

Ref: /BSX/609/BSX077

Quarterly Report for the period ending 31 March 2018

Highlights

- Blackstone has commenced drilling at the very high grade Little Gem Cobalt-Gold Project in British Columbia, Canada;
- Blackstone's first drill hole at Little Gem intersected **3.0% cobalt and 44 g/t gold** with the following significant results:

1.1 m @ 3.0% cobalt & 44 g/t gold within;
4.3 m @ 1.0% cobalt & 15 g/t gold.

- Multi-element stream sediment geochemical sampling has indicated the potential for **strike extensions of +1.5 km at Little Gem**, a significant increase to the initial target zone of ~300 m strike (Refer Figures One and Two);
- Blackstone has commenced an initial six diamond drill holes to test the original ~300 m strike target at Little Gem before looking to explore a +1.0 km strike extension to the east and +500 m strike extension to the west;
- Blackstone recently completed the final payment under the Gold Bridge option agreement and is now the 100% owner of the Little Gem project;
- Blackstone's second phase aircore drilling program at Silver Swan South intersected gold mineralisation and extensive basement geochemical anomalism at the **Black Eagle** prospect with the following result:
 - 10 m @ 3.2 g/t Au from 68 m** within;
 - 15 m @ 2.2 g/t Au from 64 m to EOH** (Refer Figures Five and Six).

Introduction

Blackstone has re-commenced its maiden drilling program at the very high grade Little Gem Cobalt-Gold Project in British Columbia, Canada (Refer ASX Announcement 26 April 2018). The first successful diamond drill hole which was drilled in the previous quarter tested the upper portion of the alteration zone and was terminated (due to mechanical issues) halfway through the mineralised target (Refer Figure Three). The successful drill hole intersected massive, semi-massive and disseminated mineralisation with grades of up to 3.0% cobalt and 44 g/t gold. The diamond drilling program will focus on a ~300m strike target zone before the Company looks to step out and explore +1.8km of strike extensions to the east and west of Little Gem.

BLACKSTONE FAST FACTS

Shares on Issue	96.2m
Share Price	\$0.42
Market Cap	\$40.4m
ASX Code	BSX

BOARD & MANAGEMENT

Non-Exec Chairman
Hamish Halliday

Managing Director
Scott Williamson

Technical Director
Andrew Radonjic

Non-Exec Directors
Stephen Parsons
Michael Konnert

Joint Company Secretaries
Michael Naylor
Jamie Byrde

ADVANCING THE FOLLOWING PROJECTS

High Grade (3% Cobalt & 20 g/t Gold) Little Gem Project
British Columbia, Canada

Cartier Cobalt-Nickel Project
Quebec, Canada

Gold and Nickel Projects
Western Australia

- Silver Swan South
- Red Gate
- Middle Creek

REGISTERED OFFICE

Blackstone Minerals Limited
ABN 96 614 534 226
Suite 3, Level 3,
24 Outram Street,
West Perth, WA, 6005

T: +61 8 9425 5217
F: +61 8 6500 9982
E: admin@blackstoneminerals.com.au

During the March Quarter, Blackstone announced multi-element stream sediment geochemical sampling has indicated the potential for strike extensions of +1.5km at Little Gem. Subsequent to the end of the quarter Blackstone has re-commenced drilling at Little Gem with an initial six diamond drill hole program to test the original ~300m of strike at Little Gem. (Refer ASX Announcement 22 March 2018).

On the Australian Projects, Blackstone announced the second phase of aircore drilling at Silver Swan South has highlighted an emerging gold discovery with significant gold mineralisation and extensive basement geochemical anomalism. The basement geochemistry contours at the Black Eagle prospect are similar in size to the footprint of the nearby world class Kanowna Belle deposit (+5 Moz gold endowment). The basement geochemical anomalism at the Black Eagle and Black Hawk prospects are located along the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine. (Refer ASX Announcement 1 March 2018).

The best gold intersection of 10 m @ 3.2 g/t gold from 68 m at the Black Eagle prospect shows a substantial improvement on the previous best result of 3 m @ 3.5 g/t gold from 60 m at the Black Eagle prospect and 3 m @ 2.6 g/t gold from 52 m at the Black Hawk prospect. The basement gold geochemical anomalism combined with the significant intersections in early stage aircore drilling suggest an emerging gold discovery at Silver Swan South.

Canadian Projects

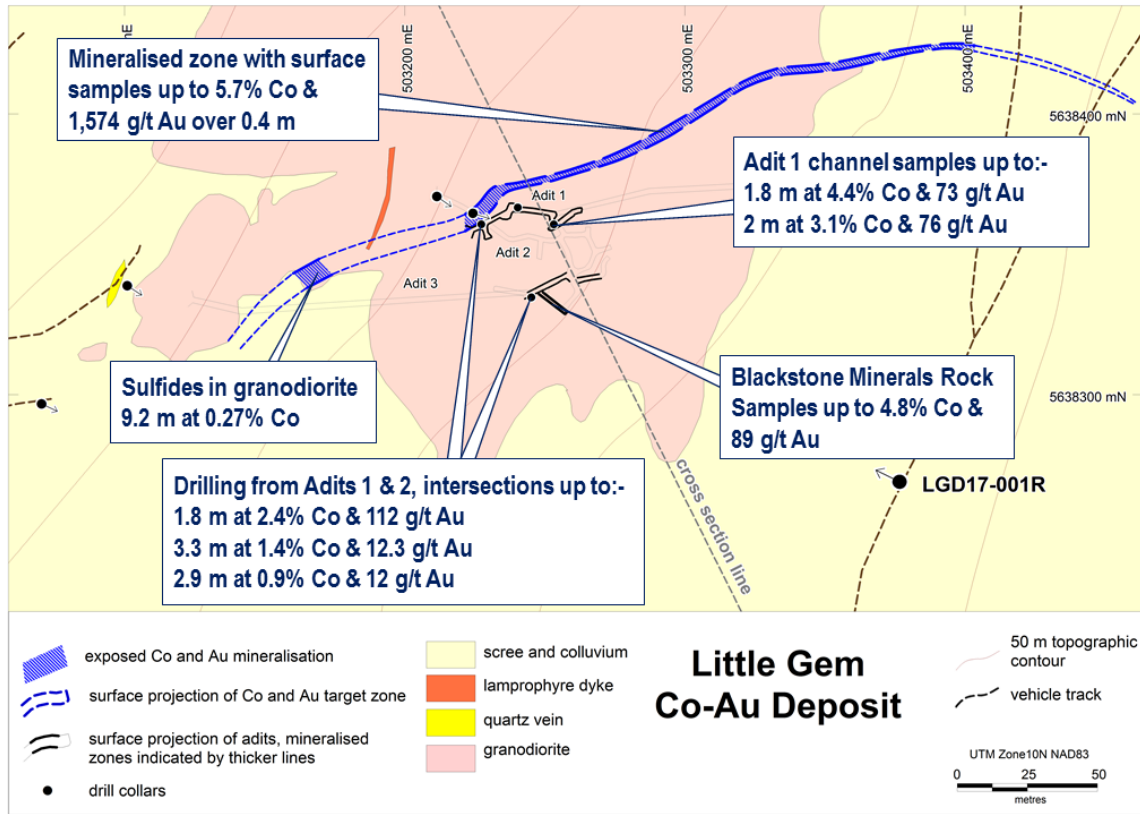
Little Gem Project (100% interest)

Subsequent to the end of the quarter Blackstone Minerals has re-commenced drilling at the very high grade Little Gem Cobalt-Gold Project in British Columbia, Canada (Refer ASX Announcement 26 April 2018).

Highlights of the Project include:

- Blackstone's first drill hole intersected massive, semi-massive and disseminated mineralisation (Refer Figure Three) with the following significant results:
 - **4.3 m @ 1.0% cobalt & 15 g/t gold;** including
 - **1.1 m @ 3.0% cobalt & 44 g/t gold.**
- Initial results from the maiden drilling are consistent with historic drilling and adit channel sampling which returned average grades of **3% cobalt and 20 g/t gold;**
- Maiden drilling is consistent with historic underground drilling from adits including:
 - **1.8 m @ 2.4% cobalt & 112 g/t gold;**
 - **3.3 m @ 1.4% cobalt & 80 g/t gold;** and
 - **3.3 m @ 1.4% cobalt & 12.3 g/t gold.**
- Results from historic adit channel sampling at Little Gem include:
 - **1.8 m @ 4.4% cobalt & 73 g/t gold;**
 - **2.0 m @ 3.1% cobalt & 76 g/t gold;** and
 - **1.5 m @ 5.4% cobalt & 26 g/t gold.**
- The Little Gem Project covers a large land holding with **48 km of untested strike potential** of geology **analogous to the world class Bou-Azzer primary Cobalt district in Morocco** (Refer Figure Four);
- Little Gem is favourably located **less than 15 km along strike from the Bralorne-Pioneer mining complex (endowment of 4.4 Moz at 17 g/t Au).**

Figure One | Little Gem Plan of Local Geology, Underground workings & Drill Holes



Refer to ASX Announcement 9 January 2018

Figure Two | Stream sediment sample locations and targets

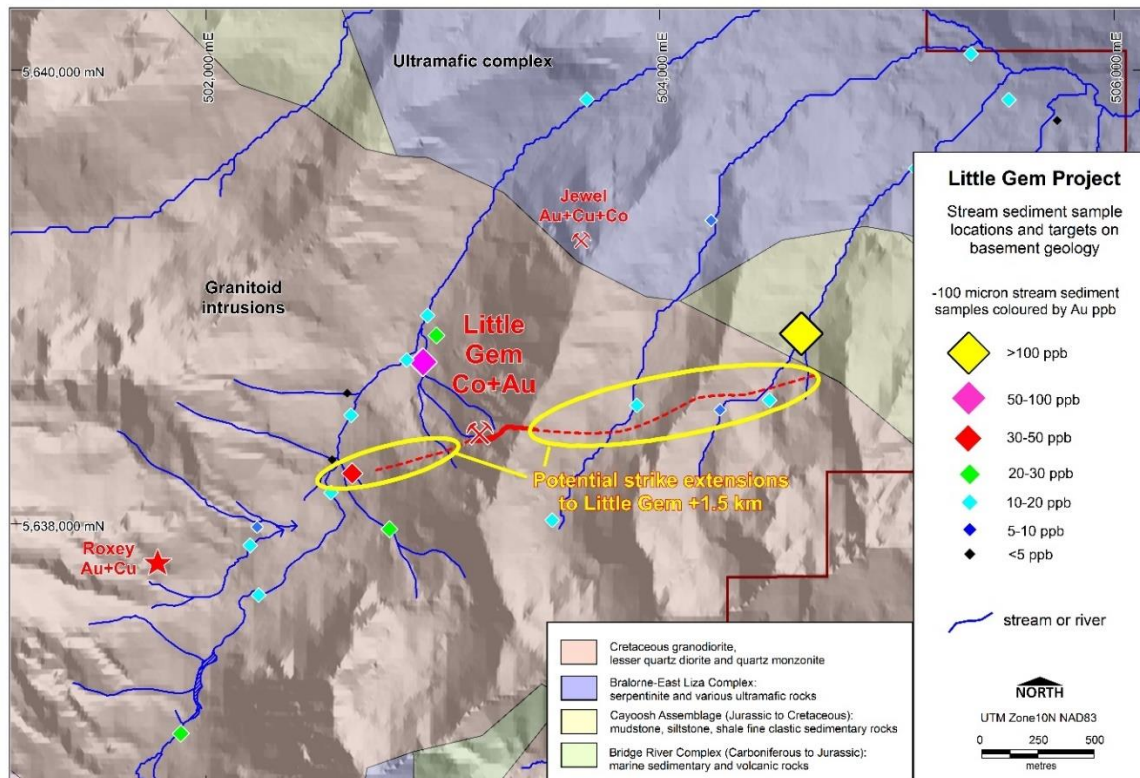
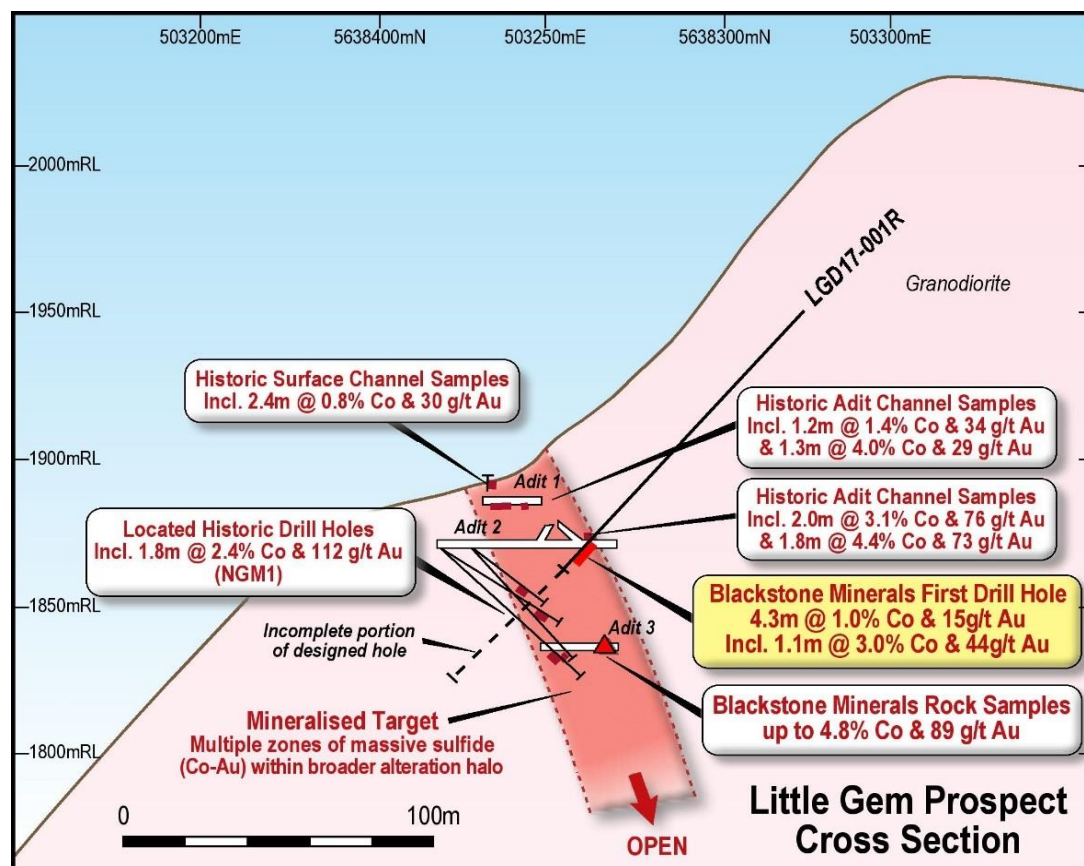


Figure Three | Little Gem Cross Section showing drill hole LGD17-001R



Refer to ASX Announcement 9 January 2018 for full table of results

The Little Gem Project was discovered in the 1930's by prospectors identifying a pink cobalt-bloom on weathered mineralisation that led to three adits being developed. 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 (Refer to ASX Announcement 26 July 2017) including:

Historic drilling

1.8 m @ 2.4% cobalt & 112 g/t gold;
3.3 m @ 1.4% cobalt & 12 g/t gold; and
4.1 m @ 1.4% cobalt & 11 g/t gold.

Underground channel sampling

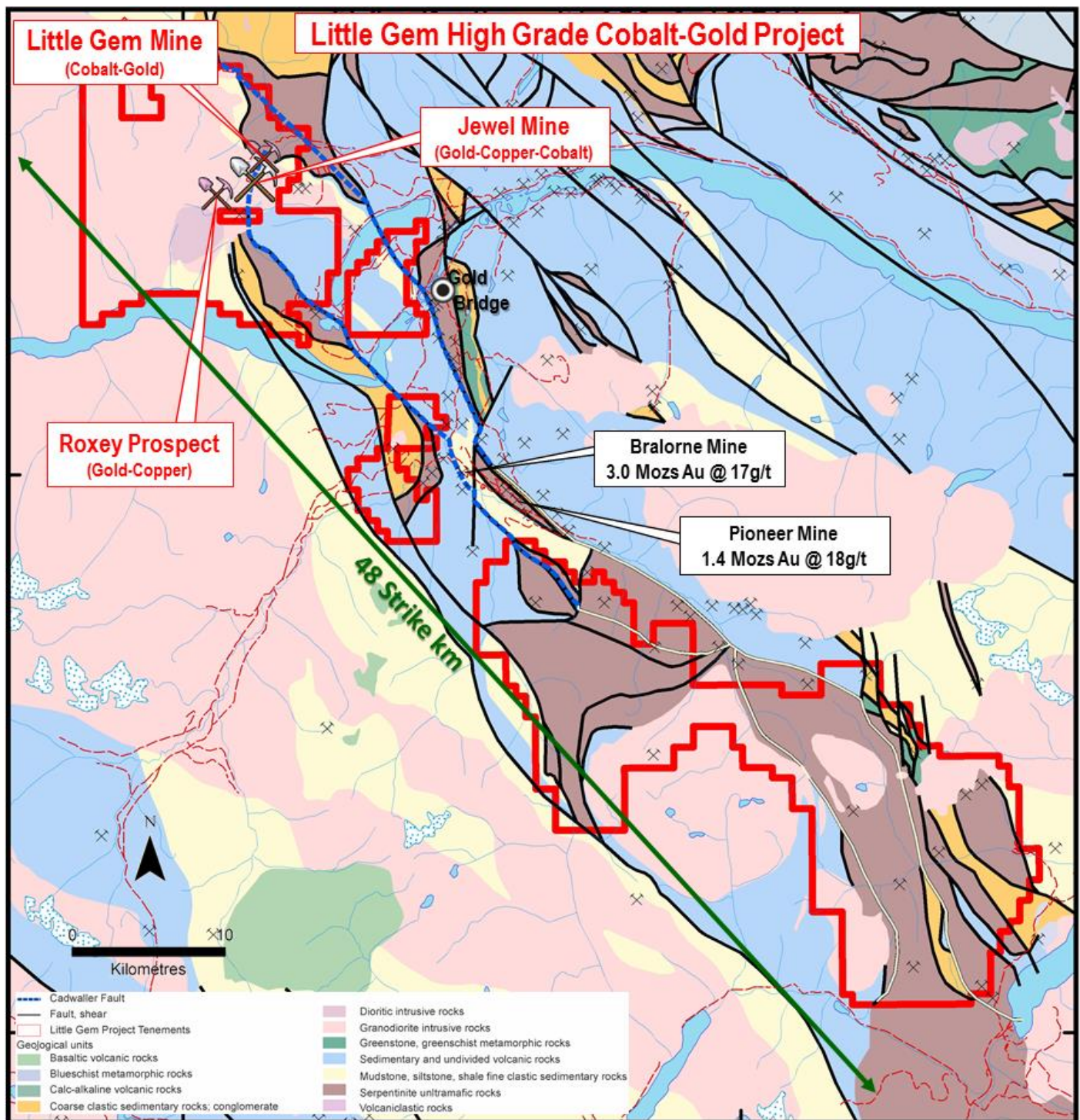
1.8 m @ 4.4% cobalt & 73 g/t gold; and
2.0 m @ 3.1% cobalt & 76 g/t gold.

Surface channel sampling

0.4 m @ 5.7% cobalt & 1,574 g/t gold; and
0.1 m @ 4.6% cobalt & 800 g/t gold.

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 Four). 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 only 15 km along strike to the north of the Bralorne-Pioneer mining complex.

Figure Four | Little Gem Geological Setting



Refer to ASX Announcement 26 July 2017 and 6 September 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 1970's and a further two drill holes completed in 1986.

The second mineral occurrence at the Little Gem Project is the historic Jewel Gold Prospect which supported some gold production from 1938 to 1940 and is located only 1.1 km north-northeast of the Little Gem Mine. 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 Prospect and discovered a new high grade Gold prospect named Roxey.

The Roxey Gold prospect is located 1.5 km west-southwest of the Little Gem Cobalt-Gold prospect and is along strike of 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 ASX Announcement 6 September 2017). Mineralisation at Roxey is associated with quartz-pyrite altered diorite containing chalcopyrite.

Surface rock chip samples taken to verify the mineralisation at the Jewel prospect returned up to **98 g/t gold and 3.2% copper** (Refer ASX Announcement 6 September 2017 for full set of results). 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 (Refer ASX Announcement 6 September 2017 for full set of results). Mineralisation at Jewel sits in an ultramafic near the easterly trending/steep south dipping contact with the quartz diorite/granodiorite that hosts the Little Gem Prospect.

Cartier Project (100% interest)

The Cartier Cobalt-Nickel Project (9 km² of tenure) is located 440 km north-east of Quebec City. Historic exploration (1990's) on the project for Voisey's Bay Style Nickel and Copper has identified Cobalt within two prospects named Lac St Pierre Zones 1 & 2, the Company has commenced follow up work to understand the full potential of the Cartier Project.



M I N E R A L S

Australian Projects

Blackstone has three Australian projects (Silver Swan South, Red Gate and Middle Creek), which are all located in Western Australia and are prospective for gold, the Silver Swan South project is also prospective for nickel sulphides. (Refer Figures Five and Six).

Silver Swan South Project (100% interest)

Introduction

The Silver Swan South Project comprises of one granted exploration licence E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 47.2 km². The Project is along trend of the massive nickel sulphide Silver Swan Deposit (pre-mining ore reserve of 655 kt at 9.5% Nickel) and associated deposits (pre-mining resource of 10.4 Mt at 1.0% Nickel), and only 8 km northeast of the major Kanowna Belle Gold Mine (+5 Moz gold endowment).

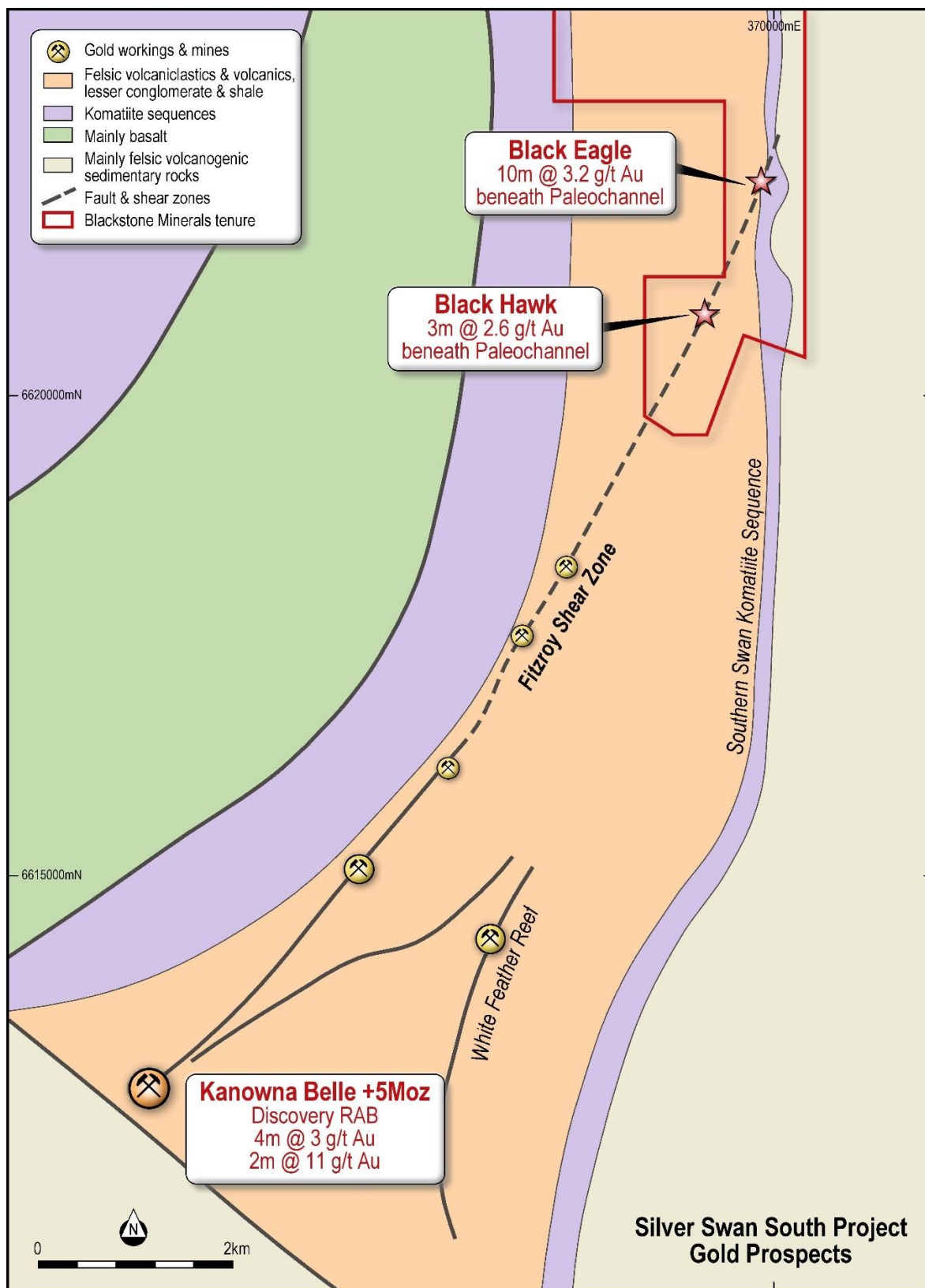
Activities during the March Quarter

During the Quarter Blackstone announced an emerging gold discovery with significant results from the second phase aircore drilling program at Silver Swan South, located 8 km along strike of the world class Kanowna Belle Gold Mine (+5 Moz gold endowment) near Kalgoorlie, Western Australia (Refer Figure Five).

- Blackstone's second phase aircore drilling program at Silver Swan South intersected gold mineralisation and extensive basement geochemical anomalism at the **Black Eagle** prospect (refer to ASX Announcement 1 March 2018 for full results) with the following result:
 - **10 m @ 3.2 g/t Au from 68 m within;**
 - **15 m @ 2.2 g/t Au from 64 m to EOH** (Refer Figures Five and Six).
- The above results have significantly upgraded the Black Eagle prospect and when combined with previous reconnaissance results of **3m @ 3.5g/t Au from 60m** sees Black Eagle **elevated to a priority drill target**.
- The Silver Swan South project is located 8 km along strike and encompasses the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine (+5 Moz gold endowment);
- Aircore drilling will also target the **Black Hawk** prospect following up on an initial **3 m @ 2.6 g/t Au from 52 m** intersected in the first phase of drilling at Silver Swan South;

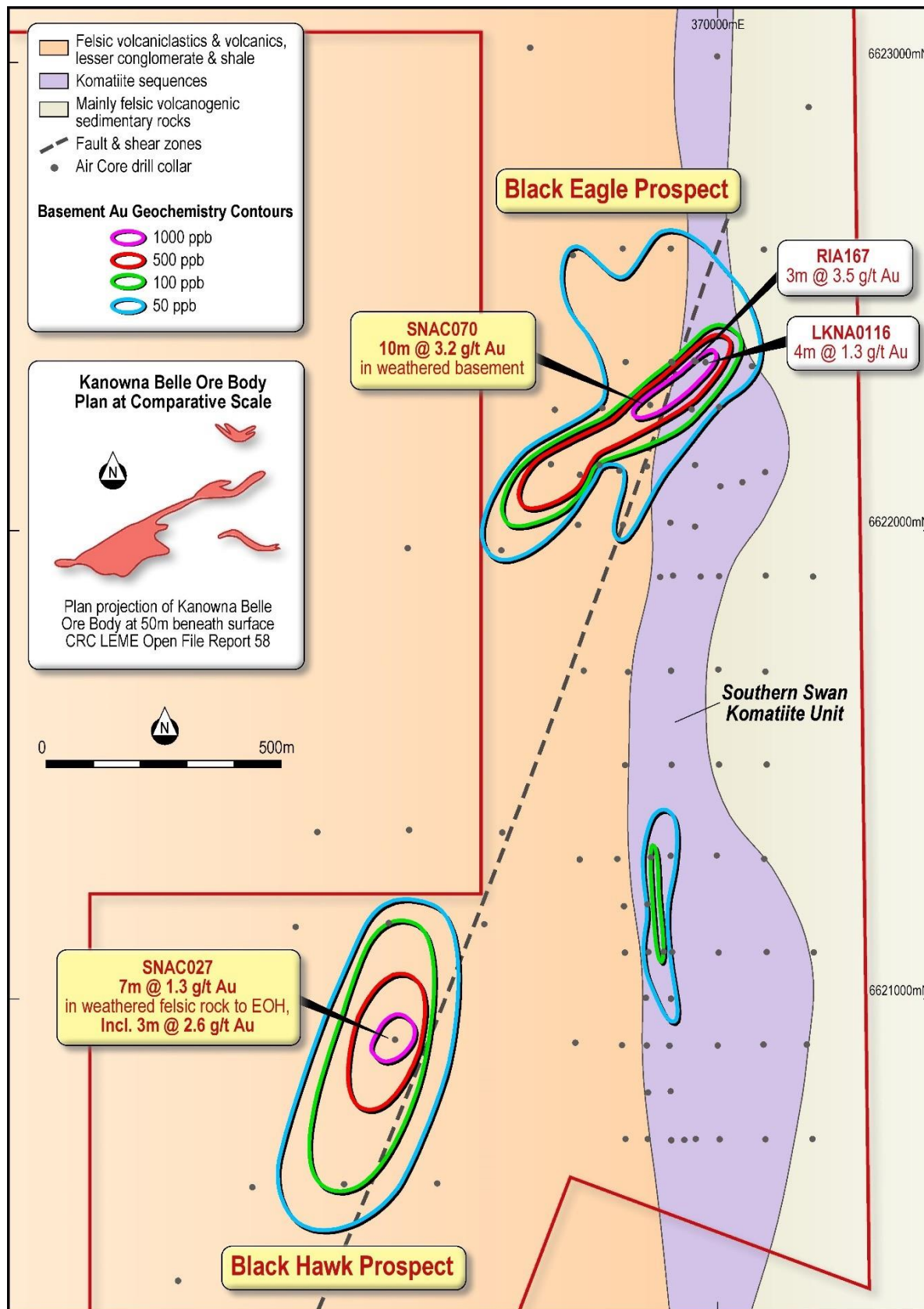
Blackstone's initial drilling at Silver Swan South is targeting both gold hosted by structural targets along strike from the Kanowna Belle Gold Mine (endowment +5Moz Au), and nickel sulphide mineralisation associated with ultramafic units along strike from the Silver Swan and Black Swan Nickel Mines (endowment 166kt Ni metal). The initial programs are designed to test for basement hosted mineralisation, using air core drilling, to improve definition of gold and base metal anomalism identified by previous reconnaissance style drilling.

Figure Five | Silver Swan South Gold Prospects



Refer to ASX Announcement 1 March 2018

Figure Six | Silver Swan South Gold Prospects with Basement Gold Geochemistry Contours



Refer to ASX Announcement 1 March 2018

Red Gate Project (100% interest)

Introduction

The Red Gate Project consists of one granted Exploration Licence E31/1096 covering an area of 145.2 km². The Project is centred 10 km north of the Porphyry Gold Mine (0.9 Moz gold endowment) (Refer Figure Seven), 140 km northeast of Kalgoorlie. Historical exploration work has mostly targeted the Porphyry North Prospect where shallow, out cropping mineralisation has been defined. There is the potential to discover further mineralisation at Porphyry North and several other prospects nearby.

Activities during the March Quarter

During the quarter Blackstone continued to work on finalising priority targets for drill testing in the coming months.

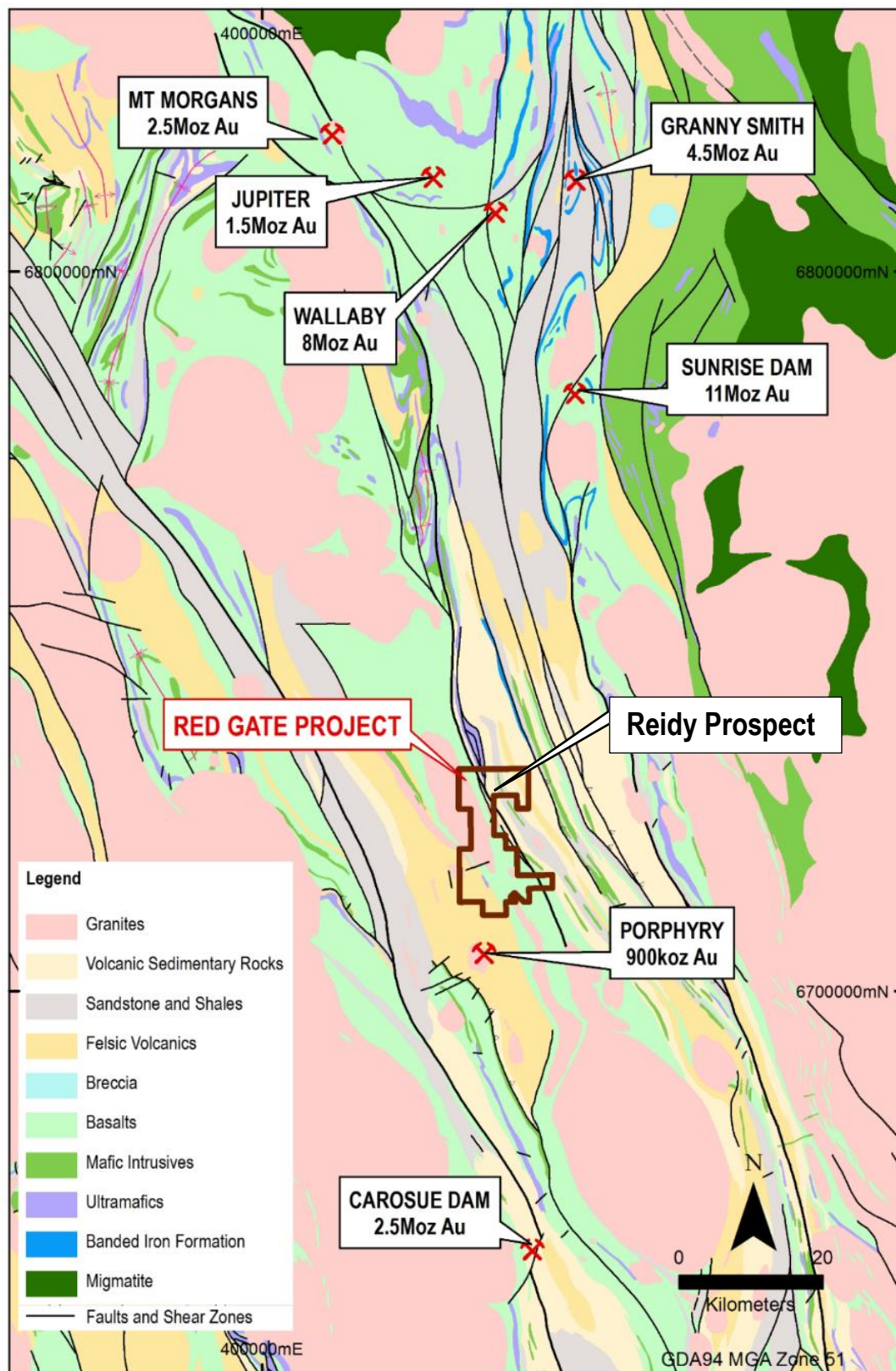
Highlights of the Red Gate Project include:-

- The Red Gate project hosts porphyries with high grade gold mineralisation including 10 m @ 8.5 g/t from 9 m at Porphyry East, 14 m @ 3.7 g/t from 1 m at Porphyry North & 12 m @ 9.2 g/t from 8 m at Porphyry West (refer to ASX Announcement 11 July 2017);
- The Porphyry North and Porphyry West prospects have shallow gold mineralisation coincidental with IP anomalies whilst the new porphyry zone at Porphyry South has a substantially larger IP anomaly that has yet to be drill tested;
- Red Gate Shear Zone already hosts mineralised porphyries at Porphyry North and Porphyry West and contains the recently identified Porphyry South Prospect which is a large untested IP anomaly;
- The Reidy Prospect is interpreted to be within or immediately adjacent to the **Claypan Shear Zone**, host to recent significant gold discoveries such as Breaker Resources, Lake Roe Project;
- The new prospect is within the Red Gate Shear Zone and was identified through a recent reconnaissance surface sampling program that returned rock chips results of up to 79 g/t gold;
- The Red Gate Shear Zone is less than 10 km north of the historic Porphyry Gold Mine that has a gold endowment of 900,000 ozs (Produced 1.33 Mt @ 3.4 g/t gold* and has a current Indicated JORC resources of 7.2 Mt @ 2.1 g/t gold** and Inferred JORC resources of 3.7 Mt @ 2.1 g/t gold**).

* Riedel Resources Website

** Saracen Mineral Holdings Limited Annual Report 2016

Figure Seven | Location of the Red Gate Project



Refer to Prospectus 15 December 2016

Middle Creek Project

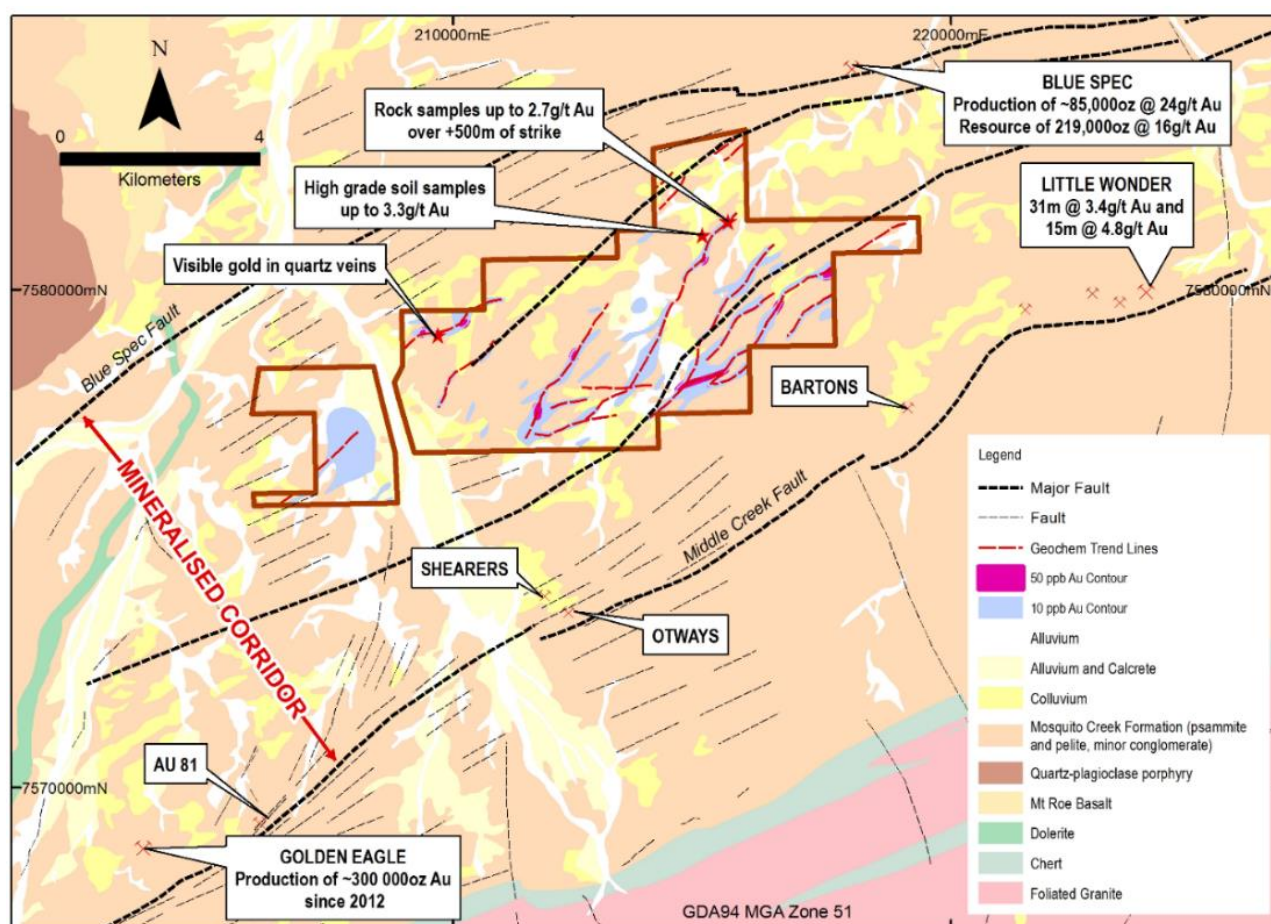
Introduction

The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced ~400 kozs gold since 2012), in the Pilbara region of Western Australia (Refer Figure Eight) and consists of 22 prospecting licence applications covering 39.7 km² within the Mosquito Creek belt.

Activities during the March Quarter

During the quarter Blackstone advanced the tenement applications for the Middle Creek project and has been granted a portion of the Middle Creek tenement package.

Figure Eight | Geology of the Middle Creek Project area



Refer to Prospectus 15 December 2016 and Investor Presentation 5 April 2018



Yours sincerely

A handwritten signature in blue ink, appearing to read "S Williamson".

Scott Williamson
Managing Director
T: +61 8 9425 5217

About Blackstone

Blackstone Minerals Limited (**ASX code: BSX**) is actively exploring the very high grade Little Gem Cobalt-Gold project in British Columbia, Canada. Blackstone is the first company in over 60 years to undertake systematic exploration for Cobalt at Little Gem and within the surrounding district. Blackstone owns a large land holding with 48 km of untested strike potential of highly prospective geology analogous to the world class Bou-Azzer primary Cobalt district in Morocco. Blackstone is actively exploring for nickel and gold in the Eastern Goldfields and gold in the Pilbara region of Western Australia. Blackstone has a board and management team with a proven track record of mineral discovery and corporate success.

Competent Person Statement and Disclaimer

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.

The company confirms its compliance with Listing Rule 5.23.2 relating to the information contained within this Quarterly Activities report and it is not aware of any new information or data that materially affects the information included in previous ASX Announcements and have not materially changed unless otherwise disclosed.

Appendix One| Tenements

Mining tenements held at the end of March 2018 Quarter

Project	Location	Tenement	Interest at March 2018
Little Gem	British Columbia, Canada	501174, 502808	100%
	British Columbia, Canada	503409, 564599	100%
	British Columbia, Canada	573344, 796483	100%
	British Columbia, Canada	844114, 1020030	100%
	British Columbia, Canada	1047915, 1055449	100%
	British Columbia, Canada	1046246, 1046253	100%
	British Columbia, Canada	1050797, 1052563	100%
	British Columbia, Canada	1052564, 1052989	100%
	British Columbia, Canada	1052990, 1052991	100%
	British Columbia, Canada	1052992, 1052993	100%
	British Columbia, Canada	1055836, 1055837	100%
	British Columbia, Canada	1055838, 1055839	100%
	British Columbia, Canada	1055840, 1055859	100%
	British Columbia, Canada	1055860, 1055861	100%
	British Columbia, Canada	1055862, 1055863	100%
	British Columbia, Canada	1055864, 1052630 1052893	100%
Cartier	Quebec, Canada	2459824, 2459825	100%
	Quebec, Canada	2459826, 2459827	100%
	Quebec, Canada	2459828, 2459829	100%
	Quebec, Canada	2463107, 2463108	100%
	Quebec, Canada	2463109, 2463110	100%
	Quebec, Canada	2463111, 2463112	100%
	Quebec, Canada	2463113, 2463114	100%
	Quebec, Canada	2463115,	100%
Silver Swan South	Eastern Goldfields	E27/545	100%
	Eastern Goldfields	P27/2191	100%
	Eastern Goldfields	P27/2192	100%
	Eastern Goldfields	P27/2193	100%
	Eastern Goldfields	P27/2194	100%
	Eastern Goldfields	P27/2195	100%
	Eastern Goldfields	P27/2196	100%
Red Gate	Eastern Goldfields	E31/1096	100%
Middle Creek	Western Australia	P46/1901, P46/1905	100%
	Western Australia	P46/1906, P46/1907	100%
	Western Australia	P46/1907, P46/1908	100%
	Western Australia	P46/1909, P46/1910	100%
	Western Australia	P46/1911, P46/1912	100%
	Western Australia	P46/1918, P46/1919	100%
Mount Deans South	Western Australia	P63/2032 P63/2033 P63/2037	100%

Mining tenements acquired and disposed during the March 2018 Quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Little Gem	British Columbia, Canada	501174*, 502808* 503409*, 564599* 573344*, 796483* 844114*, 1020030* 1047915*, 1055449*	100%* via option agreement	100% Direct
Mount Deans South	Western Australia	P63/2032 P63/2033 P63/2037	-	100% Direct

* Note these claims/tenures relate to the Little Gem Project acquired via an option agreement with Goldbridge Holdings Ltd. The final option payment was made during the quarter and 100% ownership obtained.

Beneficial percentage interests in joint venture agreements at the end of the Quarter

Project	Location	Tenement	Interest at March
Nil			

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Nil				