

Ref: /BSX/609/BSX048

Blackstone Quadruples Cobalt-Gold Target Zone at the High Grade Little Gem Project

Blackstone Minerals Limited (ASX code: BSX), is pleased to announce that the Company has **acquired extensive land holdings along strike from the High Grade Little Gem Cobalt-Gold Project.**

The new acquisition sees the Company take control of a **commanding land position over a mineralised belt proven to host very high grade gold and cobalt.** Blackstone has increased its target strike zone from 12 km to over 48 km of strike, with the Little Gem Project now covering some 335 square kilometres of tenure.

This latest acquisition follows Blackstone's first phase of exploration at the newly acquired Project, where the Company has confirmed high grade cobalt (up to 6.2%) and gold (up to 137 g/t) mineralisation is associated with the contact between serpentinized ultramafics and granodiorites. This style of mineralisation is **analogous to the world class Bou-Azzer District of Morocco, which has produced over 100,000 tonnes of Cobalt metal and tens of tons of Gold.**

Highlights of the Little Gem Project include:

- Recent rock chip sample from historical adits returned **6.2% cobalt & 46 g/t gold** (Refer BSX Announcement 26 July 2017);
- Surface channel samples of massive sulphides return assays up to **0.4 m @ 5.7% cobalt & 1,574 g/t (≈50 oz) gold** and **1.8 m @ 5.1% cobalt & 17.8 g/t gold** (Refer BSX Announcement 26 July 2017);
- Underground adit channel sampling of massive sulphides return multiple high grade intersections including **1.8 m @ 4.4% cobalt & 73 g/t gold** and **2 m @ 3.1% cobalt & 76 g/t gold** (Refer BSX Announcement 26 July 2017);
- Historic drilling from the adits returned multiple intersections including **1.8 m @ 2.4% cobalt & 112 g/t gold**, **3.3 m @ 1.4% cobalt & 12.3 g/t gold** and **2.9 m @ 0.9% cobalt & 12 g/t gold** (Refer BSX Announcement 26 July 2017);
- Discovery of a new prospect (**Roxey**), **located 1.5 km along strike from Little Gem and hosting surface mineralisation** of up to **24 g/t gold & 1.9% copper** (Refer BSX Announcement 6 September 2017);

BLACKSTONE FAST FACTS

Shares on Issue	60.8m
Share Price	\$0.50
Market Cap	\$30.4m
ASX Code	BSX

BOARD & MANAGEMENT

Non-Exec Chairman
Hamish Halliday

Managing Director
Scott Williamson

Technical Director
Andrew Radonjic

Non-Exec Directors
Bruce McFadzean
Stephen Parsons
Michael Konnert

Joint Company Secretaries
Michael Naylor
Jamie Byrde

ADVANCING THE FOLLOWING PROJECTS:

High Grade 5% Cobalt & 30g/t Gold

Little Gem Project
British Columbia, Canada

Cartier Cobalt Project
Quebec, Canada

Gold and Nickel Projects
Western Australia

-Silver Swan South
-Middle Creek
-Red Gate

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M I N E R A L S

- Verification rock chip samples taken by Blackstone at **Little Gem** returned results of up to **5.0% cobalt & 34 g/t gold, 4.8% cobalt & 89 g/t gold** and **0.65% cobalt & 137 g/t gold** (Refer BSX Announcement 6 September 2017);
- Recent work confirms high grade cobalt and gold mineralisation at Little Gem is **open both along strike and down dip**;
- The Little Gem Project now covers an area of 335 km² and is favourably located **along strike from the Bralorne-Pioneer mining complex (endowment of 4.4 Moz at 17 g/t Au)** which retains the status of the foremost gold producer in British Columbia and the sixth largest in Canada (Refer Figures One and Two).

Blackstone's Managing Director commented; *"Having only recently secured the acquisition, the Company is delighted to have been able to substantially grow Little Gem, into a project with real scale, particularly in a district which hosts such compelling high grade cobalt and gold mineralisation. Blackstone looks forward to an aggressive exploration campaign over the coming year."*

Figure One | Location of the Little Gem Project

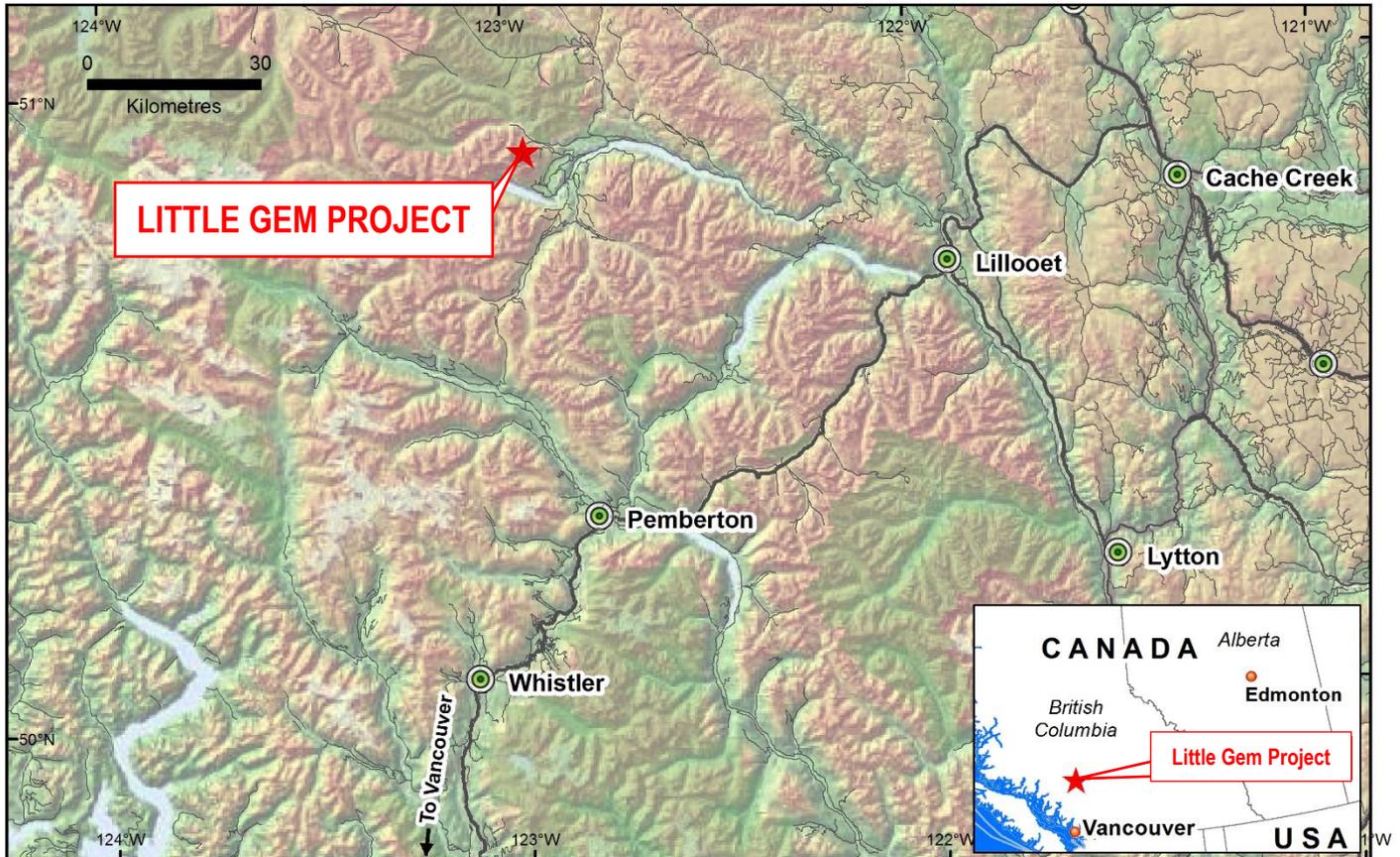
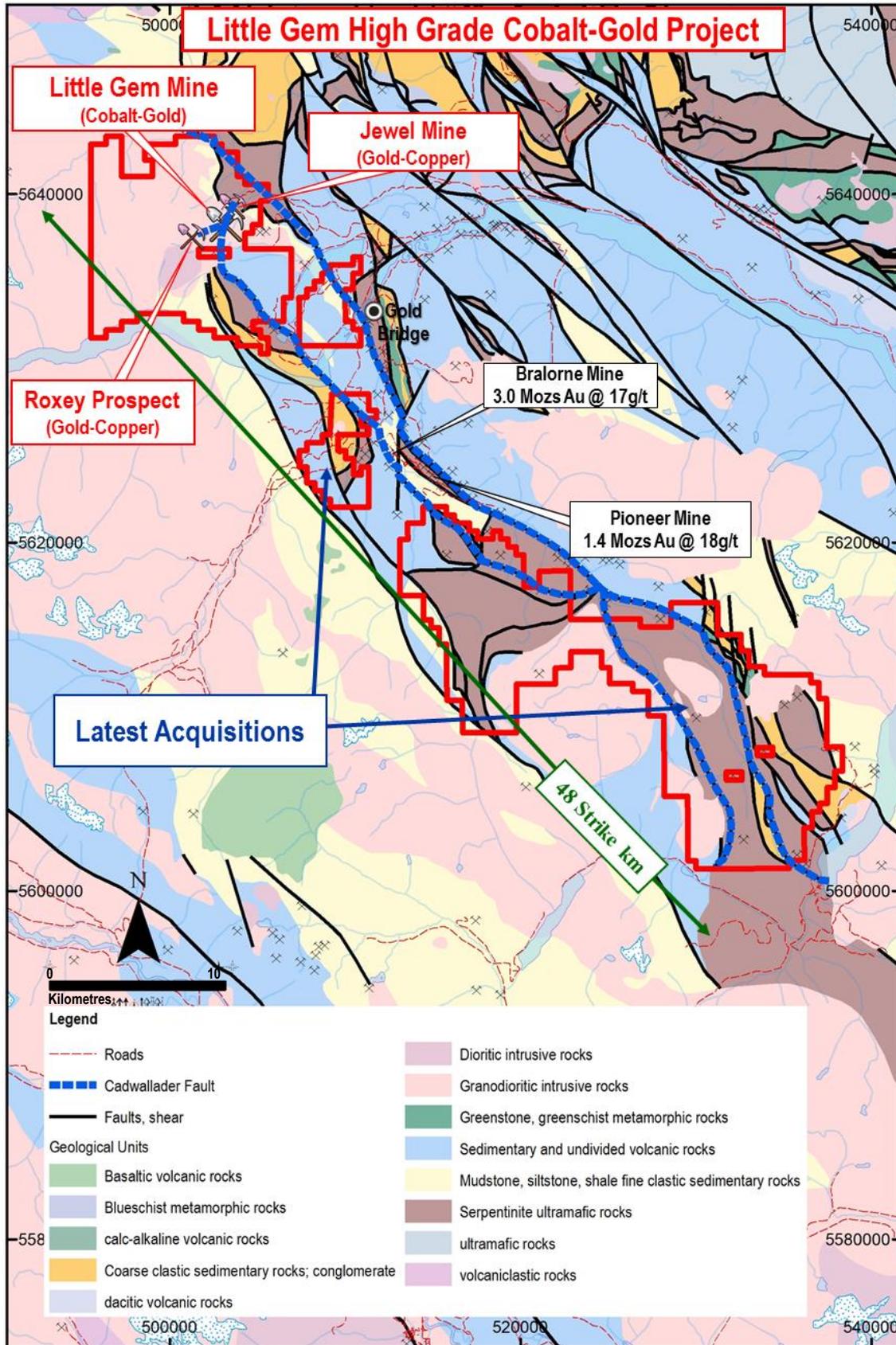


Figure Two | Little Gem Tenements



Blackstone's new acquisition through direct application is 100% directly owned, has strongly positioned the Company with 335 km² of a mineralised belt proven to host very high grade gold and cobalt. Expansion of the Little Gem Project has increased the target strike zone from 12 km to over 48 km and hence has grown the area of the Cadwallader fault zone within Blackstone's tenure (Refer Figure Two) which includes the contact between serpentinized ultramafics and granodiorites that the Company has shown to be the focus for high grade cobalt and gold mineralisation in the district.

This style of mineralisation is analogous to the world class Bou-Azzer District of Morocco, which has produced over 100,000 tonnes of Cobalt metal and tens of tons of Gold. Bou Azzer has more than 60 cobalt-arsenide orebodies and is one of the few deposits in the world where cobalt is produced as the primary metal. The district has been an important source of cobalt for the global market since mining began there in 1928. By the early 1980s, the Bou Azzer deposits had produced more than 50,000 t of cobalt metal, and with recent production rates in the order of 1,800 t per annum, the district continues to make significant contributions having commonly generated up to 8% of the annual world cobalt output. In addition, Gold has been recovered as a by-product of cobalt extraction since the 1930s and is known to occur in some deposits up to several ounces per tonne.

Little Gem is mostly underlain by granite of the Coast Plutonic Complex and ultramafic rocks on what is interpreted to be the northern extension of the Cadwallader fault zone (Refer Figure Two). These are the major geological units and structures important to the mineral deposits either as the host rocks or sources of the mineralising fluids that gave rise to the Bridge River mining camp. The camp has 60 mineral localities including the Bralorne-Pioneer mining complex (endowment of 4.4 Moz at 17 g/t Au) which retains the status of the foremost gold producer in British Columbia and the sixth largest in Canada. Little Gem is favourably located along strike from the Bralorne-Pioneer mining complex.

Since Blackstone began working on the Little Gem Cobalt-Gold Project it has verified the mineralisation identified historically at the Little Gem Cobalt-Gold Prospect and the Jewel Gold-Copper Prospect and discovered a new high grade Gold-Copper prospect named Roxey.

The Roxey Gold-Copper prospect is located 1.5 km west-southwest of the Little Gem Cobalt-Gold prospect and is along strike to the cobalt-gold mineralisation at Little Gem. Blackstone visually identified Roxey during the due diligence site visit and took rock chip samples within the target area which assayed up to **24 g/t gold, 1.9% copper & 24 g/t silver** (Refer BSX Announcement 6 September 2017). Mineralisation at Roxey is associated with quartz-pyrite altered diorite containing chalcopyrite.

The verification rock chip samples taken at the Little Gem Cobalt-Gold prospect returned results of up to **5.0% cobalt & 34 g/t gold, 4.8% cobalt & 89 g/t gold, 0.65% cobalt & 137 g/t gold and 3.1% cobalt & 24 g/t gold** (Refer BSX Announcement 6 September 2017). These results confirm the High Grade nature of Little Gem and support historical drill results such as **1.8 m @ 2.4% cobalt & 112 g/t gold, 3.3 m @ 1.4% cobalt & 12.3 g/t gold, 2.9 m @ 0.9% cobalt & 12 g/t gold, 4.1 m @ 1.4% cobalt & 11.3 g/t gold and 3.3 m @ 1.4% cobalt & 80 g/t gold** (Refer BSX Announcement 26 July 2017).

Surface rock chip samples were also taken to verify the mineralisation at the Jewel prospect located 1.1 km north-northeast of Little Gem and returned up to **98 g/t gold** and **3.2% copper** (Refer BSX Announcement 6 September 2017). These results confirm what Blackstone's recent investigation has revealed with historical samples of up to **0.6 m @ 75 g/t gold and 0.45m @ 153 g/t gold** from underground and surface channel sampling and up to **6.9 g/t gold, 19.25% copper & 137 g/t silver** from underground rock chip sampling. Mineralisation at Jewel sits in a serpentinized ultramafic near the easterly trending/steep south dipping contact with the quartz diorite/granodiorite that hosts the Little Gem Prospect.

Little Gem Cobalt-Gold Prospect- Background

The Little Gem Cobalt-Gold Prospect was discovered in the 1930s by prospectors identifying a pink cobalt-bloom on weathered mineralisation that led to three adits being developed. Up until the 1950s a total of 1,268 m of drilling was completed from underground and detailed channel sampling was taken from the adits. Results from this work generated some exceptional Cobalt and Gold assays including: **1.8 m @ 2.4% cobalt & 112 g/t gold, 3.3 m @ 1.4% cobalt & 12.3 g/t gold, 2.9 m @ 0.9% cobalt & 12 g/t gold, 4.1 m @ 1.4% cobalt & 11.3 g/t gold and 3.3 m @ 1.4% cobalt & 80 g/t gold** from drilling, and **1.8 m @ 4.4% cobalt & 73 g/t gold, 2 m @ 3.1% cobalt & 76 g/t gold, 1.5 m @ 5.4% cobalt & 26 g/t gold and 1.3 m @ 4.0% cobalt & 29 g/t gold** from underground channel sampling and **0.4 m @ 5.7% cobalt & 1,574 g/t gold, 1.8 m @ 5.1% cobalt & 17.8 g/t gold and 0.1 m @ 4.6% cobalt & 800 g/t gold** from surface channel sampling (Refer BSX Announcement 26 July 2017).

There has been very little modern day exploration at Little Gem with the main activities being airborne geophysical surveys (including magnetic, radiometric and electromagnetic ("EM") surveys) in the 1970s and a further two drill holes completed in 1986.

Cobalt Market Commentary

Cobalt contributes up to 60% of the value of Lithium Ion Batteries which in turn accounts for 42% of demand for cobalt. The lithium ion battery is projected to become the world's most significant source of power with the use in electric vehicles ("EV") being the key driver. Bloomberg forecasts 35% of vehicles sold by 2040 will be electric, currently only 1% of global sales are EVs. Consequently, cobalt demand is expected to rise at 5% compound annual growth rate ("CAGR") over the next 4 years. Cobalt's other main use at 16% is in superalloys which compliments the battery demand as high-tech industry grows.

Cobalt is expected to have a supply deficit as currently mining is only just meeting demand. The cobalt price has risen significantly from US\$10/lb (US\$22,000/t) to US\$27.50/lb (US\$61,000/t) over the last 21 months. Current prices are still well short of the 2008 high of US\$52/lb (US\$115,000/t) which was the last time cobalt was in deficit.

Approximately 98% of the world's supply of cobalt comes from copper and nickel production with 15 mines representing half of the world's supply. This makes the supply stream for cobalt highly sensitive to disruptions caused by mine related issues. A recent example was the shutdown of copper mining in the Katanga Province in the DRC due low copper prices which cut 3% of the world's cobalt supply.

Yours sincerely



Scott Williamson
Managing Director

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which 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 Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.