

21 June 2021

ASX Announcement

BLACKEARTH SIGNS OFFTAKE AGREEMENT WITH LEADING EUROPEAN BASED GRAPHITE PROCESSOR

Highlights

- BlackEarth has signed an Offtake and Sales agreement ("the Agreement") with Grafitbergbau Kaisersberg GmbH ("Grafitbergbau"), Austria – a Company with extensive experience in the development of Graphite downstream products
- Grafitbergbau has been in operation for over 50 years and is recognised within Europe as an industry leader with an extensive supply chain to Tier 1 Companies and the EV sector
- The Agreement provides for BlackEarth / Metachem to sell, from their proposed Expandable Graphite plant, up to 2,500 tonnes per annum of expandable graphite worth around US\$7.5m per annum (*note 1*) and is to commence as soon as the proposed BlackEarth / Metachem plant development is completed
- The Agreement is an endorsement of Metachem's product quality and the proposed BlackEarth / Metachem supply of Expandable Graphite
- The Agreement has been facilitated by BlackEarth's Sales and Marketing Partners in Europe, LuxCarbon, and is intended to be the first of a number of planned Offtake and Supply agreements
- Agreement provides the foundation for the Expandable Plant development and also BlackEarth's large scale Graphite concentrate plant in Madagascar
- BlackEarth well positioned for expansion with projected cash position at 30 June 2021 of circa A\$6.7m

BlackEarth Managing Director, Tom Revy, commented - "This Agreement provides an enormous boost to our planned JV with Metachem and the development of our plant in the leading graphite processing location of India.

By making this commitment to buy our product in the future, Grafitbergbau has shown enormous confidence in BlackEarth/ Metachem and not only is this an endorsement of the Expandable Graphite produced by Metachem and what is proposed, the Agreement also ensures we now have commitments in advance for our future production in India.

The Agreement also assists to underpin our proposed plant development in Madagascar, as concentrate from this development will be provided to our downstream operations with Metachem as soon as this is available.

Our Partners in Germany, LuxCarbon, have been instrumental in creating this Offtake opportunity for us and we're excited to be dealing with Grafitbergbau, a Company that is one of the largest buyers and developers of Expandable Graphite products in Europe".



Figure 1 – Grafitbergbau operations in Austria



GRAFITBERGBAU KAISERSBERG

About Grafitbergbau and their supply chain

Over the last 50 years, Grafitbergbau has developed into a globally active, customer and solution-oriented graphite company.

The Company has focused on the development of new applications over the past 30 years in cooperation with customers, universities and international research institutions. As a result of this, Grafitbergbau has created high-quality graphite downstream and niche products for the national and international markets and has become a leading supplier to Tier 1 companies in Europe and Internationally.

Grafitbergbau uses its developed and enhanced products for fire resistant applications, radiation controls and a variety of other downstream uses and implementation in to the EV and alternative energy markets.

The Company has an extensive share of the supply of Expandable Graphite in to the growing European market and will use product acquired from BlackEarth/ Metachem to make specific application and materials for their vast market and client base.

Demand for Expandable Graphite Growth and Projections

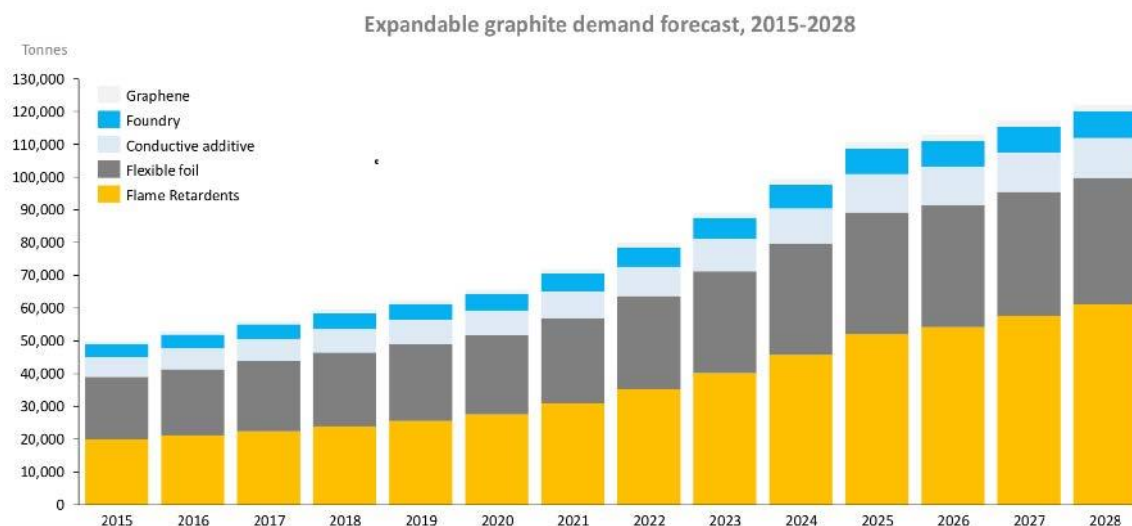


Figure 2 – Expandable Graphite demand and growth – Source: - Benchmark Mineral Intelligence

About and the application of Expandable Graphite

Approximately 35% of expandable graphite production is processed into fire retardants. This is the single biggest end market for expandable graphite. The remaining product is processed into flexible graphite which is the precursor to a number of end products such as graphite foils for use in the **automotive, EV and alternative energy sectors.**

Rapid demand growth is also forecast due to the increasing use of high energy density batteries in mobile devices.

Demand for Expandable Graphite Growth – Flame Retardant Projections

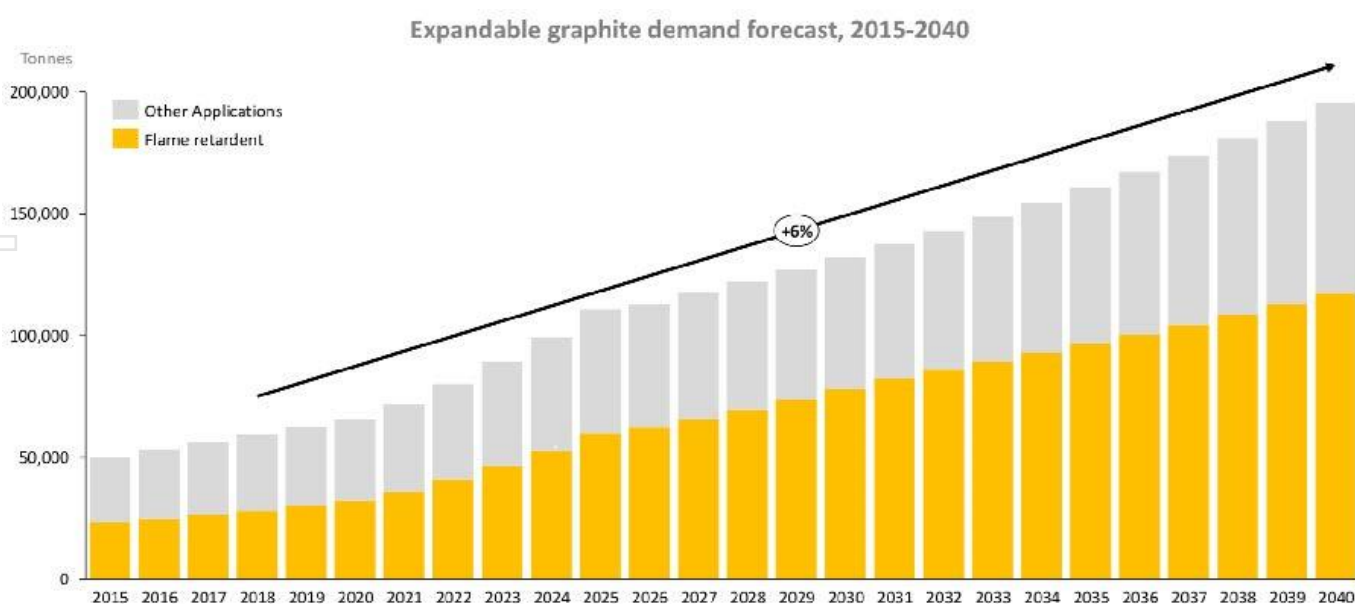


Figure 4 – Fire Retardant use as a portion of Expandable Graphite demand and growth – Source: - Benchmark Mineral Intelligence

The Global Expandable Graphite Market is expected to grow from US\$202.8m in 2020 to around US\$351.9 Million by 2027 (source – [globalnewswire.com](https://www.globalnewswire.com)). Such growth and demand for a range of products and applications provides BlackEarth with an enormous opportunity.

BlackEarth's partnership with LuxCarbon, Germany

As announced in February 2021, BlackEarth has secured a supply and marketing agreement with world leading German based graphite supply chain group, LuxCarbon.

The BlackEarth executive team has held ongoing discussions with LuxCarbon about securing and growing a supply of downstream graphite products, including Expandable Graphite, and we are highly encouraged by the demand and interest of products we are likely to produce with Metachem.

LuxCarbon have an extensive supply chain in Europe and currently supply graphite related products to Volkswagen, Mercedes, Ford and a range of chemical companies and other industries in Europe.

We are working closely with LuxCarbon to secure and expand supply agreements and plan to initiate a number of downstream product off-take agreements with tier 1 users in the short term.

This release has been authorised by the Company's Disclosure Committee

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BlackEarth encourages investors to update their contact details to stay up to date with Company news and announcements here: <http://www.blackearthminerals.com.au/update-details/>

For more information – www.blackearthminerals.com.au

References

Note 1 – Indmin.com / ubs.com valuations

Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which BlackEarth operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

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