



BLACKSTONE

M I N E R A L S

ANNUAL REPORT
30 JUNE 2019

ABN 96 614 534 226

Non-Executive Chairman

Hamish Halliday

Managing Director

Scott Williamson

Technical Director

Andrew Radonjic

Non-Executive Directors

Stephen Parsons

Joint Company Secretaries

Jamie Byrde

Michael Naylor

Principal & Registered Office

Level 3, 24 Outram Street

WEST PERTH WA 6005

Telephone: (08) 9425 5217

Facsimile: (08) 6500 9982

Share Registry

Security Transfers Australia Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

Auditors

Stantons International

Level 2

1 Walker Avenue

WEST PERTH WA 6005

Bankers

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

Stock Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western
Australia)

Code: BSX

Website Address

www.blackstoneminerals.com.au

Contents

Chairman's Letter to Shareholders	2
Directors' Report	3
Auditor's Independence Declaration	30
Financial Statements	31
Directors' Declaration	65
Independent Auditor's Report	66
Additional Shareholder Information	70
Schedule of Mineral Tenements	72

Chairman's Letter to Shareholders

On behalf of the Directors of Blackstone Minerals Limited ("Blackstone"), I present to shareholders the Company's annual report for the year ended 30 June 2019.

In May 2019, Blackstone entered into a binding term sheet for an option to acquire a 90% interest in the Ta Khoa Nickel Project in Vietnam. The Ta Khoa Nickel Project includes the Ban Phuc Nickel mine which successfully operated as a mechanised underground mine from 2013 to 2016 and is currently on care and maintenance.

Blackstone continues to investigate the potential to develop downstream processing infrastructure in Vietnam to produce a downstream nickel and cobalt product to supply Asia's growing lithium ion battery industry.

The company still holds its BC Cobalt Project which a total of 3,265 m of diamond core drilling has been completed since acquiring the project in October 2017. During the year the company completed an IP survey which highlighted a number of larger sulfide targets that exist along strike to the east and west of Little Gem. The IP anomalies have been elevated to our highest priority targets to be drill tested at the earliest opportunity.

Blackstone also maintains a portfolio of Australian Projects, including the Silver Swan South project, located 8 km along strike of the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine (+5 Moz gold endowment). The project is also located 10km south of the Silver Swan Nickel Mine and within a similar ultramafic package that is also prospective for Nickel Sulfide mineralisation. Blackstone's second phase aircore drilling program at Silver Swan South intersected gold mineralisation and extensive basement geochemical anomalism with results indicating an emerging gold discovery to be drill tested over the coming months.

Previous project owners focused their mining and exploration efforts primarily on the MSV at Ban Phuc, while Blackstone will continue to explore both MSV targets and DSS targets throughout the entire Ta Khoa Project initially within a 5km radius of the existing processing facility. Blackstone will conduct further geophysics on the massive sulfide vein (MSV) and disseminated sulfide (DSS) targets and continue the ongoing drilling campaign. Blackstone will aim to deliver a maiden resource on the DSS at Ban Phuc over the coming months and investigate the potential to restart the Ban Phuc concentrator through focused exploration on both MSV and DSS deposits. Blackstone has commenced metallurgical testing on the Ban Phuc Disseminated orebody with an aim to develop a flow sheet for a product suitable for the Lithium Ion battery industry.

The company is looking forward to year ahead and encourages existing shareholders to participate in the Share Purchase Plan announced on 23 September 2019, which will see Blackstone in a stronger position to continue its exploration activities.

We look forward to updating shareholders on our progress and thank our staff and management who have continued to perform to deliver value for our Company, and our Shareholders for continued believe in our Company as one which can deliver on its goals.



Hamish Halliday
Non-Executive Chairman

Directors' Report

For the year ended 30 June 2019

The Directors of Blackstone Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2019 in order to comply with the provisions of the Corporations Act 2001.

1. Directors

The following persons were Directors of Blackstone Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Hamish Halliday	Non-Executive Chairman
Mr Scott Williamson	Managing Director
Mr Andrew Radonjic	Technical Director
Mr Stephen Parsons	Non-Executive Director
Mr Michael Konnert	Non-Executive Director (Resigned 20 May 2019)

2. Principal Activities

The principal activity of the consolidated entity during the year was mineral exploration. There were no significant changes in the nature of the consolidated entity's principal activities during the year.

3. Group Financial Overview

Profit and Loss

The loss attributable to owners of the consolidated entity after providing for income tax amounted to \$4,182,260 (2018: \$8,438,991).

Financial Position

The consolidated entity had \$307,532 in cash and cash equivalents as at 30 June 2019 (2018: \$3,064,947).

4. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

5. Business Strategies & Prospects for the Forthcoming Year

Blackstone Minerals Limited is focused upon the exploration and development of mineral resources within its current portfolio of projects including the Ta Khoa Nickel Project in Northern Vietnam, the BC Cobalt Project in British Columbia, Canada and Gold and Nickel Projects in Western Australia.

Subsequent to year end, the company began actively exploring the Ta Khoa Nickel Project in Vietnam and currently has two drill rigs testing the Ban Phuc Disseminated (DSS) zone and targeting high chargeability anomalies generated from a recently conducted IP survey. Blackstone aims to deliver a maiden resource at Ta Khoa over the coming 6-12 months and subsequently deliver a scoping study which will be focused on downstream nickel processing in Vietnam.

In British Columbia, the Company continues to refine drill targets at the BC Cobalt Project with the aim to drill testing at an appropriate time. In Western Australia, the Group has six granted prospecting licences and one granted exploration licence at its Silver Swan South Project area, and one granted exploration licence at the Red Gate Project, and 21 granted prospecting licences at the Middle Creek Project. Follow up drilling will now focus on further defining the nickel sulfide and gold targets at the Silver Swan South Project.

Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.

6. Significant Changes in the State of Affairs

The following significant changes in the state of affairs of the during the financial year:

On 20 December 2018, the company issued 12,000,000 ordinary shares at an offer price of \$0.10 through a placement, raising \$1,200,000 before costs.

On 1 March 2019, the Class A Performance Share milestones were met, leading to the conversion of 4,000,000 performance shares to ordinary shares upon successful granting of the tenements comprising the Middle Creek Project.

On 8 May 2019, the company announced to the ASX that it entered into a binding term sheet for the option to acquire a 90% interest in the Ta Khoa Nickel Project in Vietnam.

Under the terms of the deal, Blackstone has a 12-month exclusive binding option agreement to purchase AMR Nickel Limited's 90% interest in the Ta Khoa Project on the following terms:

- Quarterly option payments to AMR Nickel Limited of US\$100,000 to be spent by AMR Nickel on approved expenditure;
- Exercise of the Option by issuing A\$1,000,000 of ordinary fully paid shares in Blackstone Minerals Limited a deemed issue price based on a 30-day volume weighted average price calculation.
- The option may be extended for a further 12 months if Blackstone spends a minimum of A\$1,000,000 in the first 12-month period.

On 10 May 2019, a Two Tranche Placement was announced to the ASX to raise \$2,000,000 through the issue of 40,000,000 ordinary shares at an issue price of \$0.05. Tranche 1 was completed on 15 May 2019 through the issue of 10,000,000 ordinary shares at an issue price \$0.05 and Tranche 2 was completed post year end on 5 July 2019 for the remaining 30,000,000 shares at an issue price of \$0.05 following shareholder approval at a General Meeting of Shareholders held on 2 July 2019.

7. Review of Operations

Introduction

On 8 May 2019, Blackstone acquired the option to purchase the Ta Khoa Nickel project, with the Company focused on exploration work at the Ta Khoa Nickel Project in Vietnam with drilling commencing post year end on 8 July 2019.

The company continued exploration at the BC Cobalt Project in British Columbia, Canada and the Silver Swan South Project located near Kalgoorlie in the Eastern Goldfields of Western Australia. (Refer to Figure One).

Blackstone completed its maiden drilling campaign at the BC Cobalt Project followed by an extensive IP survey, which confirmed multiple new drill targets along strike at Little Gem. The Company is nearing completion of a detailed soil sampling program over multiple prospects adjacent to Little Gem, as well as regional reconnaissance sampling targeting some 335 km² of tenure prospective for primary Cobalt and Gold mineralisation.

7. Review of Operations (continued)

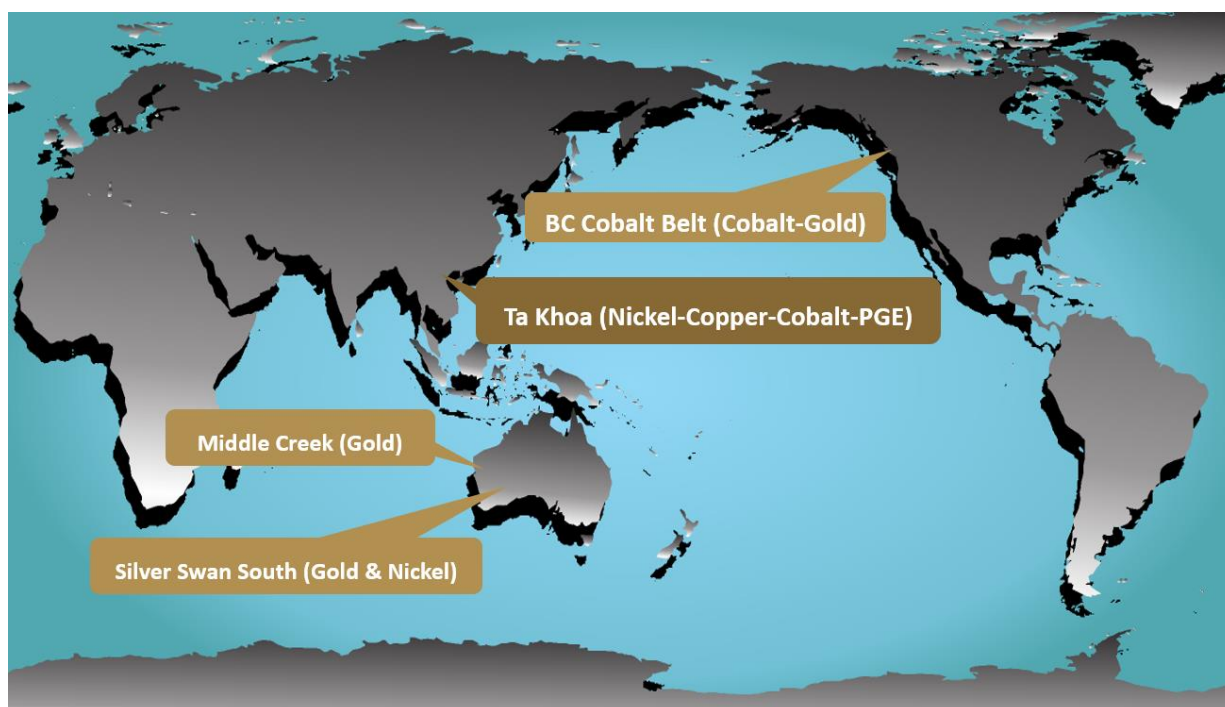


Figure One | Locations of the Projects

Ta Khoa Nickel Project - Vietnam

The Company entered into a binding term sheet for the exclusive option to acquire a 90% interest in the Ta Khoa Nickel Project. The Ta Khoa Nickel Project is located 160km west of Hanoi (refer Figure Three) in the Son La Province of Vietnam and includes an existing modern nickel mine built to Australian Standards, which is currently under care and maintenance. The Ban Phuc nickel mine successfully operated as a mechanised underground nickel mine from 2013 to 2016.

Previous project owners invested more than US\$136m in capital and generated US\$213m in revenue during a 3.5-year period of falling nickel prices. The project was placed into care and maintenance in mid-2016 during some of the lowest nickel prices in the past 10 years. Existing infrastructure associated with the project includes an internationally designed 450ktpa processing plant connected to the local hydro power grid with a fully permitted tailings facility and a modern 250-person camp.

Since announcing the option to acquire the Ta Khoa Nickel Project, Blackstone has commenced drilling and concurrently undertaken an initial IP survey. The IP survey has proven successful and the results have been used to target the second phase of drilling. Blackstone will continue to test for shallow DSS targets at Ban Phuc and, using the IP survey results, has commenced the second phase of drilling to target high chargeability zones which correlate with the higher-grade zones within the Ban Phuc DSS. Blackstone is the first Company to use IP as a targeting tool and the initial results suggest the geophysical method will allow the Company to successfully define higher grade zones within both the Massive Sulfide Vein (MSV) and DSS prospects throughout the Ta Khoa Nickel Project.

7. Review of Operations (continued)



Figure Two| Ta Khoa Nickel Project has existing modern infrastructure built to Australian Standards including a 450ktpa concentrator

7. Review of Operations (continued)



Figure Three: Ta Khoa Project Location

7. Review of Operations (continued)

Massive Sulfide Vein (MSV)

The MSV, constituting the recently mined Ban Phuc underground resource, is a body of Ni-Cu-Co-PGE sulfide hosted within a shear, and is considered to be magmatic in origin rather than a hydrothermal vein. The vein is 640m in length and continues to at least 450m below surface with an average width of 1.3m. Country rocks are hornfelised Ban Phuc Horizon calcareous sediments and tremolite-altered ultramafics. Quartz vein material typically brecciated and infilled with remobilised sulfides, is also present within the host shear. More than 25 mapped MSV targets exist throughout the project with only minimal drilling by previous owners outside of the main Ban Phuc MSV deposit.

Significant historic intersections of the MSV at Ban Phuc include (*refer ASX announcement dated 8 May 2019 for drilling results*):

BP04-63	2.02m @ 4.64% Ni, 3.59% Cu & 0.15% Co from 258.7m
BP13-06	2.25m @ 3.88% Ni, 1.59% Cu & 0.12% Co from 322.9m
LK03	2.50m @ 3.98% Ni & 0.96% Cu from 167.9m
LK11	2.05m @ 4.33% Ni & 1.14% Cu from 189.7m
BP301-18	9.2m @ 4.15% Ni, 1.33% Cu & 0.13% Co from 48.3m Incl. 4.9m @ 6.49% Ni, 1.19% Cu & 0.20% Co

Significant historic drilling and trenching results from unmined MSV targets at Ta Khoa include (*refer announcement dated 8 May 2019 for drilling and trenching results*):

Suoi Phang	1.0m @ 5.96% Ni, 3.53% Cu, 0.02% Co & 0.2g/t PGE; 1.0m @ 5.98% Ni, 0.24% Cu, 0.19% Co & 0.17g/t PGE; 2.1m @ 4.19% Ni, 0.36% Cu & 0.14% Co.
Kingsnake	1.6m @ 3.27% Ni, 1.30% Cu, 0.11% Co & 2.22g/t PGE; 1.7m @ 3.30% Ni, 1.02% Cu, 0.11% Co & 2.16g/t PGE; 0.8m @ 3.08% Ni, 1.59% Cu, 0.17% Co.
Ban Chang	1.6m @ 2.19% Ni & 1.54% Cu; 1.0m @ 2.65% Ni & 1.04% Cu; 1.7m @ 1.89% Ni & 0.91% Cu.
Ban Khang	2.5m @ 1.76% Ni, 0.25% Cu & 0.19% Co; 2.6m @ 1.59% Ni, 0.71% Cu & 0.08% Co; 1.8m @ 1.51% Ni, 0.35% Cu & 0.17% Co.
Ban Mong	0.5m @ 6.11% Ni, 0.11% Cu & 0.2% Co 0.5m @ 4.56% Ni, 0.15% Cu & 0.15% Co 0.5m @ 4.61% Ni, 1.20% Cu, 0.13% Co & 4.33g/t PGE

7. Review of Operations (continued)

Canadian Projects

BC Cobalt Project (100% interest)

The BC Cobalt Project (367 km² of tenure), formerly the Little Gem Project, is located 180 km north of Vancouver in British Columbia, Canada. The Project was discovered in the 1930s 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. Blackstone acquired the BC Cobalt Project in October 2017 and has since completed an extensive maiden exploration program including 3,265 of diamond core drilling, geochemical and geophysical surveys, with the initial results indicating potential for the project to host a world class Cobalt Belt in British Columbia.

During the year, Blackstone commenced the 2019 field season which included stream sediment sampling, an extensive soil sampling program, mapping and potential geophysics later in the season. During the 2018 field season Blackstone identified a number of major Copper-Gold-Cobalt targets centred on the Jewel Prospect, located 1.1 km north-northeast of the Little Gem Prospect. The soil anomalies are greater than 1.5 kilometres long and coincide with several significant IP targets, which are indicating a large sulfide bearing body at depth. The Copper, Gold and Cobalt soil anomalies are favourably located within a significant structural setting near the contact between the granodiorite and serpentinite (Refer Figure Four).

Blackstone's geological model for the Jewel Prospect suggests the Copper-Gold-Cobalt Prospect is favourably located within a similar geological setting to the underground mines of the world class Bou-Azzer primary Cobalt district in Morocco. The majority of the high grade underground primary Cobalt mines at Bou-Azzer are located near the contact of the serpentinitised ultramafic and the quartz diorite. The historical Jewel Mine is likewise located within close proximity to the contact of the serpentinite and granodiorite bodies.

With the discovery of Cobalt-Gold mineralisation at Erebor during the 2018 field season returning grades up to 2.3% cobalt, 32 g/t gold, 1.6% copper and 1.1% nickel combined with the multiple large-scale IP anomalies indicating the potential source of the high grade mineralisation at Little Gem, Erebor, Jewel and Roxey, the Company continues to unlock the potential for multiple deposits in a region with geology analogous to the Bou-Azzer primary Cobalt district in Morocco (>50 deposits and over 75 years of Cobalt production). Regional targets continue to be generated from the data collected through prospecting and stream sediment sampling across the entire 48 strike km of untested geology prospective for further primary Cobalt and Gold mineralisation.

7. Review of Operations (continued)

Cartier Project (100% interest)

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

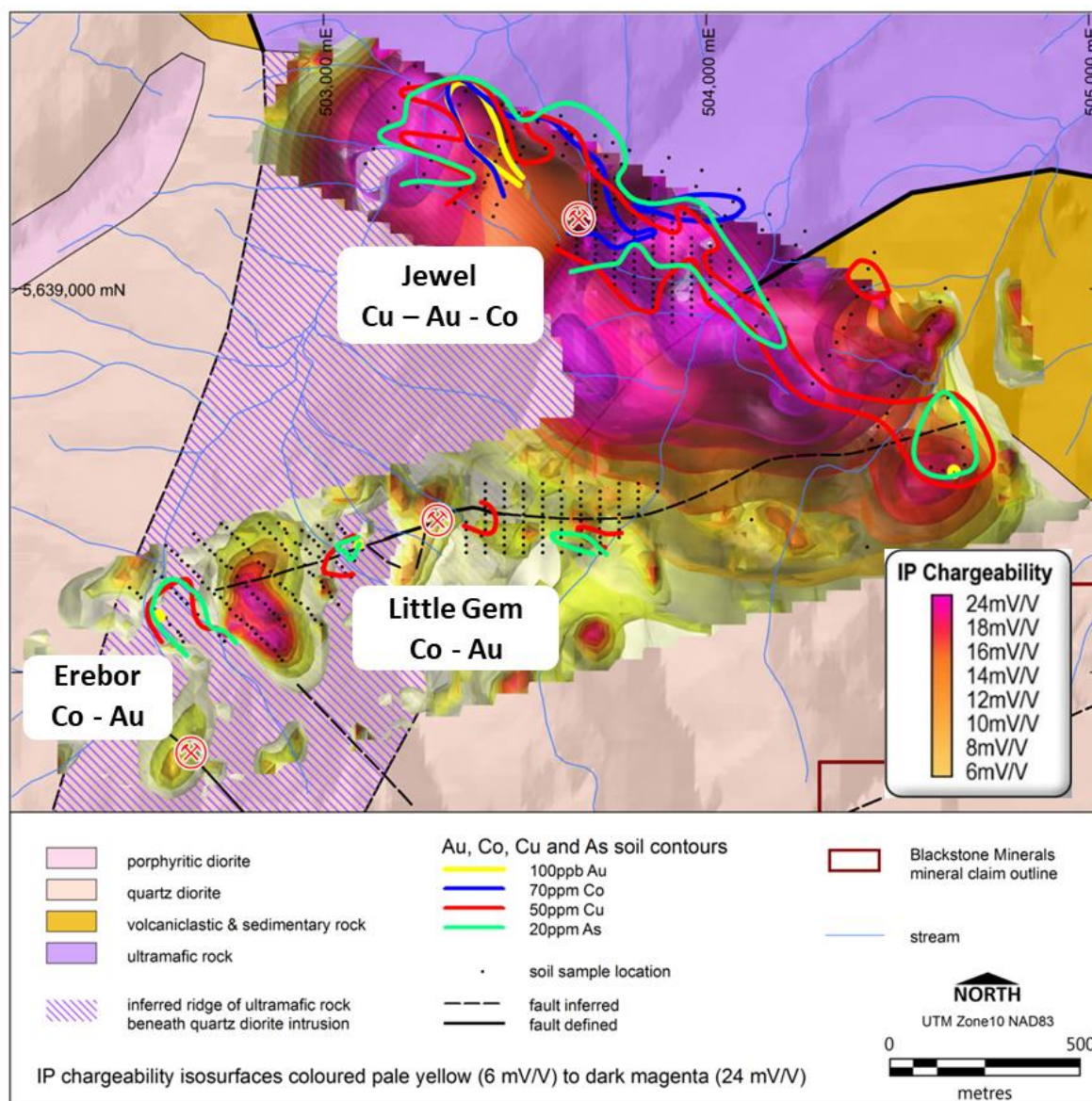


Figure Four: BC Cobalt Project showing Copper, Gold and Cobalt soil contours and IP chargeability isosurfaces.

7. Review of Operations (continued)

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, with the Silver Swan South project also prospective for nickel sulfides. (Refer Figures Five and Six).

Silver Swan South Project (100% interest)

The Silver Swan South Project comprises one granted exploration licence E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 38.5 km². The Project is along trend of the massive nickel sulfide 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).

During the year Blackstone, continued to work on finalising priority targets for drill testing.

Highlights of the Project include:

- 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).
- These results significantly upgraded the Black Eagle prospect and when combined with previous reconnaissance results of **3m @ 3.5g/t Au from 60m** saw 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 (+5Moz gold endowment), and nickel sulfide 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.

7. Review of Operations (continued)

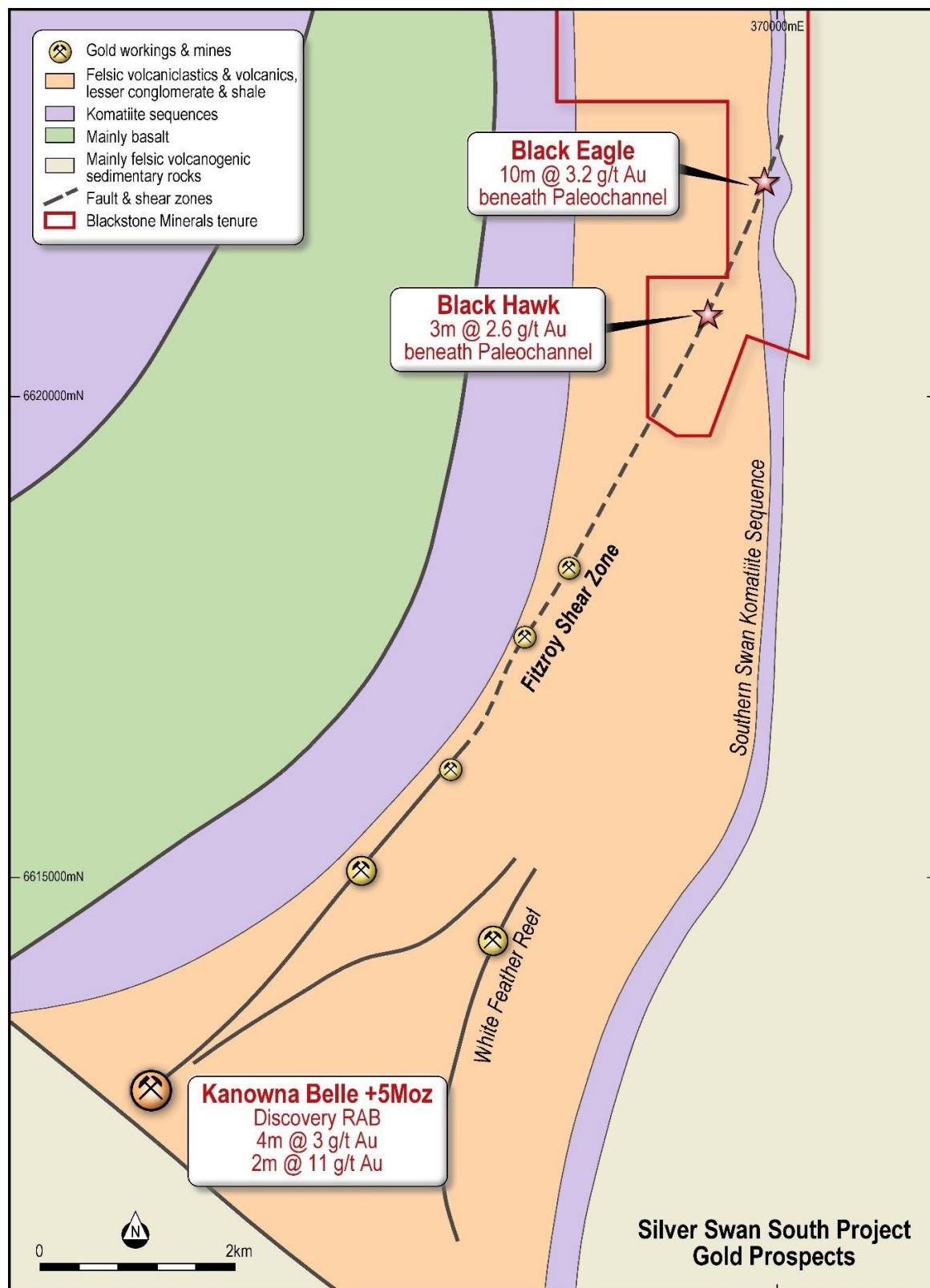


Figure Five | Silver Swan South Gold Prospects

7. Review of Operations (continued)

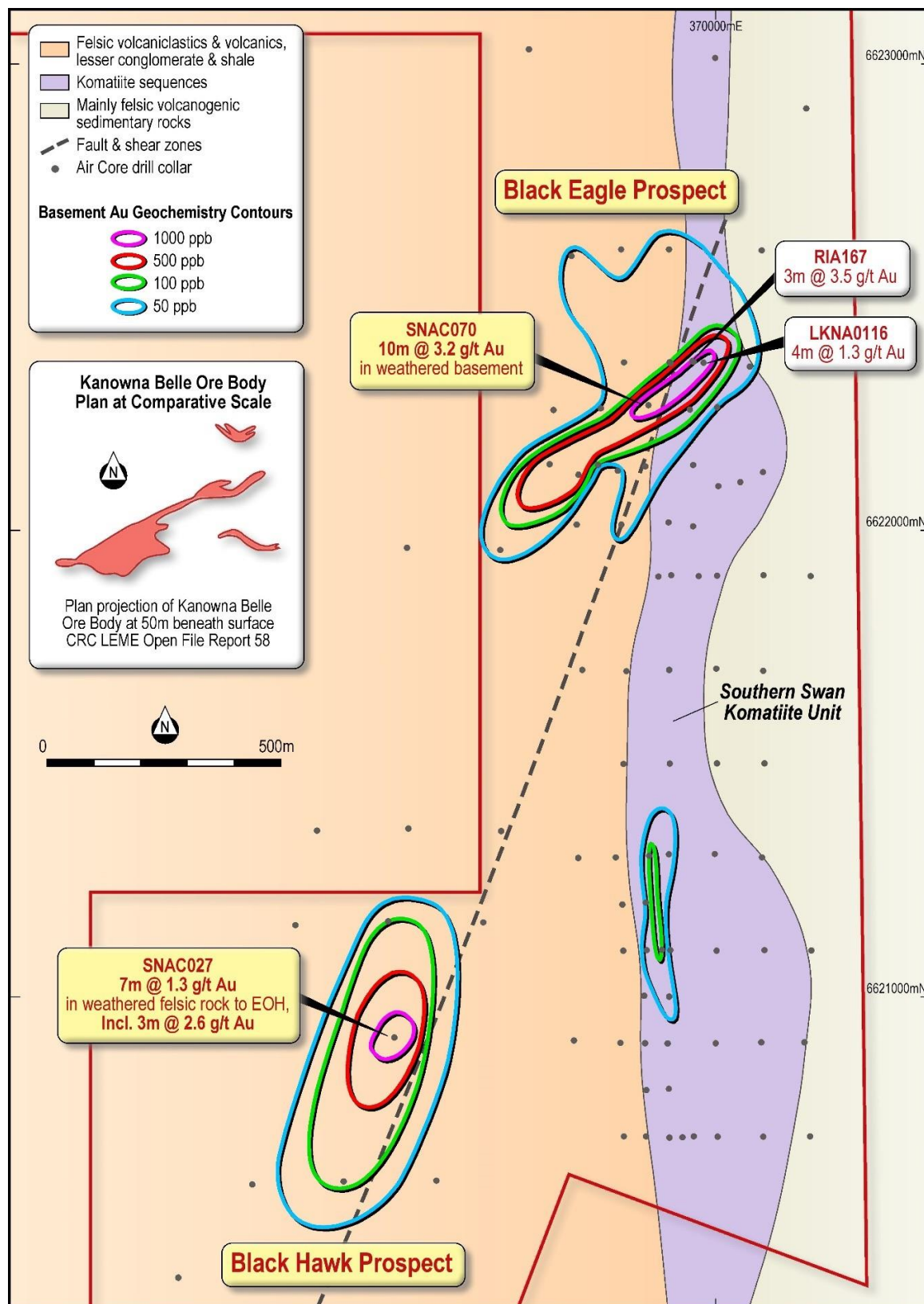


Figure Six | Silver Swan South Gold Prospects with Basement Gold Geochemistry Contours

7. Review of Operations (continued)

Red Gate Project (100% interest)

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), 140 km northeast of Kalgoorlie. Historical exploration work has mostly targeted the Porphyry North Prospect where shallow, outcropping mineralisation has been defined. There is the potential to discover further mineralisation at Porphyry North and several other prospects nearby.

Blackstone Minerals has entered into a Binding Option Agreement (*refer ASX Announcement 6 August 2018*) with Expose Resources Limited (ASX code: EXX) formerly named Golden Pacific Resources Limited to divest 100% of the Red Gate Project. Expose Resources lodged a Prospectus with the Australian Securities and Investments Commission (ASIC) on 9 October 2018. The Initial Public Offering (IPO) process has been suspended due to difficult capital markets. Blackstone is continuing discussions with Expose in relation to the Option Agreement. Blackstone will update the market as necessary should there be any material changes to the Option Agreement.

7. Review of Operations (continued)

Middle Creek Project (95% - 100% interest)

The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced >500Koz gold since 2012 and a 1.16Moz resource inventory), in the Pilbara region of Western Australia (Refer Figure Seven) and consists of 21 prospecting licences covering 39.7 km² within the Mosquito Creek belt. During the year, the tenement applications for the Middle Creek project were granted. Blackstone continued to work on finalising priority targets for drill testing.

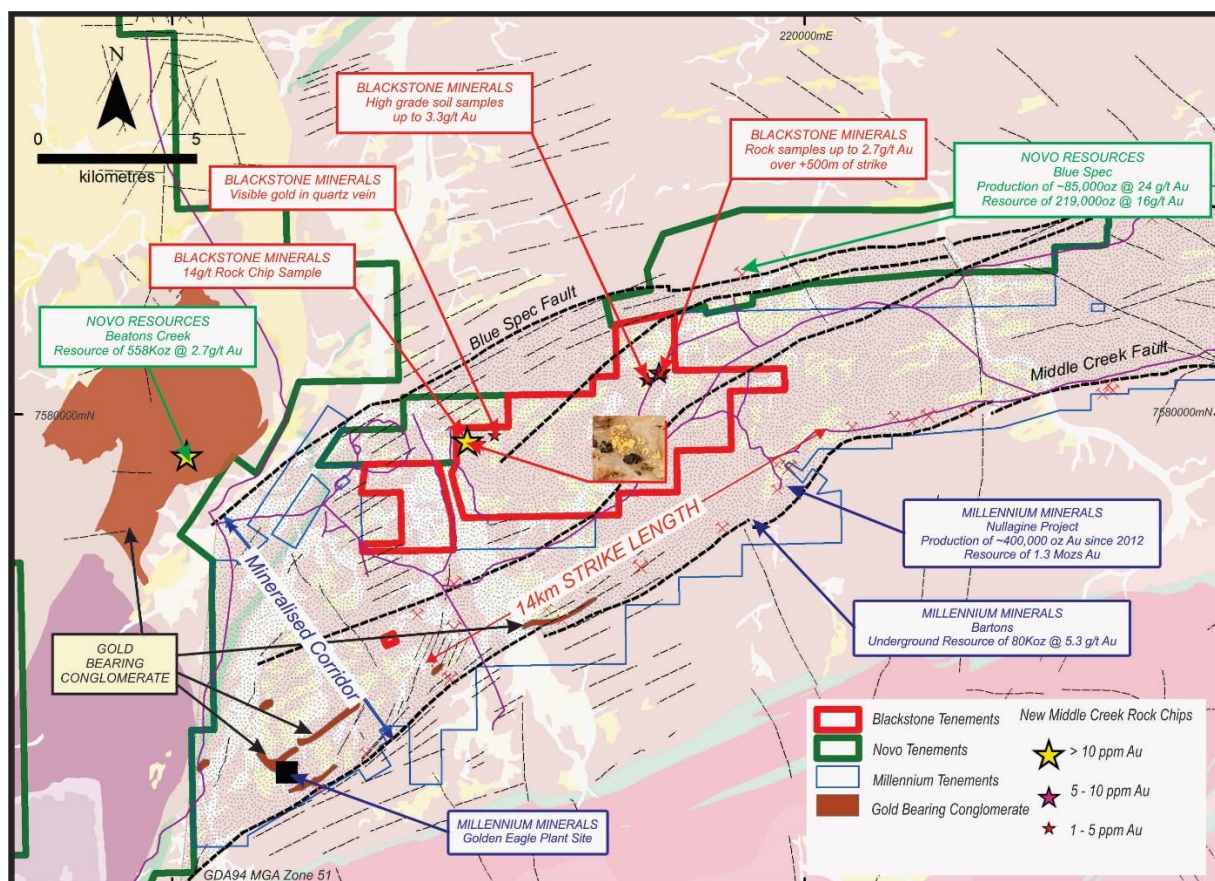


Figure Seven | Geology of the Middle Creek Project area

8. Matters Subsequent to the End of the Financial Year

- Since 30 June 2019 the Company completed Tranche 2 of the placement issuing 30,000,000 ordinary shares at \$0.05 for \$1,500,000 before share issue costs.
- On 16 August 2019, 8,000,000 collateral shares were issued to Acuity Capital under a controlled placement deed.
- On 23 September 2019, the Company announced a placement for 30,000,000 ordinary shares at \$0.15 for \$4,500,000 before costs due to be completed by 26 September 2019. In addition, a Share Purchase Plan commenced to all shareholders raising up to \$500,000 or 3,333,333 ordinary shares at an issue price of \$0.15.

There are no further subsequent events.

9. Likely Developments and Expected Results of Operations

The Company will continue its mineral exploration activity at and around its exploration projects in Western Australia and Canada with the object of identifying commercial resources.

Further information on likely developments in the operations of the group and the expected results of operations have not been included in the Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the group.

10. Information on Directors and Company Secretaries

Mr Hamish Halliday	Independent Non-Executive Chairman <i>since 30 August 2016</i>	
Qualifications	BSc (Geology), MAusIMM	
Experience	Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday co-founded Blackstone Minerals and was instrumental in the acquisition of its Company's current tenement portfolio. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Adamus Resources Ltd ('Adamus'). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production.	
Interest in Securities	Fully Paid Ordinary Shares	7,481,383
Other Directorships	Venture Minerals Limited (since 30 January 2008) Comet Resources Limited (since 16 December 2014) Alicanto Minerals Limited (since 17 March 2016)	
Mr Scott Williamson	Managing Director – <i>appointed 6 November 2017</i>	
Qualifications	BEng (Mining) BCom, MAusIMM	
Experience	Mr Williamson is a mining engineer with a Bachelor of Commerce degree from the West Australian School of Mines (WASM). Mr Williamson has over 10 years' experience in the mining and finance sectors across a variety of technical and corporate roles, recently Investor Relations Manager at Resolute Mining Ltd and a senior Analyst at Hartley's.	
Interest in Securities	Fully Paid Ordinary Shares	2,750,000
	Performance Options	750,000
Other Directorships	Nil.	

10. Information on Directors and Company Secretaries (continued)

Mr Andrew Radonjic	Technical Director – <i>since 30 August 2016</i>	
Qualifications	BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM	
Experience	Mr Radonjic is a geologist and mineral economist with over 30 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 15 years in the Paddington, Mount Pleasant and Lady Bountiful Extended gold operations north of Kalgoorlie, where he has fulfilled a variety of senior roles which gave rise to three gold discoveries, totalling in excess of 3 million ounces in resources and in the development of over 1 million ounces.	
Interest in Securities	Fully Paid Ordinary Shares	6,308,751
Other Directorships	Venture Minerals Limited (since 12 May 2006) Fin Resources Limited (appointed 14 May 2018)	
Mr Stephen Parsons	Non-Executive Director – <i>appointed 30 October 2017</i>	
Qualifications	BSc (Hons) Geology, MAusIMM	
Experience	Mr Parsons is a geologist with over 20 years' experience in the mining sector. He is the managing director of Bellevue Gold Ltd which is delineating the high-grade Bellevue Gold Project in Western Australia. Previously Mr Parsons was the managing director of Gryphon Minerals Ltd, which he founded and listed on the ASX and grew it to an ASX-200 company with a multimillion-ounce gold discovery in West Africa. Mr Parsons is also the Executive Director of African Gold Ltd.	
Interest in Securities	Fully Paid Ordinary Shares	8,622,421
Other Directorships	Bellevue Gold Ltd (appointed 31 March 2017) – Managing Director African Gold Ltd (appointed 1 February 2018) Centaurus Metals Ltd (31 March 2017 to 28 February 2019) – Non-Executive Director	

Joint Company Secretaries

Jamie Byrde – BCom, CA.
Since - 15 March 2017

Mr Byrde is a Chartered Accountant with over 15 years' experience in corporate, audit and company secretarial matters. Previously Mr Byrde has held positions providing corporate advisory services, financial accounting/reporting and ASX/ASIC compliance management. Mr Byrde is also currently Company Secretary for Venture Minerals Limited and Alicanto Minerals Limited.

Michael Naylor - BCom, CA.
Appointed 30 October 2017

Mr Naylor, has over 20 years' experience in corporate advisor and public company management since commencing his career and qualifying as a Chartered Accountant with Ernst & Young. Mr Naylor has held senior executive management and board positions for several mineral resource companies, focusing on advancing and developing mineral project and business development. Mr Naylor is currently Executive Director of Bellevue Gold Limited and a Non-Executive Director of Auteco Minerals Limited and Company Secretary of Cygnus Gold Limited and African Gold Limited.

11. Remuneration Report (audited)

The Directors of Blackstone Minerals Limited are pleased to present your Company's 2019 remuneration report which sets out remuneration information for the Non-Executive Directors, Executive Directors and other key management personnel ("KMP").

The following sections are included with this report:

- A. Directors and key management personnel disclosed in this report
- B. Remuneration governance
- C. Use of remuneration consultants
- D. Executive remuneration policy and framework
- E. Group Performance, Shareholder Wealth and Executive Remuneration
- F. Non-Executive Director remuneration policy
- G. Voting and comments made at the company's 2018 Annual General Meeting
- H. Details of remuneration
- I. Details of share-based payments and bonuses
- J. Service Agreements
- K. Equity instruments held by key management personnel
- L. Loans to key management personnel
- M. Other transactions with key management personnel

11. Remuneration Report (audited) (continued)

A. Directors and key management personnel disclosed in this report

Non-Executive Directors

Mr H Halliday

Non-Executive Chairman

Mr S Parsons

Non-Executive Director

Mr M Konnert

Non-Executive Director (resigned 20 May 2019)

Executive Directors

Mr S Williamson

Managing Director

Mr A Radonjic

Technical Director

Other key management personnel

Mr J Byrde

CFO/Joint Company Secretary

All of the key management personnel held their positions during the year ended 30 June 2019 and up to the date of this report unless otherwise disclosed.

B. Remuneration governance

The Company has established a Remuneration Committee under a formal charter. The Remuneration Committee comprises of four Directors.

The Remuneration Committee is responsible for reviewing and recommending the remuneration arrangements for the Executive and Non-Executive Directors and KMP each year in accordance with the Company's remuneration policy approved by the Board. This includes an annual remuneration review and performance appraisal for the Executive Directors and other executives, including their base salary, short-term incentives ("STI") and long-term incentives ("LTI"), bonuses, superannuation, termination payments and service contracts.

Further information relating to the role of the Remuneration Committee can be found within the Corporate Governance Report on the Company's website, refer to <http://blackstoneminerals.com.au/corporate/>

C. Use of remuneration consultants

The Company has not engaged or contracted remuneration consultants during the financial year.

D. Executive remuneration policy and framework

The remuneration policy of Blackstone Minerals Limited has been designed to align executives' objectives with shareholder and business objectives by providing both fixed and discretionary remuneration components which are assessed on an annual basis in line with market rates. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options), executive, business and shareholder objectives are indirectly aligned. The board of Blackstone Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between Directors and Shareholders.

11. Remuneration Report (audited) (continued)

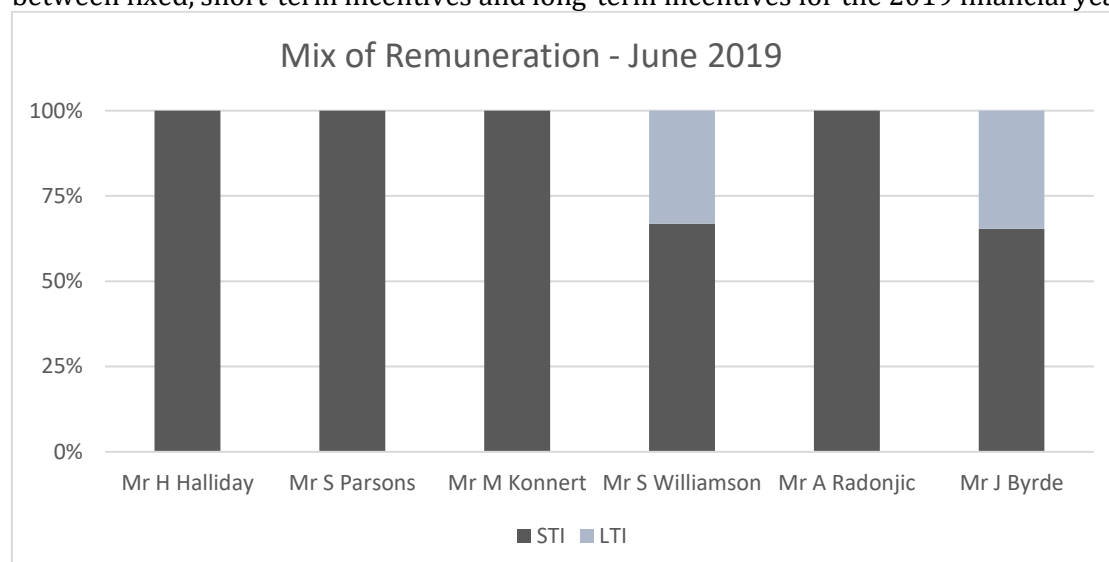
D. Executive remuneration policy and framework (continued)

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent data is sourced to ensure that the company's remuneration levels fall within the 50th to 75th percentile of companies in a similar industry group and with a similar market capitalisation. These ongoing reviews are performed to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board also ensures that the mix of executive compensation between fixed, variable, long-term, short-term and cash versus equity is appropriate. The Company endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

Executive remuneration mix

The following table sets out the mix of remuneration for all key management personnel between fixed, short-term incentives and long-term incentives for the 2019 financial year.



Fixed Remuneration

The Executive receives a base cash salary which is based on factors such as length of service and experience. The Executive also receive a superannuation guarantee contribution required by the government, which is currently 9.5% and do not receive any other retirement benefits.

Short-term Incentives (STI)

Under the group's current remuneration policy, executives can from time to time receive short-term incentives in the form of cash bonuses. These bonuses are based on relevant qualitative objectives to be determined and approved by the Board at a suitable time. The Board believes that the criteria of eligibility for short-term incentives appropriately aligns shareholder wealth and executive remuneration as the completion of key operation milestones have the potential to increase share price growth.

There are currently no short-term incentives in place and there were no cash bonuses paid out in the current financial year. The company intends to complete a remuneration review in accordance with its current remuneration policy during the June 2020 financial year.

11. Remuneration Report (audited) (continued)

D. Executive remuneration policy and framework (continued)

Long-term Incentives (LTI)

Executives are encouraged by the Board to hold shares in the company and it is therefore the objective of the Group's option scheme to provide an incentive for participants to partake in the future growth of the group and, upon becoming shareholders in the Company, to participate in the group's profits and dividends that may be realised in future years.

The Board considers that this equity performance linked remuneration structure is effective in aligning the long-term interests of group executives and shareholders as there exists a direct correlation between shareholder wealth and executive remuneration.

E. Group Performance, Shareholder Wealth and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders directors and executives. This has been achieved by the issue of performance options to directors, executives and other key management personnel, at the discretion of the Board of Directors. The performance options are issued under the Employee Incentive Scheme and based on a mixture of short, medium and long-term incentive options. This structure rewards executives for both short-term and long-term shareholder wealth development.

F. Non-executive Director remuneration policy

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

Typically, Blackstone will compare Non-Executive Remuneration to companies with similar market capitalizations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is \$500,000. There are no planned changes to this limit requiring approval by shareholders at the Annual General Meeting.

G. Voting and comments made at the Company's 2018 Annual General Meeting

The Company received 98.3% of "Yes" votes on its remuneration report for 2018 financial year (2017: 100%). The Company did not receive any specific feedback at the AGM or through the year on its remuneration practices.

H. Details of Remuneration

Details of the remuneration of the Directors and key management personnel of the group of Blackstone Minerals Limited are set out in the following table for the year ending 30 June 2019. There have been no changes to the below named key management personnel since the end of the reporting year unless otherwise noted.

11. Remuneration Report (audited) (continued)

H. Details of Remuneration

	Cash Salary & Fees	Short Term Benefits Incentives	Consulting Fees	Other Amounts	Super- annuation	Non-Cash Long Term Incentives ^B	Total
	\$	\$	\$	\$	\$	\$	\$
2019							
<i>Non-Executive Directors</i>							
Mr H Halliday	25,000	-	50,000	1,894	-	-	76,894
Mr S Parsons	40,000	-	-	1,894	3,800	-	45,694
Mr M Konnert ^A	37,522	-	-	1,894	-	-	39,416
<i>Executive Directors</i>							
Mr S Williamson	225,000	-	-	1,894	21,375	123,021	371,290
Mr A Radonjic	125,000	-	-	1,894	11,875	-	138,769
<i>Other key management personnel</i>							
Mr J Byrde	52,177	-	-	1,894	4,960	31,273	90,304
Total Remuneration	504,699	-	50,000	11,364	42,010	154,294	762,367

A Mr M Konnert resigned 20 May 2019.

B The fair value of the options is calculated at the date of grant using a Black-Scholes model. Refer to Section 11(H) for further details of options issued during the June 2019 financial year.

	Cash Salary & Fees	Short Term Benefits Incentives	Consulting Fees	Other Amounts	Super- annuation	Non-Cash Long Term Incentives	Total
	\$	\$	\$	\$	\$	\$	\$
2018							
<i>Non-Executive Directors</i>							
Mr H Halliday	25,000	-	53,966	1,043	-	933,750	1,013,759
Mr S Parsons ^A	26,667	-	13,333	1,043	3,800	933,750	978,593
Mr M Konnert ^B	29,161	-	-	1,043	-	-	30,204
Mr B McFadzean ^C	31,846	-	-	1,043	3,069	-	35,958
<i>Executive Directors</i>							
Mr S Williamson ^D	145,385	-	-	1,043	13,812	98,416	258,656
Mr A Radonjic	122,115	-	-	1,043	11,601	662,500	797,259
<i>Other key management personnel</i>							
Mr J Byrde	50,000	-	-	1,043	4,750	153,065	208,858
Total Remuneration	430,174	-	67,299	7,301	37,032	2,781,481	3,323,287

A Mr S Parsons appointed 30 October 2017.

B Mr M Konnert appointed 24 October 2017

C Mr B McFadzean resigned 13 April 2018

D Mr S Williamson appointed 6 November 2017

11. Remuneration Report (audited) (continued)

I. Details of Share Based Payments and Bonuses

There were no bonuses issued or paid during the year.

Options are issued to directors, executives and other key management personnel of Blackstone Minerals Limited as part of their remuneration. The options are issued based on performance criteria set by the Board to increase goal congruence between executives, directors, other key management personnel and shareholders.

During the year, the Company did not grant any options to the Managing Director and Other Key Management Personnel as follows:

Share based payments expenses for Directors and Key Management Personnel represent options issued in prior year which vested during the year.

Further details of options issued to Directors and key management personnel are as follows:

	Granted No.	Options and Performance Shares Granted as Part of Remuneration \$	Total Remuneration Represented by Options and Performance Shares	Exercised No.	Other changes No.	Lapsed No.
2019						
Non-Executive Directors						
Mr H Halliday	-	-	-	-	-	-
Mr S Parsons	-	-	-	-	-	-
Mr M Konnert ^A	-	-	-	-	-	-
Executive Director						
Mr S Williamson	-	123,021 ^B	33%	-	-	-
Mr A Radonjic	-	-	-	-	-	-
Other Key Management Personnel						
Mr J Byrde	-	31,273 ^B	35%	-	-	-
2018						
Non-Executive Directors						
Mr H Halliday	2,250,000	933,750	92%	(2,250,000)	-	-
Mr S Parsons	2,250,000	933,750	95%	(2,250,000)	-	-
Mr M Konnert	-	-	-	-	-	-
Mr B McFadzean	-	-	-	-	-	-
Executive Director						
Mr S Williamson	1,500,000	98,416	38%	-	-	-
Mr A Radonjic	1,500,000	662,500	83%	(1,500,000)	-	-
Other Key Management Personnel						
Mr J Byrde	600,000	153,065	73%	(350,000)	-	-

A Mr M Konnert resigned 20 May 2019.

B Remuneration represented by options and performance shares relates to option and performance shares granted in prior year.

11. Remuneration Report (audited) (continued)

J. Service Agreements

Name	Term of Agreement	Base salary ^A (per Agreement)	Termination benefit
Mr H Halliday Non-Executive Chairman	No fixed term	\$75,000	No termination benefits
Mr S Williamson Managing Director	No fixed term	\$246,375	3 months payable on termination
Mr A Radonjic Technical Director	No fixed term	\$136,875	No termination benefits
Mr S Parsons Non-Executive Director	No fixed term	\$43,800	No termination benefits
Mr J Byrde ^B CFO/Joint Company Secretary	No fixed term	\$54,750 – increased to \$64,700 from period ending 29 May 2019.	3 months payable on termination

A Includes superannuation

B Mr Byrde's agreement increased from \$164,750 to \$197,100 including super split evenly across 3 related entities on 29 May 2019.

K. Equity instruments held by key management personnel

The tables below show the number of:

- (i) options and performance shares over ordinary shares in the Company, and
- (ii) shares held in the Company that were held during the year by key management personnel of the group, including their close family members and entities related to them.

There were no shares granted during the reporting year as compensation.

(iii) Option holdings

	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
30 June 2019						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	-	-	-	-	-	-
Mr S Williamson	1,500,000	-	-	-	1,500,000	750,000
Mr A Radonjic	-	-	-	-	-	-
Mr S Parsons	-	-	-	-	-	-
Mr M Konnert ^A	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	250,000	-	-	-	250,000	-
30 June 2018						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	-	-	-	-	-	-
Mr S Williamson	-	1,500,000	-	-	1,500,000	-
Mr A Radonjic	-	-	-	-	-	-
Mr S Parsons	-	-	-	-	-	-
Mr M Konnert	-	-	-	-	-	-
Mr B McFadzean	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	-	600,000	(350,000)	-	250,000	-

A Mr M Konnert resigned 20 May 2019.

11. Remuneration Report (audited) (continued)

K. Equity instruments held by key management personnel (continued)

(iv) Performance Shares

	Balance at start of the year or on appointment	Granted as remuneration	Exercised ^B	Other changes	Balance at end of the year	Vested and exercisable
30 June 2019						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	1,000,000	-	(1,000,000)	-	-	-
Mr S Williamson	-	-	-	-	-	-
Mr A Radonjic	1,000,000	-	(1,000,000)	-	-	-
Mr S Parsons	1,000,000	-	(1,000,000)	-	-	-
Mr M Konnert ^A	-	-	-	-	-	-
Mr B McFadzean	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	-	-	-	-	-	-
30 June 2018						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	2,000,000	2,250,000	(3,250,000)	-	1,000,000	-
Mr S Williamson	-	-	-	-	-	-
Mr A Radonjic	2,000,000	1,500,000	(2,500,000)	-	1,000,000	-
Mr S Parsons	2,000,000	2,250,000	(3,250,000)	-	1,000,000	-
Mr M Konnert	-	-	-	-	-	-
Mr B McFadzean	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	-	-	-	-	-	-

A Mr M Konnert resigned 20 May 2019.

B During the year the Class A Performance Share milestones were met and converted to ordinary shares.

(v) Share holdings

The number of shares in the Company held during the financial year by each Director of Blackstone Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

11. Remuneration Report (audited) (continued)

K. Equity instruments held by key management personnel (continued)

	Balance at the start of the year or on appointment	Received on exercise of options and performance shares	Other changes	Balance at the end of the year
30 June 2019				
<i>Directors of Blackstone Minerals Limited</i>				
Mr H Halliday	6,081,383	1,000,000	-	7,081,383
Mr S Williamson	100,000	-	800,000	900,000
Mr A Radonjic	5,158,751	1,000,000	-	6,158,751
Mr S Parsons	6,447,421	1,000,000	-	7,447,421
Mr M Konnert ^A	2,262,084	-	(2,262,084) ^A	-
<i>Other key management personnel</i>				
Mr J Byrde	350,000		(200,000)	150,000
30 June 2018				
<i>Directors of Blackstone Minerals Limited</i>				
Mr H Halliday	2,783,751	3,250,000	47,632	6,081,383
Mr S Williamson	-	-	100,000	100,000
Mr A Radonjic	2,658,751	2,500,000	-	5,158,751
Mr S Parsons	3,197,421	3,250,000	-	6,447,421
Mr M Konnert	1,062,084	1,600,000	(400,000)	2,262,084
Mr B McFadzean	525,000	-	(525,000)	-
<i>Other key management personnel</i>				
Mr J Byrde	-	350,000	-	350,000

A Mr M Konnert resigned 20 May 2019.

L. Loans to key management personnel

There were no loans made to Directors and other key management personnel of the group, including their close family members.

M. Other transactions with key management personnel

Mr Radonjic is a Director of Venture Minerals Limited which shares office and administration service costs on normal commercial terms and conditions. Mr Radonjic, is a Director of Onedin Enterprises which provides geological mapping services on normal commercial terms and conditions.

Mr Halliday is a Non-Executive Director of Alicanto Minerals Limited and Venture Minerals Limited which shares either office and administration service costs on normal commercial terms and conditions.

Mr Parsons is a Director of Bellevue Gold Limited and African Gold Limited which shares office costs on normal commercial terms and conditions.

Aggregate amounts of each of the above types of other transactions with key management personnel of Blackstone minerals Limited:

11. Remuneration Report (audited) (continued)

M. Other transactions with key management personnel

	2019 \$	2018 \$
(i) Recharges to KMP related entities		
<i>Recharge of rent and shared office costs</i>		
Recharges to Venture Minerals Limited	209,208	272,117
Recharges to Alicanto Minerals Limited	127,500	155,481
Recharges to Bellevue Gold Limited	102,325	109,632
Recharges to African Gold Limited	11,340	-
(ii) <i>Purchases from KMP related entities</i>		
Shared office costs and other supplier services on arms' length terms:		
Payments to Venture Minerals Limited	91,496	119,018
Payments to Onedin Enterprises	4,047	9,253

End of remuneration report

12. Shares under Option

Unissued ordinary shares of Blackstone Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry Date	Exercise Price	Number under Option
23 January 2017	12 January 2020	\$0.20	2,000,000
6 November 2017	6 November 2020	\$0.001	750,000
29 March 2018	26 March 2023	\$0.001	1,700,000
2 July 2019	17 May 2021	\$0.10	10,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

There were 4,000,000 shares issued on conversion of performances shares during the year ending 30 June 2019.

13. Insurance of Officers

During the financial year, Blackstone Minerals Limited paid a premium of \$11,364 (2018: \$7,301) to insure the Directors and Secretary of the Company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

14. Meetings of Directors

The number of Directors' meetings (including committees) held during the year that each Director who held office during the financial year were eligible to attend and the number of meetings attended by each Director are:

Director	Full meetings of Directors		Remuneration Committee meetings	
	Number Eligible to Attend	Meetings Attended	Number Eligible to Attend	Meetings Attended
Mr H Halliday	5	5	-	-
Mr S Williamson	5	5	-	-
Mr A Radonjic	5	5	-	-
Mr S Parsons	5	4	-	-
Mr M Konnert	5	3	-	-

The Company does not have a formally constituted audit committee as the Board considers that the Company's size and type of operation do not warrant such a committee as all members of the Board are involved in audit agenda items and discussions thereon.

15. Environmental Regulation

The Group's activities are subject to the relevant environmental protection legislation (Commonwealth and State) in relation to its exploration activities. The group believes that sound environmental practice is not only a management obligation but the responsibility of every employee and contractor.

No fines were imposed and no prosecutions were instituted by a regulatory body during the year in relation to Environmental Regulations.

16. Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

17. Auditor's Independence Declaration & Non-Assurance Services

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 30 of the Directors' report. No fees were paid to the auditors for non-assurance services performed during the year ended 30 June 2019.

Signed in accordance with a resolution of the Board of Directors.



Scott Williamson
Managing Director

Perth, Western Australia, 26 September 2019

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Radonjic, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Radonjic is Technical Director for the company. Mr Radonjic has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken 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 Radonjic consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

No New Information or Data

This annual report contains references to Exploration Results and Exploration Targets, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially effects the information in the said announcement. In the case of estimates of Mineral Resources all assumptions and technical parameters underpinning the estimates have not materially changed.

26 September 2019

The Directors
Blackstone Minerals Limited
Level 3, 24 Outram Street
WEST PERTH WA 6005

Dear Sirs

RE: BLACKSTONE MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Blackstone Minerals Limited.

As Audit Director for the audit of the financial statements of Blackstone Minerals Limited for the period ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income	32
Consolidated Statement of Financial Position	33
Consolidated Statement of Changes in Equity	34
Consolidated Statement of Cash Flows	35
Notes to the Consolidated Financial Statements	36
Directors' Declaration	65
Independent Auditor's Report	66

These financial statements cover Blackstone Minerals Limited as a consolidated entity consisting of Blackstone Minerals Limited and the entities it controlled from time to time during the year ('group' or 'consolidated entity'). The financial statements are presented in the Australian currency.

Blackstone Minerals Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Blackstone Minerals Limited
Suite 3, Level 3, 24 Outram Street
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 4 to 15 in the Directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 26 September 2019. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.blackstoneminerals.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Notes	Consolidated 30 June 2019 \$	30 June 2018 \$
Revenue from continuing operations	3	12,345	46,469
Other income	3	88,635	-
Administrative costs		(594,922)	(580,706)
Consultancy expenses		(316,063)	(135,240)
Employee benefits expense	4(a)	(573,751)	(560,546)
Share based payment expenses	23	(335,680)	(4,504,934)
Occupancy expenses	4(b)	(70,030)	(65,117)
Compliance and regulatory expenses		(81,138)	(75,994)
Insurance expenses		(40,889)	(20,900)
Exploration Expenditure	10	(2,245,881)	(2,511,782)
Depreciation Expense	4(c)	(15,042)	(22,331)
Finance and Interest Costs	4(d)	(9,844)	(7,910)
(Loss) before income tax		(4,182,260)	(8,438,991)
Income tax (expense)/benefit	6	-	-
(Loss) attributable to owners		(4,182,260)	(8,438,991)
Other comprehensive income:			
Items that may be reclassified to profit or loss		119,652	(77,366)
Items that will not be classified to profit or loss		-	-
Total comprehensive (loss) attributable to owners		(4,062,608)	(8,516,357)
Basic and Diluted (loss) per share (cents per share)	17	(4.0)	(12.6)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	Consolidated 2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	7	307,532	3,064,947
Trade and other receivables	8	174,638	241,285
Total Current Assets		482,170	3,306,232
Non-Current Assets			
Trade and other receivables	8	96,183	96,183
Property, plant and equipment	9	16,472	29,095
Exploration and evaluation expenditure	10	10,204,152	10,127,010
Total Non-Current Assets		10,316,807	10,252,288
Total Assets		10,798,977	13,558,520
Current Liabilities			
Trade and other payables	11	221,727	911,703
Provisions	12	72,890	53,811
Total Current Liabilities		294,617	965,514
Total Liabilities		294,617	965,514
Net Assets		10,504,360	12,593,006
Equity			
Issued capital	13	23,377,083	21,338,801
Reserves	15	613,687	558,355
Accumulated losses		(13,486,410)	(9,304,150)
Total Equity		10,504,360	12,593,006

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

Consolidated	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	4,342,357	(865,159)	-	684,140	4,161,338
Total comprehensive income for the year:					
Loss for the year	-	(8,438,991)	-	-	(8,438,991)
Foreign Exchange Differences	-	-	(77,366)	-	(77,366)
	-	(8,438,991)	(77,366)	-	(8,516,357)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	4,617,591	-	-	-	4,617,591
Equity settled share-based payment transactions	12,378,853	-	-	(48,419)	12,330,434
Balance at 30 June 2018	21,338,801	(9,304,150)	(77,366)	635,721	12,593,006
Balance at 1 July 2018	21,338,801	(9,304,150)	(77,366)	635,721	12,593,006
Total comprehensive income for the year:					
Loss for the year	-	(4,182,260)	-	-	(4,182,260)
Foreign Exchange Differences	-	-	119,652	-	119,652
	-	(4,182,260)	119,652	-	(4,062,608)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	1,638,282	-	-	-	1,638,282
Equity settled share based payment transactions	400,000	-	-	(64,320)	335,680
Balance at 30 June 2019	23,377,083	(13,486,410)	42,286	571,401	10,504,360

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	Consolidated 30 June 2019 \$	30 June 2018 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,530,410)	(1,438,264)
Interest received		18,872	42,200
Other income		88,635	-
Payments for exploration and evaluation		(2,893,233)	(1,988,962)
Net cash (outflow) from operating activities	18	(4,316,136)	(3,385,026)
Cash Flows from Investing Activities			
Purchase of Mineral Tenements and Prospects	10	(77,142)	(707,010)
Purchase of property, plant and equipment		(2,419)	(16,857)
Security deposits paid		-	(66,183)
Net cash (outflow) from investing activities		(79,561)	(790,050)
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		1,700,000	5,005,500
Proceed from unissued share capital		33,750	-
Share issue transaction costs		(95,468)	(382,409)
Net cash inflow from financing activities		1,638,282	4,623,091
Net (decrease)/ increase in cash and cash equivalents		(2,757,415)	448,015
Cash and cash equivalents at the start of the year		3,064,947	2,616,932
Cash and cash equivalents at the end of the year	7	307,532	3,064,947

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to the financial year presented, unless otherwise stated. The financial statements cover Blackstone Minerals Limited as a consolidated entity consisting of Blackstone Minerals Limited and its subsidiaries ('group' or consolidated entity').

(a) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

(i) Compliance with IFRS

The consolidated financial statements of Blackstone Minerals Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

(iii) Going Concern

The financial report has been prepared on a going concern basis. The directors believe there are sufficient grounds to believe that the business will be able to continue to pay its debts as and when they fall due. For the year ended 30 June 2019, the Group incurred a loss before tax of \$4,182,260 (2018: \$8,438,991) and incurred net cash outflows of \$2,757,415 (net cash inflows of \$448,015 for 2018). At 30 June 2019, the Group had total current assets of \$482,170 (2018: \$3,306,232) and total liabilities of \$294,617 (2018: \$965,514).

The Group's ability to continue as a going concern basis is dependent upon maintain sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and is mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate based on future cash forecasts, existing cash reserves and the ability to significantly reduce activity and preserve cash if necessary. Furthermore, the Directors are also of the opinion that a capital raising could be achieved to raise additional funds if required.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1. Summary of Significant Accounting Policies (continued)

(b) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the consolidated entity as at 30 June 2019 and the results of the parent and all subsidiaries for the year then ended.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss, statement of changes in equity and balance sheet respectively.

A list of controlled entities is contained in Note 25 to the financial statements. All controlled entities have a 30 June financial year-end.

(ii) Joint operations

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Blackstone Minerals Limited has joint operations.

Blackstone Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

1. Summary of Significant Accounting Policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Blackstone Minerals Limited's and its subsidiaries functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for the statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

(e) Revenue recognition

The Group has applied AASB 15 Revenue from Contracts with Customers effective from 1 July 2018 using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any significant revenues from customers.

(i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(ii) Other income

Revenue from other income, rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities when control of the asset is transferred to the customer or services rendered.

1. Summary of Significant Accounting Policies (continued)

(f) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(h) Impairment of assets

At each reporting date, the group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment.

1. Summary of Significant Accounting Policies (continued)

(h) Impairment of assets

at each reporting date or more frequently if events or changes in circumstances indicate that they might be impaired.

(i) Cash and cash equivalents

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Trade and other receivables

Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is expense expenditure as incurred rather than for the capitalisation of acquisition costs. Acquired Mineral Rights comprise exploration and evaluation assets which are acquired as part of asset acquisitions recognised at cost. These costs are assessed for recoverability in accordance with AASB 6.

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on assets is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment – office	40.0%
Furniture and equipment – office	20.0%
Plant and equipment – field	40.0%
Motor vehicles	40.0%
Leasehold improvements	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

1. Summary of Significant Accounting Policies (continued)

(m) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

1. Summary of Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

1. Summary of Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Group has applied AASB 9 *Financial Instruments* retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2018, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1. Summary of Significant Accounting Policies (continued)

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as other payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The company provides benefits to employees (including directors) of the group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an Employee Incentive Scheme (IOS), which provides benefits to directors and senior executives. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Blackstone Minerals Limited ('market conditions'). The number of shares expected to vest is estimated based on the non-market vesting conditions and the probability the option will be exercised.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

1. Summary of Significant Accounting Policies (continued)

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) New accounting standards and interpretations adopted by the Group

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments which became effective for financial reporting periods commencing on or after 1 January 2018.

(i) *AASB 15 Revenue from contracts with customers*

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenues related interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

1. Summary of Significant Accounting Policies (continued)

(t) New accounting standards and interpretations adopted by the Group (continued)

(ii) AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

New and revised Accounting Standards for Application in Future Periods

(iii) AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASDB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right of use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis.

The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.

- AASB 16 contains disclosure requirements for leases.

1. Summary of Significant Accounting Policies (continued)

(t) New accounting standards and interpretations adopted by the Group (continued)

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

Estimated impact of AASB 16 on the Group when the standard is applied

The impact on the Group's operating profit as a result of the adoption of AASB 16, the impact on the profit and loss is limited to the non-cancellable operating leases as specified in note 19(b) is \$807,700 which will be amortised over the life of the lease being 4 years should the option to extend the lease be exercised.

(iv) *New amended standards adopted by the Group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2018 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) **Capitalisation of acquisition costs on exploration projects**

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(ii) **Deferred Tax Assets**

Deferred tax assets for unrealised losses have not been recognised on the Statement of Financial Position as the Company has considered it not probable at balance sheet date there to be future taxable profits.

Notes	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
3. Revenue		
From continuing operations		
Interest received	12,345	46,469
Other income	88,635	-
Total revenue from continuing operations	100,980	46,469
4. Expenses		
Profit before income tax includes the following specific expenses:		
(a) Employee benefits expense		
Salary and wages expense	458,348	457,070
Defined contribution superannuation expense	78,168	44,284
Other employee costs	37,235	59,192
Total employee benefits expense	573,751	560,546
(b) Occupancy expense		
Operating lease expense	36,343	35,990
Other occupancy costs	33,687	29,127
Total occupancy expense	70,030	65,117
(c) Depreciation of non-current assets		
Plant and equipment – office	7,580	5,908
Leasehold Improvements	7,462	16,423
Total depreciation of non-current assets	15,042	22,331
(d) Finance costs in respect of finance leases		
Other bank and finance charges	9,844	7,910
Total finance costs in respect of finance leases	9,844	7,910
5. Auditor's Remuneration		
Remuneration of the auditor of the group		
Auditing or reviewing the financial statements	39,920	36,959
Other non-assurance services	-	-
Total auditor remuneration	39,920	36,959

Notes	Consolidated	
	30 June 2019 \$	30 June 2018 \$
6. Income Tax Expense		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Total income tax (expense)/benefit	-	-
Deferred income tax expense included in income tax expense comprises:		
(Increase) in deferred tax assets (Note 6(c))	-	-
Increase in deferred tax liabilities (Note 6(d))	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(4,182,260)	(8,438,991)
Tax (tax benefit) at the tax rate of 27.5% (2018: 27.5%)	(1,150,122)	(2,320,723)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	92,312	1,238,857
Other non-deductible amounts	536,835	581,752
Prior year adjustments	(31,331)	-
Unrecognised tax losses	552,306	500,114
Income tax expense	-	-
(c) Deferred tax assets		
Tax losses	-	-
Employee benefits	-	-
Other accruals	-	-
Total deferred tax assets	-	-
Set-off deferred tax liabilities (Note 6(d))	-	-
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Exploration expenditure	-	-
Other	-	-
Total deferred tax liabilities	-	-
Set-off deferred tax assets (Note 6(c))	-	-
Net deferred tax liabilities	-	-
(e) Tax losses		
Unused tax losses for which no DTA has been recognized	4,659,724	2,651,336
Potential tax benefit at 27.5% (2018: 27.5%)	1,281,424	729,118
(f) Unrecognised temporary differences		
Unrecognised deferred tax asset relating to capital raising costs	451,398	447,813

Notes		Consolidated 2019 \$	2018 \$
7. Cash & Cash Equivalents			
(a) Cash & cash equivalents			
Cash at bank and in hand		307,532	1,064,947
Deposits at call		-	2,000,000
Total cash and cash equivalents		307,532	3,064,947
(b) Cash at bank and on hand			
Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 0.75% (2018: 0.00% and 0.90%)			
(c) Deposits at call			
Deposits at call are bearing interest rates of nil. (2018: 2.22% and 2.55%)			
8. Trade & Other Receivables			
(a) Current			
Other receivables		174,638	241,285
Total current trade and other receivables		174,638	241,285
(b) Non-Current			
Deposits		96,183	96,183
Total non-current trade and other receivables		96,183	96,183
(c) Past due and impaired receivables			
As at 30 June 2019, there were no other receivables that were past due or impaired. (2018: Nil)			
(d) Effective interest rates and credit risk			
Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in Note 16.			

Consolidated	Plant & Equipment	Leasehold Improvements	Total
	\$	\$	\$
9. Property, Plant & Equipment			
30 June 2018			
Opening net book amount	4,624	29,945	34,569
Additions	19,187	2,215	21,402
Reimbursement from shared tenancy ¹	-	(4,545)	(4,545)
Depreciation charge	(5,908)	(16,423)	(22,331)
Closing net book amount	17,903	11,192	29,095
At 30 June 2018			
Cost or fair value	24,282	27,615	51,897
Accumulated depreciation	(6,379)	(16,423)	(22,802)
Net book amount	17,903	11,192	29,095
30 June 2019			
Opening net book amount	17,903	11,192	29,095
Additions	2,419	-	2,419
Depreciation charge	(7,580)	(7,462)	(15,042)
Closing net book amount	12,742	3,730	16,472
At 30 June 2019			
Cost or fair value	26,701	27,615	54,316
Accumulated depreciation	(13,959)	(23,885)	(37,844)
Net book amount	12,742	3,730	16,472

¹ The leasehold improvements capitalised at 30 June 2017, included \$4,545 of assets reimbursed from shared tenants in relation to the office fit-out costs at Level 3, 24 Outram Street, West Perth.

	Consolidated	
	2019	2018
	\$	\$
10. Exploration & Evaluation Expenditure		
(a) Non-current		
Opening balance	10,127,010	1,600,000
Acquisition of Assets	77,142	8,527,010
Exploration and acquisition expenditure at cost	2,300,165	2,511,782
Write offs/provisions	(2,300,165)	(2,511,782)
Total non-current exploration and evaluation expenditure	10,204,152	10,127,010
(b) The value of the group's interest in exploration expenditure is dependent upon:		
<ul style="list-style-type: none"> the continuance of the group's rights to tenure of the areas of interest; the results of future exploration; and the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale. 		
The group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people for Australian Assets and First Nations People for its Canadian Assets. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.		

10. Exploration & Evaluation Expenditure (continued)

Acquisition of Exploration Assets – 30 June 2019

During the year on 29th of January 2019, the company entered into an agreement to acquire tenements in Oregon, United States known as the Record Mine, for an option fee of US\$20,000 payable on agreement, with an option fee payable annually on 1 February each year for four years for US\$25,000 per year. The total option fee paid during the year was A\$28,175. Additional exploration ground around the project area was applied directly for an additional cost of \$48,966 bringing the total acquisition cost of \$77,142 for the tenement package.

Acquisition of Exploration Assets – Prior Year 30 June 2018

On 24 October 2017 Blackstone Minerals Limited, finalised the acquisition of 100% of the issued capital of Cobalt One Energy Corp, British Columbia Canada for the issue of 25,000,000 ordinary shares and 8,000,000 performance shares. The acquisition of Cobalt One Energy Corp has been assessed and it was determined this was an acquisition of mineral tenements. The acquisition of Cobalt One Energy Corp, included the Little Gem Project (British Columbia, Canada) and Cartier Project (Quebec, Canada). Details of the acquisition are as follows:

	2018
	\$
Shares Issued to vendors of Cobalt One Energy Corp	4,500,000
Option payments to vendor	707,010
Performance shares issued – see note 14	3,320,000
Total purchase consideration	8,527,010

	Consolidated 2019	2018
	\$	\$
11. Trade & Other Payables		
Current		
Trade Payables	139,172	613,169
Other Payables	82,555	298,534
Total current trade & other payables	221,727	911,703
No trade or other payables are considered past due and are generally settled within 30 days.		
12. Provisions		
Current		
Employee entitlements	72,890	53,811
Total current provisions	72,890	53,811

		Consolidated 2019 Shares	2019 \$	Consolidated 2018 Shares	2018 \$
13. Contributed Equity					
(a)	Issued and unissued share capital				
	Ordinary shares - fully paid	122,204,766	23,343,333	96,204,766	21,338,801
	Unissued capital	675,000	33,750	-	-
	Total issued and unissued share capital	122,879,766	23,377,083	96,204,766	21,338,801
(b)	Ordinary Shares				
	Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.				
(c)	Options				
	Information relating to options including details of options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in Note 14.				
		Date	Number of Shares	Issue Price \$	Total \$
(d)	Movements in issued capital				
	Opening Balance 1 July 2017		35,800,004		4,342,357
	Shares issue – Acquisition of Cobalt One Energy Corp	24 Oct 17	25,000,000	\$0.18	4,500,000
	Share issue	14 Dec 17	3,620,000	\$0.42	1,520,400
	Share issue	23 Jan 18	8,284,762	\$0.42	3,479,600
	Conversion of Class C Performance Shares	12 Feb 18	14,000,000	\$0.42	5,810,000
	Conversion of Options	21 Feb 18	3,500,000	\$0.30	1,036,871
	Conversion of Options	21 Feb 18	2,000,000	\$0.42	831,982
	Conversion of Class B Performance Shares	9 Mar 18	4,000,000	\$0.05	200,000
	Less: Transaction costs				(382,409)
	Closing Balance at 30 June 2018		96,204,766		21,338,801
	Opening Balance 1 July 2018		96,204,766		21,338,801
	Share issue	20 Dec 18	12,000,000	\$0.10	1,200,000
	Conversion of Class A Performance Shares	1 Mar 19	4,000,000	\$0.10	400,000
	Share issue	15 May 19	10,000,000	\$0.05	500,000
	Less: Transaction costs				(95,468)
	Closing Balance at 30 June 2019		122,204,766		23,343,333
(e)	Unissued Capital	30 June 19	675,000	\$0.05	33,750
	Total Issued and Unissued Share Capital		122,879,766		23,377,083
Unissued share capital of \$33,750 relates to funds received prior to 30 June 2019 for shares issued as part of Tranche 2 of the placement finalised on 5 July 2019.					

Expiry date	Exercise price	Balance at start of year	Granted during the year	Issued/ (Exercised) during the year	Cancelled / lapsed during the year	Balance at end of the year
14. Issued Share Options and Performance Shares						
(a) 2019 unlisted share option details						
12 January 2022	\$0.20	2,000,000	-	-	-	2,000,000
6 November 2020	\$0.001	1,500,000	-	-	-	1,500,000
26 March 2023	\$0.001	1,700,000	-	-	-	1,700,000
		5,200,000	-	-	-	5,200,000
2018 unlisted share option details						
12 January 2022	\$0.20	2,000,000	-	-	-	2,000,000
23 October 2020	\$0.001	-	3,500,000	(3,500,000)	-	-
23 October 2022	\$0.001	-	2,000,000	(2,000,000)	-	-
6 November 2020	\$0.001	-	1,500,000	-	-	1,500,000
26 March 2023	\$0.001	-	1,700,000	-	-	1,700,000
		2,000,000	8,700,000	(5,500,000)	-	5,200,000
(b) Performance Share Details 2019						
22 January 2022 ^A		4,000,000	-	(4,000,000)	-	-
		4,000,000	-	(4,000,000)	-	-
Performance Share Details 2018						
22 January 2022 ^B		8,000,000	-	(4,000,000)	-	4,000,000
23 October 2022 ^C		-	14,000,000	(14,000,000)	-	-
		8,000,000	14,000,000	(18,000,000)	-	4,000,000

Note A: On 1 March 2019 4,000,000 Class A performance shares expiring on 22 January 2022 were converted into ordinary shares upon satisfaction of the Class A performance milestones by Directors and Management.

Note B: The 4,000,000 Class B performance options were exercised and converted into ordinary shares on 9 March 2018 upon satisfaction of the Class B performance milestone by Directors and Management.

Note C: The 14,000,000 Class C performance shares issued and were converted to ordinary shares on 10 January 2017 upon satisfaction of the Class C Performance milestone. These included 8,000,000 issued on acquisition of Cobalt One Energy Corp and 6,000,000 to directors. The 8,000,000 Class C performances valued at \$3,320,000 were included in the acquisition costs.

There are no performance shares on issue at 30 June 2019.

	Consolidated 2019 \$	2018 \$
15. Reserves		
(a) Unlisted option reserve		
Opening balance	235,721	84,140
Unlisted options issued as part remuneration during the period	335,680	981,563
Unlisted options issued to consultants	-	1,033,371
Exercise of options	-	(1,863,353)
Total unlisted option reserve	571,401	235,721
The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 14(a).		
(b) Performance Shares Reserve		
Opening balance	400,000	600,000
Performance Shares – Class C – to Vendors, Directors, Management associated with the Cobalt One Energy Corp Acquisition.	-	5,810,000
Conversion of Class A Performance Shares	(400,000)	(6,010,000)
Closing Balance	-	400,000
The performance share reserve records items recognised on valuations of vendor performance shares. Information relating to performance shares issued at the end of the financial period, is set out in Note 14(b)		
(c) Total Option Premium Reserve		
Unlisted Option Reserve	571,401	235,721
Performance Shares Reserve	-	400,000
Closing Balance	571,401	635,721
(d) Foreign Currency Translation Reserve		
Opening balance	(77,366)	-
Exchange differences arising on translation of foreign operations	119,652	(77,366)
Closing Balance	42,286	(77,366)
(e) Total reserves		
Option Premium Reserve	571,401	635,721
Foreign Currency Translation Reserve	42,286	(77,366)
Closing Balance	613,687	558,355

16. Financial Instruments, Risk Management Objectives and Policies

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Consolidated Entity also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the period under review, it has been the Consolidated Entity's policy not to trade in financial instruments.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

16. Financial Instruments, Risk Management Objectives and Policies (continued)**(a) Interest Rate Risk**

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest \$	Non- interest bearing \$	Total \$
2018					
Financial Assets					
Cash and cash equivalents	1.70%	124,557	2,000,000	940,390	3,064,947
Trade & other receivables - current	0.00%	-	-	241,285	241,285
Trade & other receivables - non-current	2.05%	-	96,183	-	96,183
		124,557	2,096,183	1,181,675	3,402,415
Financial Liabilities					
Trade & other payables - current	0.00%	-	-	911,703	911,703
		-	-	911,703	911,703

Consolidated	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest \$	Non- interest bearing \$	Total \$
2019					
Financial Assets					
Cash and cash equivalents	0.40%	165,252	-	142,280	307,532
Trade & other receivables - current	0.00%	-	-	174,638	174,638
Trade & other receivables - non-current	2.51%	-	96,183	-	96,183
		165,252	96,183	316,918	578,353
Financial Liabilities					
Trade & other payables - current	0.00%	-	-	221,727	221,727
		-	-	221,727	221,727

The maturity date for all cash, current receivables and trade and other payable financial instruments included in the above tables is one year or less from balance date. The maturity for the non-current trade and other receivables is between 1 and 2 years from balance date.

(b) Group sensitivity analysis

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2019, the group's exposure to interest rate risk is not considered material.

(b) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

16. Financial Instruments, Risk Management Objectives and Policies (continued)**(c) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

(d) Foreign currency risk

The Group is exposed to currency risk arising from exchange rate fluctuations on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily the Australian Dollar (AUD) and Canadian (CAD). The currencies in which these transactions are primarily denominated in are AUD and CAD.

The Group's investments in its Canadian subsidiaries are denominated in AUD and are not hedged as those currency positions are considered long term in nature. The Group does not have a hedging policy in place.

(f) Net fair value

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2018 Carrying Amount \$	Net fair Value \$
Financial assets		
Cash and cash equivalents	3,064,947	3,064,947
Trade & other receivables - current	241,285	241,285
Trade & other receivables - non-current	96,183	96,183
	<u>3,402,415</u>	<u>3,402,415</u>
Financial Liabilities		
Trade and other payables - current	911,703	911,703
	<u>911,703</u>	<u>911,703</u>
	2019 Carrying Amount \$	Net fair Value \$
Financial assets		
Cash and cash equivalents	307,532	307,532
Trade & other receivables - current	174,638	174,638
Trade & other receivables - non-current	96,183	96,183
	<u>578,353</u>	<u>578,353</u>
Financial Liabilities		
Trade and other payables - current	221,727	221,727
	<u>221,727</u>	<u>221,727</u>

	Consolidated 2019 \$	2018 \$
17. Earnings per Share		
(a) Loss		
Loss used in the calculation of basic EPS	(4,182,260)	(8,438,991)
(b) Weighted average number of ordinary shares ('WANOS') WANOS used in the calculation of basic earnings per share:	105,110,322	67,038,136
(c) Diluted loss per share is considered to be the same as the basic loss per share, as the potential ordinary shares on issue are anti-dilutive and have not been applied in calculating dilutive loss per share.		

	Consolidated 2019 \$	2018 \$
18. Cash Flow Information		
(a) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax: (Loss) from ordinary activities after income tax	(4,182,260)	(8,438,991)
Depreciation	15,042	22,331
Share based payments	335,680	4,504,934
Foreign currency differences	119,652	(77,366)
Changes in assets and liabilities:		
Decrease/ (Increase) in operating receivables & prepayments	66,647	(203,373)
(Decrease)/ Increase in trade and other payables	(689,976)	759,366
Increase in employee provisions	19,079	48,073
Net cash (used in) Operating Activities	(4,316,136)	(3,385,026)
(b) Non-cash investing and financing		
Acquisition of Cobalt One Energy Corp – Issue of Ordinary Shares and performance shares.	-	8,527,010
19. Commitments		
(a) Exploration commitments		
Not longer than one year	1,860,819	494,453
Longer than one year, but not longer than five years	2,075,630	1,977,813
Longer than five years	-	-
	3,936,449	2,472,266

In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

	2019 \$	2018 \$
19. Commitments (continued)		
(b) Lease commitments: group as lessee		
Non-cancellable operating leases		
Not longer than one year	201,925	197,784
Longer than one year, but not longer than five years	605,775	201,925
Longer than five years		-
	807,700	399,709
The company, as either joint or sole tenant, has entered into a non-cancellable operating lease for the head office. The lease is for an initial 3 year period with an option to extend for a further 3 years each as requested the company as lessee. As it is probable the lease option will be exercised the commitment has been included. The total cost of the lease is recharged to related entities.		

North America

BC Cobalt

The Company has the following contingent liabilities and commitments as part of the consideration payable for the acquisition of the BC Cobalt Project (Little Gem Gold-Cobalt) Project, the Company will be required to pay the following royalties upon commencement of mining:

- i. in respect of the first 10,000 tonnes of ore mined from the Project, a 20% net profits interest and a 1% Net Smelter Return (NSR) royalty shall be payable to the current owner of the Little Gem Gold-Cobalt Project; and
- ii. an NSR royalty equal to 2.5% thereafter (over 10,000 tonnes) shall be payable to the current owner of the Little Gem Gold-Cobalt Project.

Under the Cartier Option Agreement acquired as part of Cobalt One Energy Corp acquisition is a Net Smelter Royalty of 2% and Net Smelter Returns Royalty on the Mineral Claims.

Record Mine

During the year on 29th of January 2019, the company entered into an agreement to acquire tenements in Oregon, United States known as the Record Mine, for an option fee of US\$20,000 payable on agreement, with an option fee payable annually on 1 February each year for four years for US\$25,000 per year. After the fourth year the purchase price if the option is exercised is US\$1 million dollars.

Owners shall retain NSR royalty equal to 1.5% shall be payable to the current owner of the Record mine in North America.

Vietnam

Ta Khoa Nickel Project

On 8 May 2019, the company entered into a binding option agreement to acquire 90% of the Ta Khoa Nickel Project. Quarterly option payments to AMR Nickel Limited of US\$100,000 to be spent by AMR Nickel Limited in accordance with an Approved Expenditure Budget (this payment excludes all exploration and feasibility study costs which will be incurred by and at the discretion of Blackstone Minerals).

Blackstone may exercise the Option by issuing A\$1,000,000 of Ordinary Fully Paid Shares in Blackstone Minerals Limited issued at a deemed issue price based on the VWAP for the 30 trading days immediately preceding the date of the exercise notice.

Blackstone may extend the option period to 24 months by spending a minimum of A\$1,000,000 on exploration activities within the first 12 months of the option agreement.

20. Events Occurring After Balance Date

- On 5 July 2019, tranche 2 of the placement was completed issuing 30,000,000 ordinary shares at \$0.05 raising \$1,500,000 before costs.
- On 16 August 2019, 8,000,000 collateral shares were issued to Acuity Capital under a controlled placement deed.
- On 23 September 2019, the Company announced a placement for 30,000,000 ordinary shares at \$0.15 for \$4,500,000 before costs due to be completed by 26 September 2019. In addition, a Share Purchase Plan commenced to all shareholders raising up to \$500,000 or 3,333,333 ordinary shares at an issue price of \$0.15.

There are no further post balance date events.

21. Segment Information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The amounts provided to the board of directors with respect to total assets and profit or loss is measured in a manner consistent with that of the financial statements. Assets are allocated to a segment based on the operations of the segment and the physical location of the asset.

The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Australia, North America and the corporate/head office function.

21. Segment Information (continued)

- (b) Segment information provided to the board of directors
The segment information provided to the board of directors for the reportable segments is as follows:

	North America \$	Australia \$	Exploration Corporate \$	Total \$
2019				
Total segment revenue	-	-	12,345	12,345
Interest revenue	-	-	12,345	12,345
Depreciation and amortisation expense	-	-	15,042	15,042
Total segment loss before income tax	(1,702,579)	(341,930)	(2,137,751)	(4,182,260)
Total segment assets	8,635,033	1,600,000	563,944	10,798,977
Total segment liabilities	-	-	(294,617)	(294,617)
2018				
Total segment revenue	-	-	46,469	46,469
Interest revenue	-	-	46,469	46,469
Depreciation and amortisation expense	-	-	22,331	22,331
Total segment loss before income tax	(1,981,778)	(530,004)	(5,927,209)	(8,438,991)
Total segment assets	8,622,275	1,600,000	3,336,245	13,558,520
Total segment liabilities	-	-	(965,514)	(965,514)

(c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

(d) Segment revenue

No inter-segment sales occurred during the current period. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$12,345 were derived from one Australian financial institution during the year. These revenues are attributable to the corporate segment.

(e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

22. Related Party Transactions**(a) Parent entity**

The ultimate parent entity within the group is Blackstone Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 25.

22. Related Party Transactions (continued)

(c) Key management personnel compensations

	Consolidated 2019 \$	2018 \$
Key Management Personnel Compensation		
Short-term employee benefits	566,063	504,774
Post-employment benefits	42,010	37,032
Eligible termination payments	-	-
Share-based payments	154,294	2,781,481
Total key management personnel compensation	762,367	3,323,287

(d) Transactions with other related parties

The following transactions occurred with related parties:

	Consolidated 2019 \$	2018 \$
(i) Recharges to KMP related entities		
Recharge of rent and shared office costs		
Recharges to Venture Minerals Limited	209,208	272,117
Recharges to Alicanto Minerals Limited	127,500	155,481
Recharges to Bellevue Gold Limited	102,325	109,632
Recharges to African Gold Limited	11,340	
(ii) Purchases from KMP related entities		
Rent of office building and shared office costs		
Payments to Venture Minerals Limited	91,496	119,018
Payments to Onedin Enterprises	4,047	9,253

Details of remuneration disclosures are included in the Remuneration Report on pages 18 to 27.

(e) Terms and conditions of related party transactions

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

23. Share Based Payments

(a) Fair value of listed options granted

There are no listed options on issue.

23. Share Based Payments (continued)

(b) Fair value of unlisted options granted - 30 June 2019

There were no unlisted options granted during 30 June 2019.

(c) Fair value of performance shares granted

There were no performance shares granted during 30 June 2019.

	30 June 2019	30 June 2018
	\$	\$
Share based payments expense		
Options issued to directors, employees and consultants	335,680	2,014,934
Performance shares issued to directors and employees	-	2,490,000
Total Share based payments expense	335,680	4,504,934
Share based payments expenses for 30 June 2019, represent the expense related to the options issued in prior years that relate to current period of service for employees, directors and consultants.		
	\$	\$
Share based payments shares – Acquisition costs		
Performance shares issued to former directors and vendor	-	3,320,000
Ordinary shares	-	4,500,000
Total share based payments capitalised	-	7,820,000

See note 10 for payments for acquisitions of exploration assets.

24. Contingent Liabilities

There are no contingent liabilities outstanding at the end of the year.

25. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of Shares	Equity Holding ^A	
			2019 %	2018 %
Black Eagle (WA) Pty Ltd	Australia	Ordinary	100	100
Blackstone Minerals (Canada) Pty Ltd	Australia	Ordinary	100	100
Black Eagle (US) LLC	United States	Ordinary	100	-
Cobalt One Energy Corp	Canada	Ordinary	100	100

^A The proportion of ownership interest is equal to the proportion of voting power held.

		Company	
		2019	2018
		\$	\$
26. Parent Entity Information			
(a) Assets			
Current assets	451,289	3,214,982	
Non-current assets	10,341,060	10,252,288	
Total assets	10,792,349	13,467,270	
(b) Liabilities			
Current liabilities	293,479	965,514	
Non-current liabilities	-	-	
Total liabilities	293,479	965,514	
(c) Equity			
Contributed equity	23,377,083	21,338,801	
Reserves	571,401	635,721	
Accumulated losses	(13,449,614)	(9,472,766)	
Total equity	10,498,870	12,501,756	
(d) Total Comprehensive loss for the year			
Loss for the period after income tax	(3,976,848)	(8,607,607)	
Other comprehensive income for the year	-	-	
Total comprehensive loss for the year	(3,976,848)	(8,607,607)	
(e) The parent entity has not guaranteed any loans for any entity during the year.			
(f) The parent entity has no contingent liabilities at the end of the financial year.			
(g) Lease commitments: Parent as Lessee			
Non-cancellable operating leases			
Not longer than one year	201,925	197,784	
Longer than one year, but not longer than five years	605,775	201,925	
Longer than five years	-	-	
Total Lease Commitments - Parent	807,700	399,709	

In the Directors' opinion

- (a) the financial statements and notes set out on pages 31 to 64 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the period ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out on pages 18 to 27 of the directors' report comply with section 300A of the *Corporations Act 2001*; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



Scott Williamson
Managing Director

Perth, Western Australia, 26 September 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BLACKSTONE MINERALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Blackstone Minerals Limited, the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Going Concern

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 1 to the financial report, the financial report has been prepared on a going concern basis. At 30 June 2019, the Group had net assets of \$10,504,360, cash and cash equivalents of \$307,532 and net working capital surplus of \$187,553. The Group incurred a loss for the year ended 30 June 2019 of \$4,182,260.

The ability of the Group to continue as a going concern and meet its administration, exploration and other commitments is dependent upon the Group raising further working capital or commercialisation of its exploration assets. In the event the Group is unable to raise further working capital and/or commercialise its exploration assets, the company may not be able to meet its liabilities as they fall due, or realise its assets at their stated values.

Key Audit Matters

We have defined the following matters described to be key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p>Carrying Value of Exploration and Evaluation Expenditure</p> <p>As at 30 June 2019, Capitalised Exploration and Evaluation Expenditure totalled \$10,204,152 (<i>refer to Notes 1(k) and 10 of the financial report</i>).</p> <p>The carrying value of Capitalised Exploration and Evaluation Expenditure is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the expenditure capitalised representing 95% of total assets; • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Reviewing the directors' assessment of the carrying value of the capitalised exploration and evaluation costs, ensuring the veracity of the data presented and assessing management's consideration of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for continuing exploration and evaluation activities in areas of interest and corroborated in discussions with management. The documents we evaluated included: <ul style="list-style-type: none"> ▪ Minutes of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Cash flow forecasts. iv. Consideration of the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 27 of the directors' report for the period ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Blackstone Minerals Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
26 September 2019

Additional Shareholder Information

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to <http://blackstoneminerals.com.au/corporate/>

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 24 September 2019 were as follows:

Holding	Number of Shareholders Fully Paid Ordinary Shares
1- 1,000	31
1,001 - 5,000	144
5,001 - 10,000	149
10,001 - 100,000	457
100,001 and over	174
	955

Holders of less than a marketable parcel: 101

Substantial Shareholders

The names of the substantial shareholders as at 24 September 2019:

Shareholder	Number
Delphi Unternehmensberatung Aktiengesellschaft	16,875,000
Stephen Parsons	8,622,421

Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Unquoted Securities

	Exercise price	Vesting conditions	Expiry date	Number of options	Number of holders
Unlisted options	\$0.20	Nil	12 Jan 2020	2,000,000	2
Director options	\$0.001	50% vest subject to achieving a market capitalisation of A\$50 Million for a consecutive period of greater than 30 days.; and	6 Nov 2020	750,000	1

Additional Shareholder Information

	Exercise price	Vesting conditions	Expiry date	Number of options	Number of holders
Employee Options	\$0.001	Tranche 1 - vest on delivery of a maiden JORC 2012 compliant resource estimate.	26 Mar 2023	400,000	6
	\$0.001	Tranche 2 - vest on successfully achieving a market capitalisation of \$75 million for a period of 30 days (1 month).	26 Mar 2023	450,000	6
	\$0.001	Tranche 3 - vest after 18 months of continuous service by the Employee or Contractor with an exercise price of \$0.001.	26 Mar 2023	850,000	6
Advisor Options	\$0.10	Nil	17 May 2021	10,000,000	1

Equity security holders

The names of the twenty largest ordinary fully paid shareholders as at 24 September 2019 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
AKTIENGESELLSCHAFT D U	11,275,000	7.01%
AKTIENGESELLSCHAFT D B	10,600,000	6.59%
ACUITY CAP INV MGNT PL	8,000,000	4.97%
HALLIDAY HAMISH PETER	6,797,632	4.22%
RADONJIC LENORE THERESA	6,275,001	3.90%
SYMORGH INV PL	5,672,420	3.52%
CITICORP NOM PL	4,328,628	2.69%
LUDOWICI MAXIMILIAN F	4,300,000	2.67%
DORJI KIRI MARGUERITE	3,550,001	2.21%
COLESTAR MGNT CORP	3,341,658	2.08%
PARRY CRAIG ANDREW	3,307,549	2.05%
NINETY-THREE PL	3,000,000	1.86%
OWEN STUART RICHARD	2,625,000	1.63%
PARSONS STEPHEN ANDREW	2,250,001	1.40%
J & J BANDY NOM PL	2,100,000	1.30%
WILLIAMSON CANDICE MARIE	2,000,000	1.24%
HSBC CUSTODY NOM AUST LTD	1,911,670	1.19%
WILLSTREET PL	1,700,000	1.06%
SAF MGNT PL	1,618,919	1.01%
THREE ZEBRAS PL	1,600,000	0.99%
	86,253,479	53.6%

Schedule of Tenements

As at 24 September 2019

Project	Location	Tenement	Interest
BC Cobalt	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	100%
		1052893, 1065892	
		1066580, 1066581	
Record Mine	Oregon, United States	152073, 152074, 152076,	100% ¹
		152077, 152078, 152627,	100% ¹
		17242-17246	100% ¹
			100% ¹
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%
Silver Swan South	Quebec, Canada	2463115,	100%
	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%
Red Gate	Eastern Goldfields	P27/2196	100%
	Eastern Goldfields	E31/1096	100%
Middle Creek	Western Australia	P46/1900, P46/1901,	95%
	Western Australia	P46/1902, P46/1903,	95%
	Western Australia	P46/1904, P46/1905	95%
	Western Australia	P46/1906, P46/1907	95%
	Western Australia	P46/1908	95%
	Western Australia	P46/1909, P46/1910	95%
	Western Australia	P46/1911, P46/1912,	95%
	Western Australia	P46/1914, P46/1915,	95%
	Western Australia	P46/1916, P46/1917	95%
	Western Australia	P46/1918, P46/1919	95%
	Western Australia	P46/1920,	95%
	Western Australia	P46/1924	100%

Key

E: Exploration Licence

P Prospecting Licence

Note 1: Held under an option agreement to acquire 100% of the Record Mine.