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BlackEarth Minerals NL

ABN 66 610 168 191

ASX Announcement

24 May 2018

BLACKEARTH CONTINUES TO STRIKE HIGH GRADE GRAPHITE AT THE RAZAFY PROSPECT IN MADAGASCAR

HIGHLIGHTS

- **diamond drill holes at Razafy, return high grade graphite results from surface including:**
  - **26 metres at 7.8%TGC (including 10 metres at 10.4%TGC)**
  - **10 metres at 9%TGC (including 6 metres at 10.0%TGC)**
  - **15 metres at 7.8%Total Graphitic Carbon**
- **Current drilling at Razafy is expected to be completed within 2 weeks**
- **Drilling information at Razafy to be utilised to establish maiden JORC Resource by late July 2018**
- **Drilling to commence shortly at Haja, 2km south of Razafy**

OUTSTANDING INITIAL ASSAY RESULTS

BlackEarth Minerals NL (ASX: BEM) (the Company or BlackEarth) is pleased to advise on assay results of Total Graphitic Carbon (TGC) (see Appendix 1 & 2 and Table 1) for full drill hole data and assay results) from its diamond drilling program at the Company's 100% owned Maniry Graphite Project, Madagascar. Figure 3 outlines the location of completed drill holes and the proposed holes. BEM is on target to complete the Razafy program as per its original schedule, in June 2018.

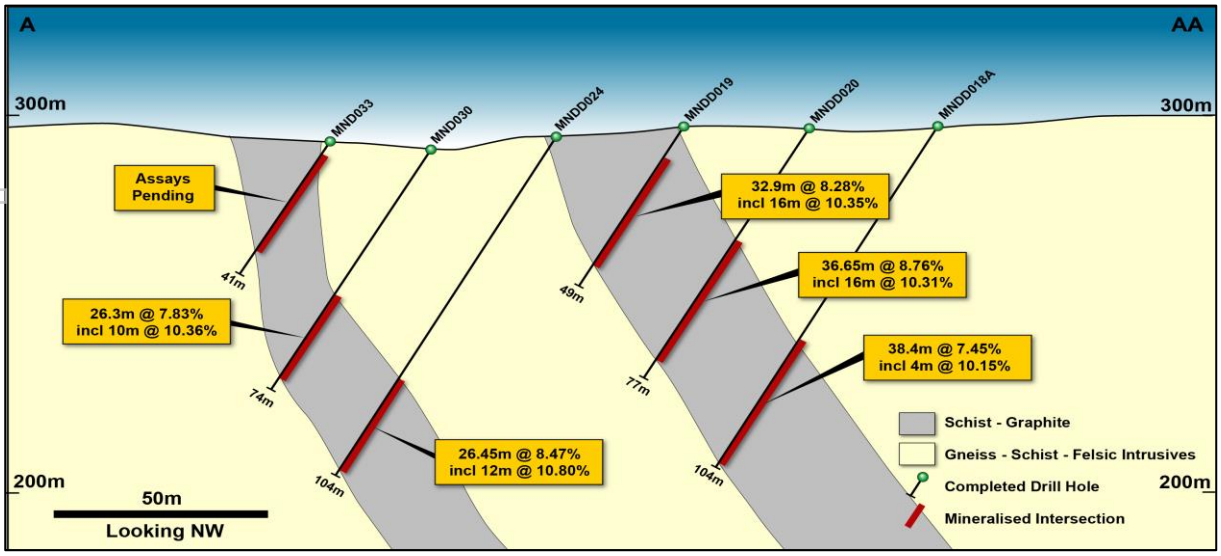

Figure 1 – Cross Section AA (Refer to Figure 3)

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FAST TRACK TO CASH FLOW

Drilling at the Razafy prospect, to establish a maiden JORC Indicated Resource by late July 2018, commenced in March 2018. The Razafy prospect is located in the north west of the Maniry Project. This resource will be used as part of the Company's 'fast track to cash flow' strategy, with scoping study completion for Razafy scheduled by the end of the calendar year.

The Company has received all 500 assays from the first shipment of diamond drill samples sent to Intertek (Perth, Western Australia) earlier this month. Assaying of samples from the second shipment is expected to commence shortly, while the third shipment is due to leave Antananarivo, Madagascar by Friday 25 May 2018.

Figure 2 – Samples being prepared for transport in Antananarivo, Madagascar

The Company has now drilled approximately 3,400 metres at the Razafy prospect, representing an estimated 5% of the Razafy prospect area.

The key outcomes of the drilling to date include the following:

- Confirmation of consistent, thick, outcropping, high-grade graphite horizons hosted by felsic gneissic rocks (as demonstrated in the cross sections below figures 4a to 4d);
- Field observations and preliminary mineralogy has confirmed the coarse-grained mineralisation;
- Initial TGC grades received within the horizons are generally consistent from hole to hole and from section to section; and
- Previous surface sampling (rock chips and trenching) has proven to be an accurate guide as to the expected TGC grades in the sub-surface.

Prior to commencing drilling at Haja in June, BlackEarth intends to complete several "step out" diamond drill holes to further understand the full potential that exists at the Razafy prospect.

BlackEarth's consulting Geologists have compiled a number of cross sections which are outlined in Figures 4a to 4d below.

Managing Director, Tom Revy commented:

"The Company continues to meet every milestone of its aggressive development schedule. The results we have received so far have confirmed the Board's initial thoughts that Maniry has the potential to host a large graphitic mineralised system."

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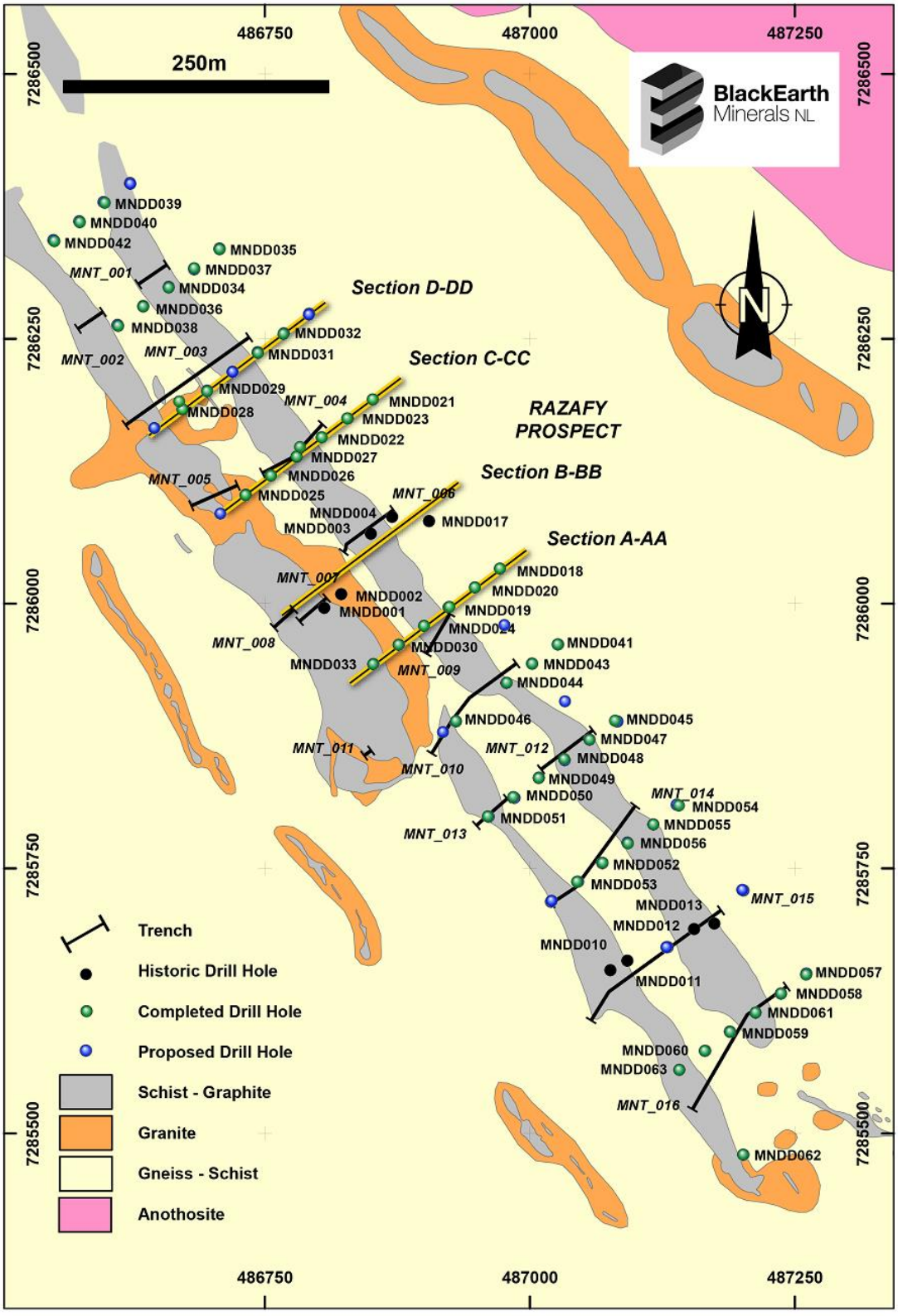

Figure 3 - Location of Razafy Drill Holes completed and planned as of 15/5/18

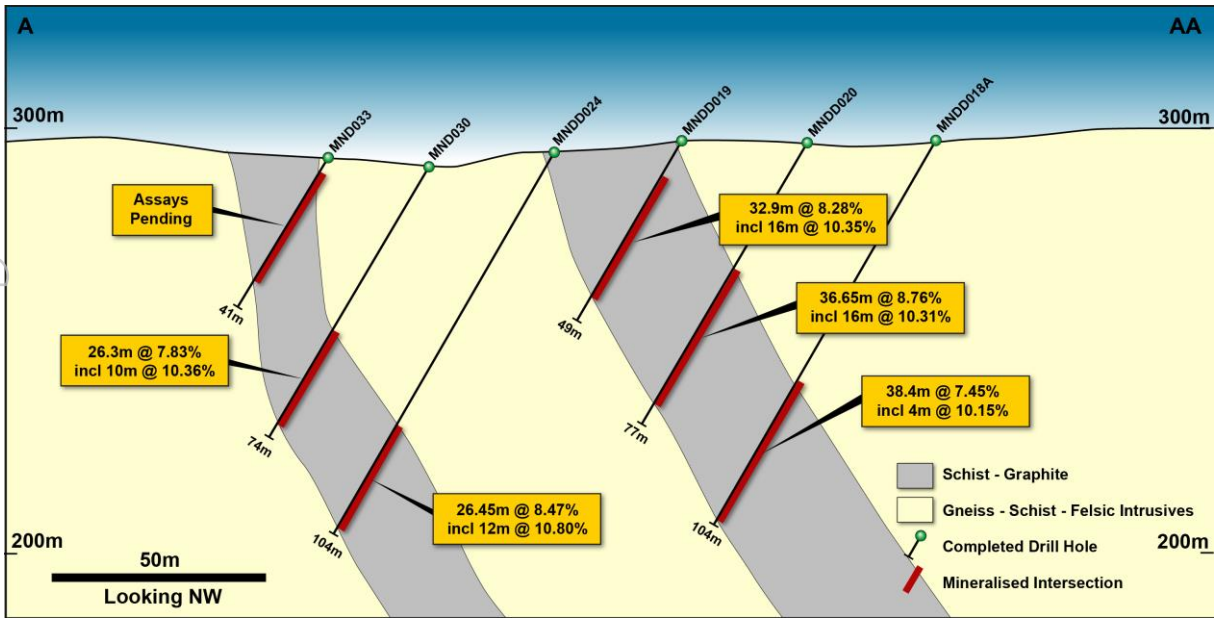

Figure 4a – Section AA (see Figure 3)

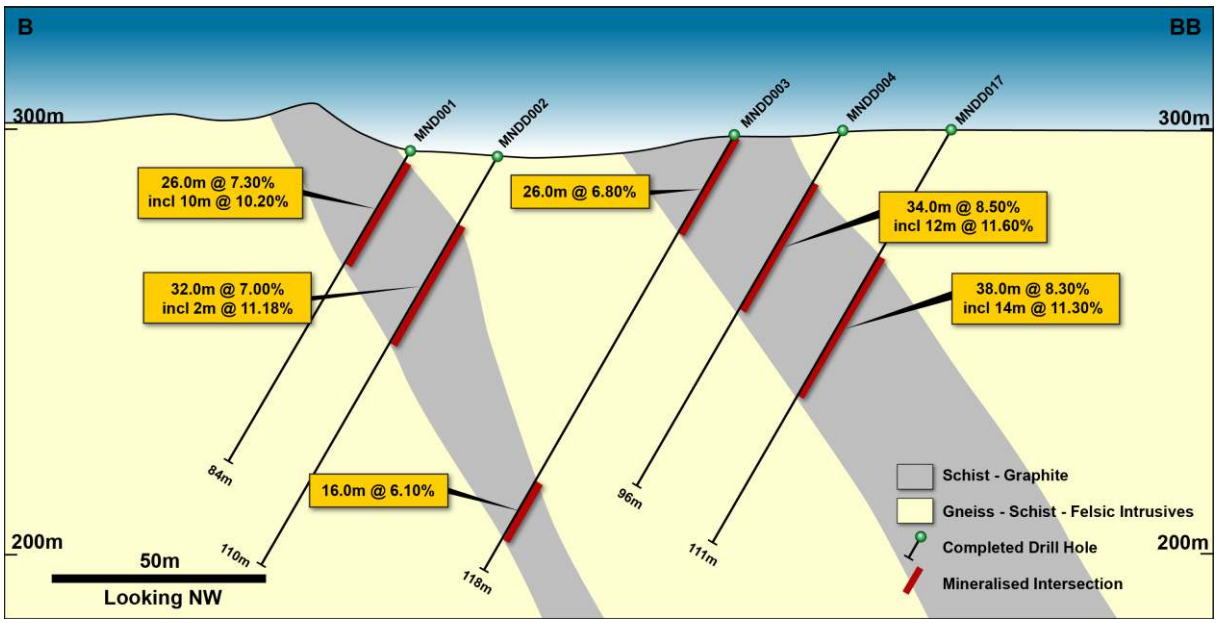

Figure 4b – Section BB (see Figure 3)

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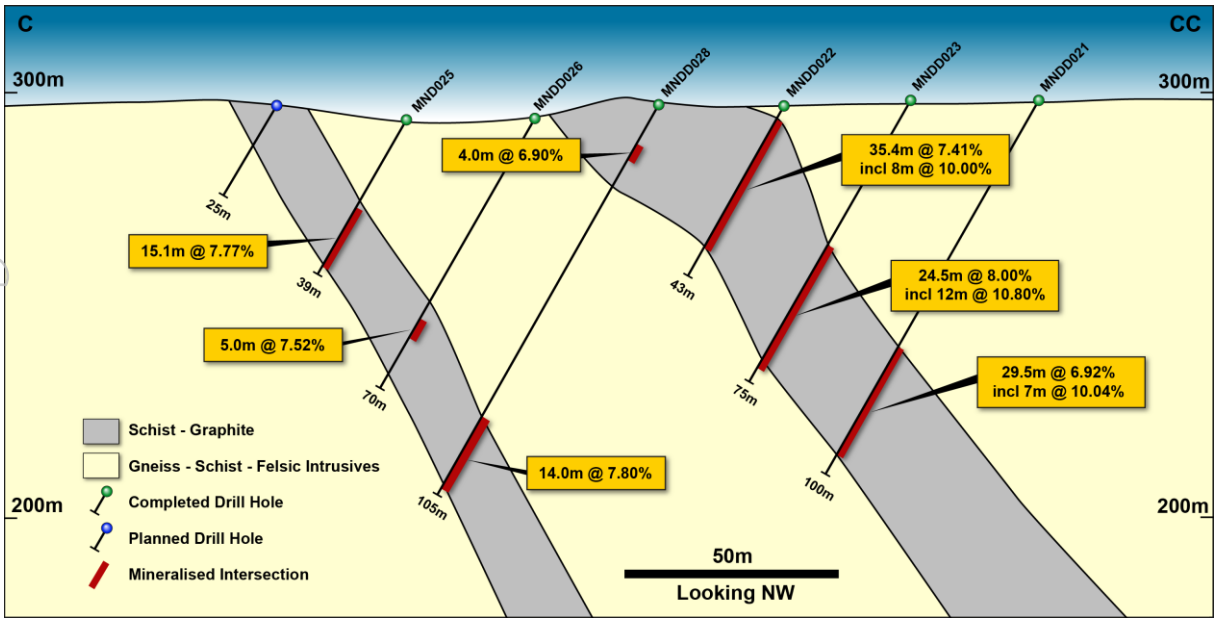

Figure 4c – Section CC (see Figure 3)

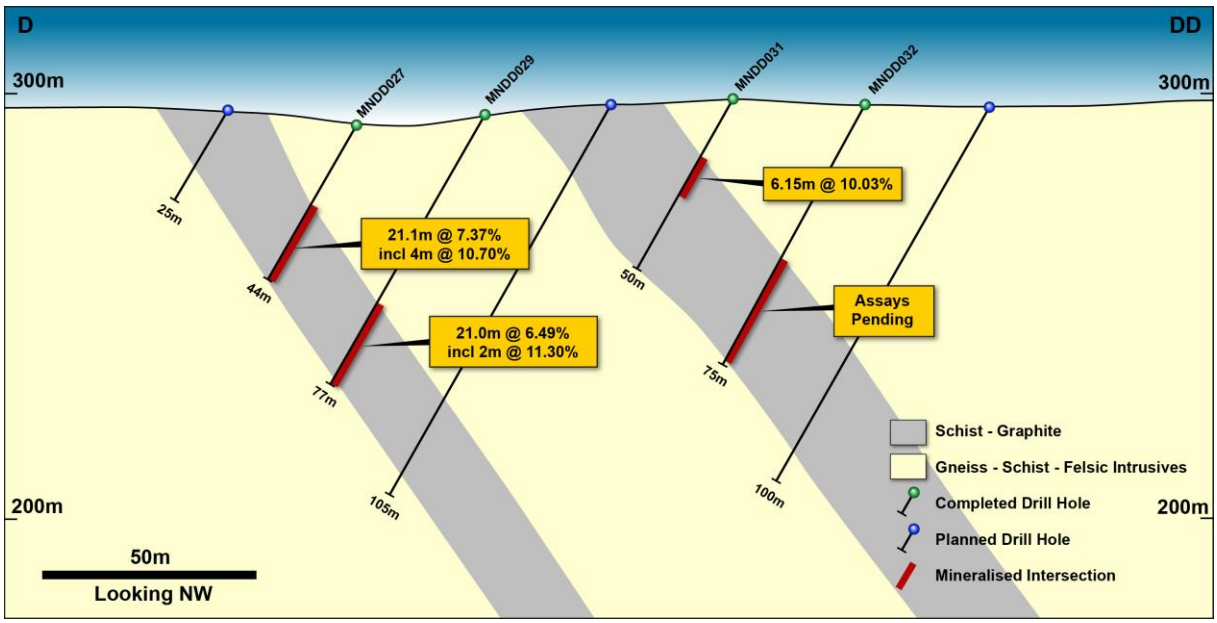

Figure 4d – Section DD (see Figure 3)

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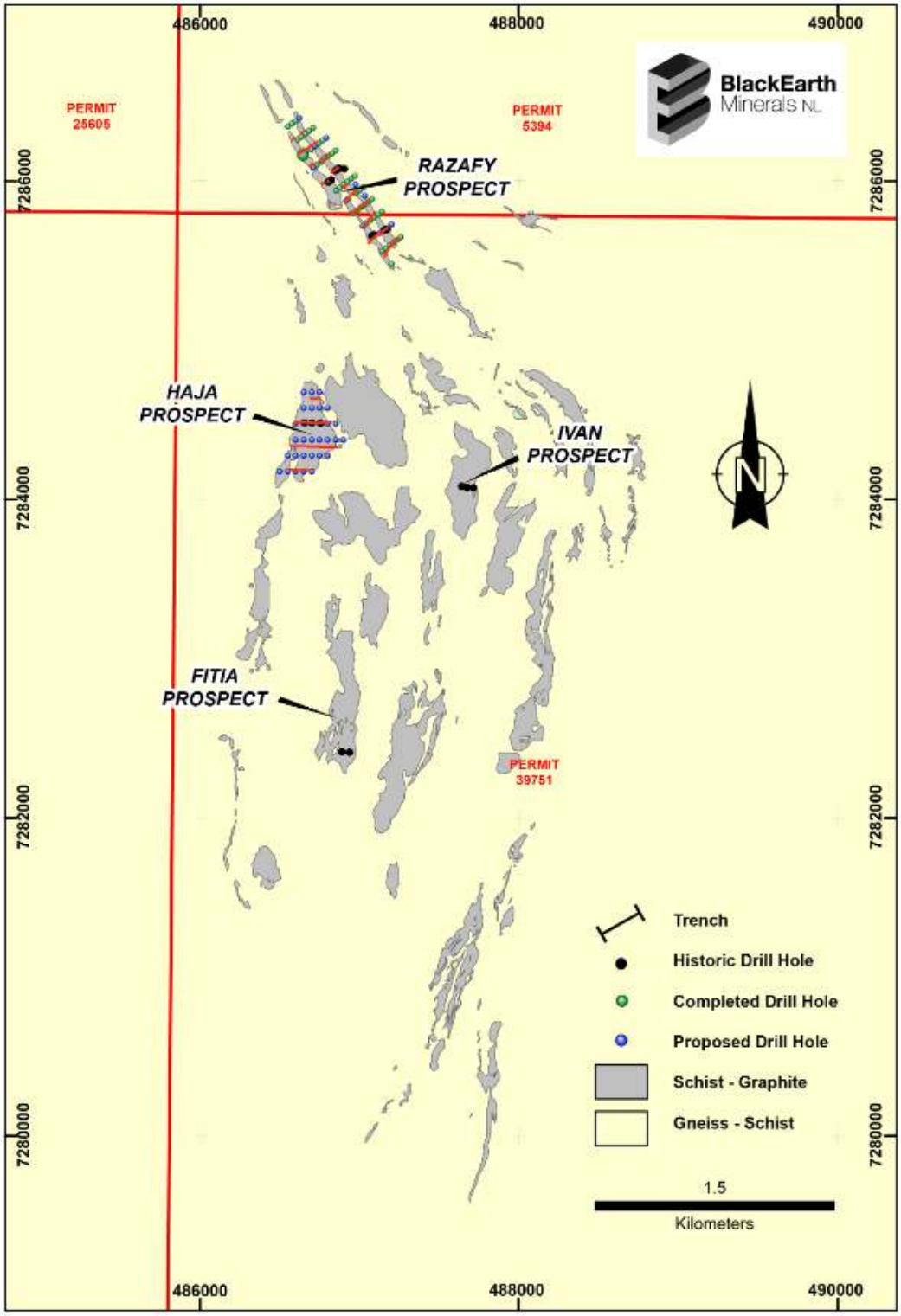

Figure 5 – Maniry Graphite Project Drill Targets

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MEDIA CONTACTS

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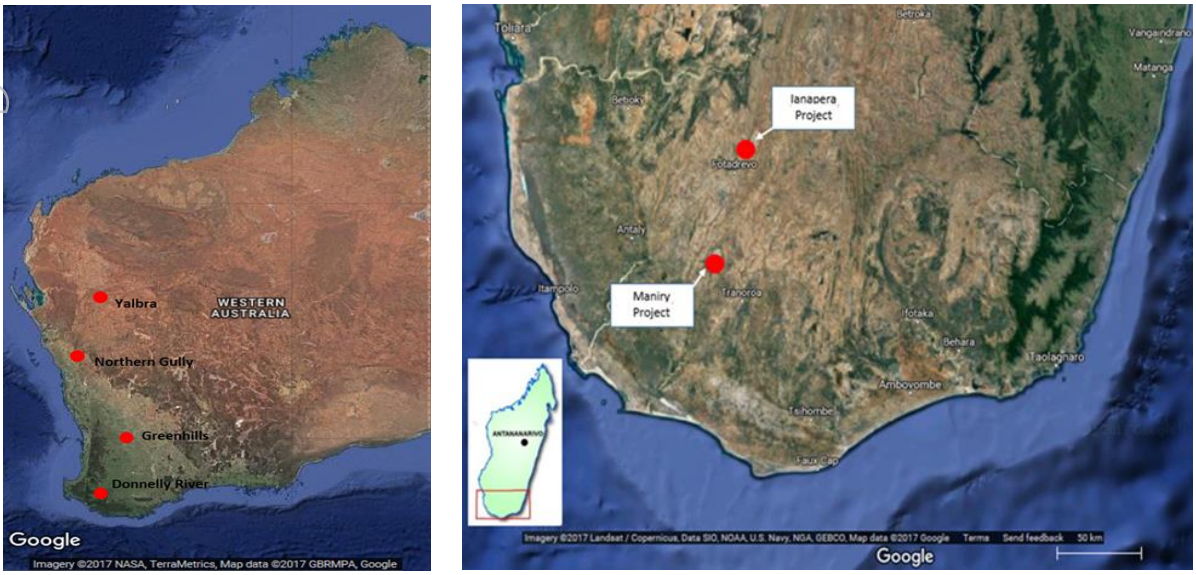
About BlackEarth Minerals NL
BlackEarth Minerals NL is an ASX listed company focused on the exploration and development of its 100% owned Madagascan and Western Australian graphite projects.



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.

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.

For more information – www.blackearthminerals.com.au

Appendix 1 – Table outlining drilling status of Razafy Drill Holes

Prospect	Hole_ID	Status	Easting	Northing	RL	Azi	Dip	Pl_Depth	EOH_Depth
Razafy	MNDD018	Complete	486,972	7,286,033	297	233	-60	100.00	104.12
Razafy	MNDD019	Complete	486,924	7,285,997	297	233	-60	35.00	49.06
Razafy	MNDD020	Complete	486,948	7,286,015	297	233	-60	75.00	77.25
Razafy	MNDD021	Complete	486,852	7,286,193	297	233	-60	100.00	99.86
Razafy	MNDD022	Complete	486,804	7,286,157	296	233	-60	45.00	42.84
Razafy	MNDD023	Complete	486,828	7,286,175	297	233	-60	75.00	75.56
Razafy	MNDD024	Complete	486,900	7,285,979	294	233	-60	100.00	103.93
Razafy	MNDD025	Complete	486,732	7,286,103	293	233	-60	35.00	41.51
Razafy	MNDD026	Complete	486,756	7,286,121	293	233	-60	70.00	74.64
Razafy	MNDD027	Complete	486,783	7,286,148	296	233	-60	35.00	43.72
Razafy	MNDD028	Complete	486,669	7,286,191	297	233	-60	105.00	104.83
Razafy	MNDD029	Complete	486,696	7,286,201	295	233	-60	70.00	76.72
Razafy	MNDD030	Complete	486,876	7,285,961	291	233	-60	75.00	74.08
Razafy	MNDD031	Complete	486,743	7,286,237	299	233	-60	45.00	49.97
Razafy	MNDD032	Complete	486,767	7,286,255	297	233	-60	75.00	75.22
Razafy	MNDD033	Complete	486,852	7,285,943	293	233	-60	40.00	41.03
Razafy	MNDD034	Complete	486,659	7,286,299	297	233	-60	105.00	113.77
Razafy	MNDD035	Complete	486,707	7,286,335	297	233	-60	75.00	86.49
Razafy	MNDD036	Complete	486,635	7,286,281	295	233	-60	70.00	66.82
Razafy	MNDD037	Complete	486,683	7,286,317	297	233	-60	45.00	48.22
Razafy	MNDD038	Complete	486,611	7,286,263	295	233	-60	35.00	34.31
Razafy	MNDD039	Complete	486,599	7,286,379	297	233	-60	30.00	55.72
Razafy	MNDD040	Complete	486,575	7,286,360	297	233	-60	70.00	80.32
Razafy	MNDD041	Complete	487,026	7,285,962	297	233	-60	90.00	90.35
Razafy	MNDD042	Complete	486,551	7,286,342	297	233	-60	35.00	37.72
Razafy	MNDD043	Complete	487,002	7,285,943	297	233	-60	65.00	65.52
Razafy	MNDD044	Complete	486,978	7,285,925	295	233	-60	25.00	28.72
Razafy	MNDD045	Complete	487,080	7,285,890	297	233	-60	100.00	99.22
Razafy	MNDD046	Complete	486,930	7,285,889	291	233	-60	75.00	75.18
Razafy	MNDD047	Complete	487,056	7,285,872	298	233	-60	75.00	54.67
Razafy	MNDD048	Complete	487,032	7,285,854	296	233	-60	35.00	23.17
Razafy	MNDD049	Complete	487,008	7,285,835	293	233	-60	100.00	100.07
Razafy	MNDD050	Complete	486,984	7,285,817	292	233	-60	75.00	66.18
Razafy	MNDD051	Complete	486,960	7,285,799	289	233	-60	40.00	32.37
Razafy	MNDD052	Complete	487,069	7,285,756	291	233	-60	100.00	96.07
Razafy	MNDD053	Complete	487,045	7,285,738	289	233	-60	70.00	69.18
Razafy	MNDD054	Complete	487,140	7,285,810	297	233	-60	100.00	87.87
Razafy	MNDD055	Complete	487,116	7,285,792	297	233	-60	75.00	65.37
Razafy	MNDD056	Complete	487,093	7,285,774	294	233	-60	35.00	31.02
Razafy	MNDD057	Complete	487,261	7,285,650	297	233	-60	100.00	101.50
Razafy	MNDD058	Complete	487,237	7,285,632	293	233	-60	70.00	69.74
Razafy	MNDD059	Complete	487,189	7,285,596	288	233	-60	100.00	104.43
Razafy	MNDD060	Complete	487,165	7,285,578	287	233	-60	75.00	81.18
Razafy	MNDD061	Complete	487,213	7,285,614	291	233	-60	35.00	30.97
Razafy	MNDD062	Complete	487,201	7,285,480	297	233	-60	40.00	43.30
Razafy	MNDD063	Complete	487,141	7,285,560	285	233	-60	40.00	48.20
Razafy	MNDD064	Complete	486,646	7,286,166	296	233	-60	25.00	27.20
Razafy	MNDD065	Current	486,708	7,286,085	297	233	-60	25.00	
Razafy		Planned	486,637	7,286,404	292	233	-60	45.00	
Razafy		Planned	487,021	7,285,719	286	233	-60	40.00	
Razafy		Planned	486,719	7,286,219	297	233	-60	105.00	
Razafy		Planned	486,791	7,286,273	297	233	-60	100.00	
Razafy		Planned	487,129	7,285,676	290	233	-60	100.00	
Razafy		Planned	487,201	7,285,730	297	233	-60	100.00	
Razafy		Planned	486,906	7,285,872	290	233	-60	35.00	
Razafy		Planned	486,998	7,285,996	297	233	-60	110.00	
Razafy		Planned	487,055	7,285,924	297	233	-60	100.00	

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Appendix 2 – Table of assay results from Razafy Drill Holes

Hole_ID	Sample_ID	From	To	Sample_Method	Date_Sampled	C/GRA_%
MNDD025	MNDS001005	10.7	12.1	HQQC	29-03-18	4.3
MNDD025	MNDS001006	12.1	13.3	HQQC	29-03-18	0.5
MNDD025	MNDS001007	13.3	15	HQQC	29-03-18	0.4
MNDD025	MNDS001008	15	16	HQQC	29-03-18	0.2
MNDD025	MNDS001009	16	17.9	HQQC	29-03-18	0.3
MNDD025	MNDS001010	17.9	19.1	HQQC	29-03-18	5.1
MNDD025	MNDS001011	19.1	20	HQQC	29-03-18	0.6
MNDD025	MNDS001012	20	21.4	HQQC	29-03-18	1.4
MNDD025	MNDS001013	21.4	23	HQQC	29-03-18	5.4
MNDD025	MNDS001014	21	23	HQQC	29-03-18	6
MNDD025	MNDS001015	23	24	HQQC	29-03-18	3.7
MNDD025	MNDS001016	24	26	HQQC	29-03-18	9.7
MNDD025	MNDS001017	26	28	HQQC	29-03-18	8
MNDD025	MNDS001018	28	30	HQQC	29-03-18	7.2
MNDD025	MNDS001019	30	32	HQQC	29-03-18	9.8
MNDD025	MNDS001020	32	34	HQQC	29-03-18	5.3
MNDD025	MNDS001021	34	36	HQQC	29-03-18	7.8
MNDD025	MNDS001022	36	38	HQQC	29-03-18	6.1
MNDD025	MNDS001023	38	39.1	HQQC	29-03-18	8.7
MNDD025	MNDS001025	39.1	40.5	HQQC	29-03-18	1.4
MNDD025	MNDS001026	40.5	41.51	HQQC	29-03-18	0.6
MNDD026	MNDS001027	47	48.86	HQQC	30-03-18	0.05
MNDD026	MNDS001028	48.86	50	HQQC	30-03-18	4.7
MNDD026	MNDS001029	50	52	HQQC	30-03-18	5.1
MNDD026	MNDS001030	52	54	HQQC	30-03-18	4.8
MNDD026	MNDS001031	54	56	HQQC	30-03-18	7.5
MNDD026	MNDS001033	56	57	HQQC	30-03-18	5.6
MNDD026	MNDS001034	57	59	HQQC	30-03-18	8.5
MNDD026	MNDS001035	59	61	HQQC	30-03-18	5
MNDD026	MNDS001036	61	63	HQQC	30-03-18	5.6
MNDD026	MNDS001037	63	65	HQQC	30-03-18	5.1
MNDD026	MNDS001038	65	67	HQQC	30-03-18	5
MNDD026	MNDS001039	67	67.95	HQQC	30-03-18	5.3
MNDD026	MNDS001040	67.95	69.3	HQQC	30-03-18	1.5
MNDD026	MNDS001041	69.3	70	HQQC	30-03-18	0.5
MNDD027	MNDS001043	19	20	HQQC	30-03-18	0.05
MNDD027	MNDS001044	20	21.5	HQQC	30-03-18	0.3
MNDD027	MNDS001045	21.5	23	HQQC	30-03-18	4.9
MNDD027	MNDS001046	21	23	HQQC	30-03-18	4.7
MNDD027	MNDS001047	23	25	HQQC	30-03-18	8.3
MNDD027	MNDS001048	25	27	HQQC	30-03-18	5.9
MNDD027	MNDS001049	27	29	HQQC	30-03-18	7.7
MNDD027	MNDS001050	29	31	HQQC	30-03-18	6.4
MNDD027	MNDS001051	31	33	HQQC	30-03-18	10.3
MNDD027	MNDS001052	33	35	HQQC	30-03-18	11.1

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MNDD027	MNDS001053	35	37	HQQC	30-03-18	5.7
MNDD027	MNDS001054	37	39	HQQC	30-03-18	7.2
MNDD027	MNDS001055	39	41	HQQC	30-03-18	6.7
MNDD027	MNDS001057	41	42.1	HQQC	30-03-18	6.5
MNDD027	MNDS001058	42.1	43.1	HQQC	30-03-18	0.5
MNDD027	MNDS001059	43.1	43.72	HQQC	30-03-18	3
MNDD028	MNDS001060	0	2	HQQC	30-03-18	4.2
MNDD028	MNDS001061	2	4	HQQC	30-03-18	4
MNDD028	MNDS001062	4	6	HQQC	30-03-18	4
MNDD028	MNDS001063	6	8	HQQC	30-03-18	3.7
MNDD028	MNDS001064	8	10	HQQC	30-03-18	4
MNDD028	MNDS001065	10	12	HQQC	30-03-18	6.4
MNDD028	MNDS001066	12	14	HQQC	30-03-18	7.4
MNDD028	MNDS001067	14	16	HQQC	30-03-18	3.7
MNDD028	MNDS001069	16	18	HQQC	30-03-18	5.4
MNDD028	MNDS001070	18	20	HQQC	30-03-18	5.8
MNDD028	MNDS001071	20	22	HQQC	30-03-18	6.1
MNDD028	MNDS001072	22	23	HQQC	30-03-18	2
MNDD028	MNDS001073	23	24	HQQC	30-03-18	1.1
MNDD028	MNDS001074	24	25.9	HQQC	30-03-18	1.8
MNDD028	MNDS001075	25.9	27.2	HQQC	30-03-18	1.1
MNDD028	MNDS001076	35	36	HQQC	30-03-18	0.7
MNDD028	MNDS001077	36	37.24	HQQC	30-03-18	3.9
MNDD028	MNDS001078	37.24	38	HQQC	30-03-18	4.2
MNDD028	MNDS001079	38	39.35	HQQC	30-03-18	5.3
MNDD028	MNDS001080	39.35	41	HQQC	30-03-18	2.4
MNDD028	MNDS001082	41	41.65	HQQC	30-03-18	3.4
MNDD028	MNDS001083	41.65	43	HQQC	30-03-18	0.2
MNDD028	MNDS001084	75	76	HQQC	30-03-18	0.3
MNDD028	MNDS001085	76	77	HQQC	30-03-18	6.2
MNDD028	MNDS001087	77	78.8	HQQC	30-03-18	9.5
MNDD028	MNDS001088	78.8	80	HQQC	30-03-18	0.05
MNDD028	MNDS001089	80	82	HQQC	30-03-18	0.05
MNDD028	MNDS001090	82	83	HQQC	30-03-18	0.05
MNDD028	MNDS001091	83	84.3	HQQC	30-03-18	1.3
MNDD028	MNDS001092	84.3	86	HQQC	30-03-18	9.6
MNDD028	MNDS001093	86	88	HQQC	30-03-18	4.7
MNDD028	MNDS001094	88	90	HQQC	30-03-18	9.5
MNDD028	MNDS001095	90	92	HQQC	30-03-18	9.4
MNDD028	MNDS001097	92	94	HQQC	30-03-18	6.8
MNDD028	MNDS001098	94	96	HQQC	30-03-18	8.9
MNDD028	MNDS001099	96	98	HQQC	30-03-18	5.7
MNDD028	MNDS001100	98	100	HQQC	30-03-18	6.6
MNDD028	MNDS001101	100	102	HQQC	30-03-18	4.8
MNDD028	MNDS001102	102	103.3	HQQC	30-03-18	7.5
MNDD028	MNDS001103	103.3	104	HQQC	30-03-18	1.1
MNDD028	MNDS001104	104	104.83	HQQC	30-03-18	1.1
MNDD029	MNDS001105	0	2	HQQC	31-03-18	2.8

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MNDD029	MNDS001106	2	4	HQQC	31-03-18	4.7
MNDD029	MNDS001107	4	5.15	HQQC	31-03-18	3
MNDD029	MNDS001108	5.15	6	HQQC	31-03-18	0.3
MNDD029	MNDS001109	6	7.4	HQQC	31-03-18	0.1
MNDD029	MNDS001110	50	51.2	HQQC	31-03-18	0.05
MNDD029	MNDS001111	51.2	53	HQQC	31-03-18	5.3
MNDD029	MNDS001112	53	55	HQQC	31-03-18	5.7
MNDD029	MNDS001114	55	57	HQQC	31-03-18	6.3
MNDD029	MNDS001115	57	59	HQQC	31-03-18	6.8
MNDD029	MNDS001116	59	61	HQQC	31-03-18	3.8
MNDD029	MNDS001117	61	63	HQQC	31-03-18	6.7
MNDD029	MNDS001118	63	65	HQQC	31-03-18	6.8
MNDD029	MNDS001119	65	67	HQQC	31-03-18	11.3
MNDD029	MNDS001120	67	69	HQQC	31-03-18	7.3
MNDD029	MNDS001121	69	71	HQQC	31-03-18	5
MNDD029	MNDS001122	71	72	HQQC	31-03-18	6.2
MNDD029	MNDS001124	72	73	HQQC	31-03-18	2.3
MNDD029	MNDS001125	73	74.8	HQQC	31-03-18	3.6
MNDD029	MNDS001126	74.8	76	HQQC	31-03-18	1.6
MNDD029	MNDS001127	76	76.72	HQQC	31-03-18	1.2
MNDD030	MNDS001128	24	25.15	HQQC	01-04-18	0.5
MNDD030	MNDS001129	25.15	27	HQQC	01-04-18	7.9
MNDD030	MNDS001130	25	27	HQQC	01-04-18	7.3
MNDD030	MNDS001131	27	27.7	HQQC	01-04-18	0.6
MNDD030	MNDS001132	27.7	29	HQQC	01-04-18	0.4
MNDD030	MNDS001133	41	42.8	HQQC	01-04-18	0.9
MNDD030	MNDS001134	42.8	44.7	HQQC	01-04-18	0.5
MNDD030	MNDS001135	44.7	46	HQQC	01-04-18	6.9
MNDD030	MNDS001136	46	48	HQQC	01-04-18	8.1
MNDD030	MNDS001137	48	49.6	HQQC	01-04-18	6
MNDD030	MNDS001138	49.6	51	HQQC	01-04-18	6.6
MNDD030	MNDS001139	51	53	HQQC	01-04-18	7.8
MNDD030	MNDS001140	53	55	HQQC	01-04-18	12.4
MNDD030	MNDS001141	55	57	HQQC	01-04-18	10.5
MNDD030	MNDS001143	57	59	HQQC	01-04-18	9.8
MNDD030	MNDS001144	59	61	HQQC	01-04-18	10.5
MNDD030	MNDS001145	61	63	HQQC	01-04-18	8.6
MNDD030	MNDS001146	63	65	HQQC	01-04-18	5.2
MNDD030	MNDS001147	65	67	HQQC	01-04-18	4.6
MNDD030	MNDS001148	67	69	HQQC	01-04-18	5.8
MNDD030	MNDS001149	69	70.3	HQQC	01-04-18	5.7
MNDD030	MNDS001150	70.3	72	HQQC	01-04-18	0.6
MNDD030	MNDS001151	72	73.08	HQQC	01-04-18	0.7
MNDD030	MNDS001152	72	73.08	HQQC	01-04-18	1
MNDD030	MNDS001153	73.08	74.08	HQQC	01-04-18	1.3
MNDD031	MNDS001154	0	2	HQQC	01-04-18	0.7
MNDD031	MNDS001155	2	4	HQQC	01-04-18	0.9
MNDD031	MNDS001156	4	5	HQQC	01-04-18	0.6

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MNDD031	MNDS001157	5	6.1	HQQC	01-04-18	0.2
MNDD031	MNDS001158	6.1	8	HQQC	01-04-18	1.1
MNDD031	MNDS001159	8	9.25	HQQC	01-04-18	4.6
MNDD031	MNDS001160	9.25	10.2	HQQC	01-04-18	1.2
MNDD031	MNDS001161	10.2	11	HQQC	01-04-18	4.7
MNDD031	MNDS001163	11	12.2	HQQC	01-04-18	1.4
MNDD031	MNDS001164	12.2	13.72	HQQC	01-04-18	0.7
MNDD031	MNDS001165	13.72	15.32	HQQC	01-04-18	1.6
MNDD031	MNDS001166	15.32	17	HQQC	01-04-18	4.6
MNDD031	MNDS001167	17	19	HQQC	01-04-18	5
MNDD031	MNDS001168	19	21	HQQC	01-04-18	9.6
MNDD031	MNDS001169	21	23	HQQC	01-04-18	9.4
MNDD031	MNDS001170	23	24	HQQC	01-04-18	7.5
MNDD031	MNDS001171	24	25.15	HQQC	01-04-18	13.6
MNDD031	MNDS001172	24	25.15	HQQC	01-04-18	11.9
MNDD031	MNDS001173	25.15	27	HQQC	01-04-18	0.7
MNDD031	MNDS001174	27	29	HQQC	01-04-18	3.1
MNDD031	MNDS001175	29	30.75	HQQC	01-04-18	4.9
MNDD031	MNDS001176	30.75	31.5	HQQC	01-04-18	0.6
MNDD031	MNDS001177	31.5	33	HQQC	01-04-18	5.3
MNDD031	MNDS001178	33	34	HQQC	01-04-18	3.8
MNDD031	MNDS001179	34	35.6	HQQC	01-04-18	3.6
MNDD031	MNDS001180	35.6	37.3	HQQC	01-04-18	0.3
MNDD031	MNDS001181	37.3	39	HQQC	01-04-18	4.2
MNDD031	MNDS001183	39	41	HQQC	01-04-18	5.3
MNDD031	MNDS001184	41	43	HQQC	01-04-18	7
MNDD031	MNDS001185	43	45	HQQC	01-04-18	5.7
MNDD031	MNDS001186	45	47	HQQC	01-04-18	7.3
MNDD031	MNDS001187	47	48.5	HQQC	01-04-18	4.4
MNDD031	MNDS001188	48.5	49.97	HQQC	01-04-18	0.4

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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.*	Diamond drilling program - Sampling will consist of 2m composite samples of quarter core. Samples will be cut using a diamond blade core saw. Duplicate samples will be collected every 20th sample for QAQC purposes. CRM's will be inserted every 20th Sample for QAQC purposes. Sampling is considered to be comprehensive and representative. Remaining core was retained as a permeant reference. Graphitic Carbon content is measured at a laboratory using a CS analyser.
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. Core size is HQ and NQ typically in 0.5-1.5m runs. Core from a select number of holes will be 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 is routinely recorded every metre by a trained geologist. No bias or relationship is observed at this point between recovery and grade. Recovery is typically +80% within weathered rock, and +95% in fresh rock in nearly all instances.
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.*	All holes are logged by a qualified and experienced geologist. All logging included descriptions of geotechnical, mineralisation, structural and lithological aspects of the core and was digitally

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	· *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* · *The total length and percentage of the relevant intersections logged.*	recorded using an industry standard code system. Core is 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.*	Quarter core will be cut using a diamond core saw and collected for assay. 2 metre composite sampling are deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples are taken (remaining quarter core) every 20th sample for QAQC purposes
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 (i.e. lack of bias) and precision have been established.*	Assaying is undertaken by Intertek Genalysis in Perth (Aus). Samples are pulverised to 75 micron, roasted to 420deg and digested with a weak acid. Final analysis is undertaken by CS analyser (Code: C73/CSA). This method is considered total. Standards and duplicates are routinely inserted every 20th sample by the BEM technical team as well as internal QAQC from the laboratory. No issues been observed with QAQC.
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 intersections have been verified by alternative company personnel. No twin holes have been undertaken. All date is recorded digitally using a standard logging system and files are stored in an industry standard 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.*	The position of drill collars are recorded using a handheld GPS (accurate to 3m), these will be picked up using a DGPS once the drill program is complete. Projection and grid systems used: UTM (WGS84 Z38S). The down hole azimuth

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	· *Quality and adequacy of topographic control.*	and dip is recoded using a Magshot instrument (Accurate to 1deg)
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 intervals are typically between 0.5-2.0m. Data has not been used for resource estimation at this point.
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.* · *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.*	The orientation of the drilling is not expected to introduce sampling bias. Most drill holes have intersected the mineralisation at near perpendicular angles to the strike and dip of the mineralised units.
Sample security	· *The measures taken to ensure sample security.*	Samples are cut and sampled on site before being transported to the company sample preparation facility in Antananarivo for preparation. Samples will then be freighted by DHL to Intertek Genalysis in Perth (Aus) for assay. It is reasoned that the samples will be under sufficient security.
Audits or reviews	· *The results of any audits or reviews of sampling techniques and data.*	Sampling procedure has been reviewed by an external auditor (Sigma Blue Pty. Ltd.)

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 5394 & 3432 • The tenements are located within the inland South West of Madagascar approximately centred on the township of Ampanihy. • Tenements are held 100% by Mada-Aust SARL Ultimately a wholly owned subsidiary of Black Earth Minerals Ltd. through Madagascar Graphite. • 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.

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Exploration done by other parties	· *Acknowledgment and appraisal of exploration by other parties.*	Regional mapping by BRGM, Historical diamond drilling and trenching by Malagasy Minerals. Ltd. (2014-2016)
Geology	· *Deposit type, geological setting and style of mineralisation.*	The project overlies a prominent 20km wide zone consisting of a folded 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.*	Refer to table within text
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.*	Significant results reported are weighted averages based upon sample length and grade. No cut offs applied.
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.*	Drilling has intersected the mineralised units at a near perpendicular angle, however at this point the true width of mineralisation is not known.

	· *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').*	
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.*	All significant results
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.*	Refer to BEM Prospectus.
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.*	Further assay results to be received.

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