

ASX Release: 31 January 2018

ASX Code: BEM

BLACKEARTH QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2017

- **BlackEarth Minerals NL (ASX: BEM) lists on 19 January 2018; BEM raised \$5.45m as part of its IPO**
- **BEM completed the acquisition of the Maniry and Ianapera graphite projects located in Madagascar**
- **BEM completed the acquisition of Lithium Australia NL's (ASX: LIT) Western Australian graphite assets**

Following the lodgement by BlackEarth Minerals NL (ASX: BEM) (the Company or BlackEarth) Replacement Prospectus ("Prospectus") to the Australian Securities and Investments Commission on 24 November 2017, the Company received \$5.455M from 658 applications for a total of 27,275,500 fully paid shares and 13,637,750 partly paid shares attached to the fully paid ordinary shares on a 1-for-2 basis and subsequently listed on the ASX on 19 of January 2018.

BEM completed the acquisition of the Maniry and Ianapera Madagascan graphite projects by satisfying all conditions precedent which included the provision of the final payment of \$75,000 and issue of 2,000,000 shares to Capricorn Metals Ltd (ASX: CMM). The acquisition included exploration tenements 25605, 25606, 3432, 39750, 39751 and exploitation tenements 5391, 5392, 5393, 5394, 25093 and 25094. The Company's Prospectus contains a detailed independent geological assessment of these tenements.

The Company also confirmed the completion of the WA acquisition agreement between the Company and Lithium Australia NL (ASX:LIT) dated 17 July 2017, including the issue of 1,000,000 shares to LIT. The acquisition included exploration licences E70/4824, E70/4825, E70/4903 E70/4906, E70/4811, E70/4812, E66/95, E70/4972 and E09/2234 in Western Australia. An extensive independent geological review is contained in the Company's Prospectus.



Graphite Outcrop - Maniry Project, Madagascar

SUBSEQUENT EVENTS:

- * The Company announced its intentions on 19 January 2018 to commence drilling at the Maniry graphite project in Madagascar in February 2018
- * The Company has further enhanced its Madagascan, graphite and geological credentials with the engagement of OMNI GEOX, an Australian exploration services company headed by experienced exploration geologist, Mr Peter Langworthy. The Company also announced the engagement of geology resource specialist, Ms Annick Manfrino to join the BEM team (announced: 23 January 2018).

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 currently expected to be completed by mid-2018. Results, from samples taken within 50m of surface, have been received and include 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 please visit – 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.

SCHEDULE OF MINING TENEMENTS

Details of Mining Tenements at Quarter ended 31 December 2017			
(ASX Listing Rule 5.3.3)			
Australia			
Tenement ID	Location	State	Interest
E66/95	Northern Gully	WA	100%
E70/4811	Kauring, Greenhills	WA	100%
E70/4812	Kauring, Greenhills	WA	100%
E70/4824	Yanmah, Donelly	WA	100%
E70/4825	Manjimup, Donelly	WA	100%
E70/4903	Kauring, Greenhills	WA	100%
E70/4906	Kauring, Greenhills	WA	100%
International			
Tenement ID	Location	Country	Interest
PR25605	Maniry	Madagascar	100% *
PR25606	Maniry	Madagascar	100% *
PR3432	Maniry	Madagascar	100% *
PR39750	Maniry	Madagascar	100% *
PR39751	Maniry	Madagascar	100% *
PE5394	Maniry	Madagascar	100% *
PE5391	Ianapera	Madagascar	100% *
PE5392	Ianapera	Madagascar	100% *
PE5393	Ianapera	Madagascar	100% *
PE25093	Ianapera	Madagascar	100% *
PE25094	Ianapera	Madagascar	100% *
* The acquisition of these tenements from Capricorn Metals Limited ASX: CMM was completed in January 2018			

CORPORATE INFORMATION

(31 January 2018)
61 million Fully paid ordinary shares
28 million \$0.25 partly paid shares paid to
\$0.0001 and unpaid \$0.2499
2.75 million Unlisted \$0.30 options
\$13.98 million Market capitalisation

CONTACT DETAILS

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6005

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www.blackearthminerals.com.au

BOARD OF DIRECTORS

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

MEDIA CONTACTS

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BlackEarth Minerals NL

ABN

66 610 168 191

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(8)	(26)
(b) development	-	-
(c) production	-	-
(d) staff costs	(21)	(28)
(e) administration and corporate costs	(154)	(203)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	8	8
1.9 Net cash from / (used in) operating activities	(174)	(248)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	(4)
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(60)	(80)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Proceeds from IPO shares in trust)	2,027	2,027
3.10	Net cash from / (used in) financing activities	1,967	1,943

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	242	340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(174)	(248)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,967	1,943
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,035	2,035

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	-	6
5.2	Call deposits (IPO shares in trust)	2,035	236
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,035	242

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

28

-

Payments to directors and employees for services to the economic entity.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (BEMPP's)	3,873	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

BEMPP's - Current outstanding amounts on BEMPP – 25 cent contributing shares
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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	496
9.2	Development	-
9.3	Production	-
9.4	Staff costs	135
9.5	Administration and corporate costs	58
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	689

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

COMPLIANCE STATEMENT

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: “Barry Woodhouse” Date: 31 January 2018
(~~Director~~/Company secretary)

Print name: Barry Woodhouse.

Notes

1. The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.