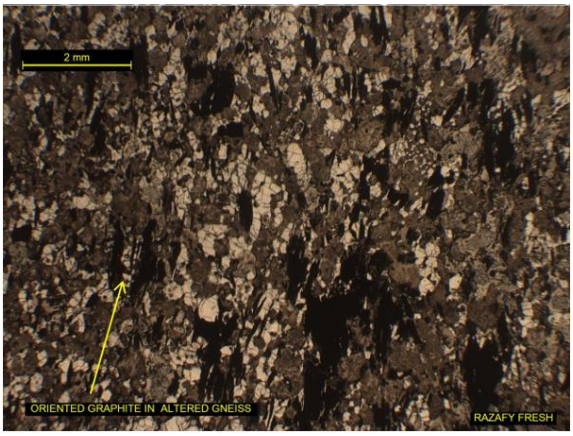

Fig 2: Photomicrograph of Razafy (Fresh) Sample

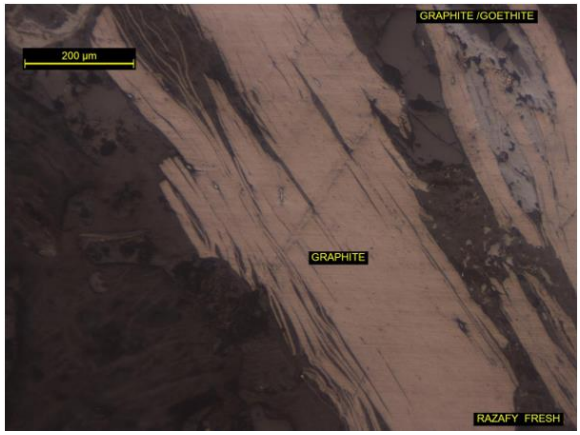

Fig 2: Photomicrograph of Razafy (Fresh) Sample

Drilling, scheduled to commence shortly, will initially focus on the Razafy area where previous diamond drilling and trenching identified high grade near surface mineralisation. The Report issued to BlackEarth, analysed both weathered and fresh samples. The Report's findings highlighted Razafy as having:

- Coarse inclusion-free flakes with long dimensions frequently in excess of 500 micron and occasionally a millimetre (weathered material);
- Graphite flakes commonly exceeding 100 micron in width (weathered material); and
- Graphite occurrence related to the banding lithology (clay, quartz and dominant quartz). In feldspar rich areas, graphite flakes often exceed 400 micron while in clay rich bands, graphite is often in excess of 500 microns in length (fresh material – see Figures 2 & 3 above).

Managing Director, Tom Revy commented:

> This report by globally respected Townend Mineralogy Laboratory, reaffirms the quality and potential high value nature of the graphite contained in the Maniry project. Core to be generated from the upcoming drill program will not only be used for resource definition, but will also be used for ongoing mineralogy and metallurgical test work. BEM is still on target to complete a scoping study on the Maniry project by the end of 2018.

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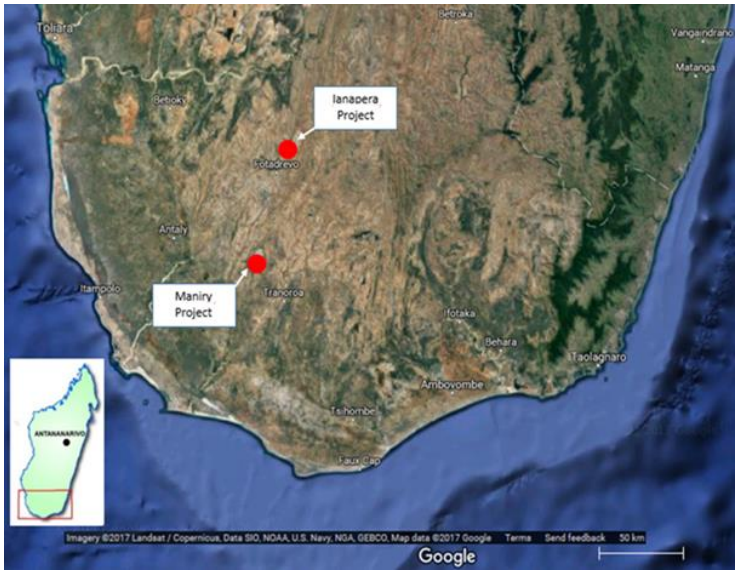
About BlackEarth Minerals NL

BlackEarth Minerals NL (ASX: BEM) ("Company") is an ASX listed company focused on the exploration and development of its 100% owned Madagascan and Western Australian graphite projects.



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

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

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

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

For more information – www.blackearthminerals.com.au

Competent Person's Statement

The information contained in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Peter Langworthy, a member of The Australasian Institute of Mining and Metallurgy. Mr Langworthy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Langworthy consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.