

ASX RELEASE
31 JULY 2020

ASX: BSX

QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2020

Highlights

- Blackstone commenced drilling regional massive sulfide vein (MSV) targets at its Ta Khoa Nickel-Copper-PGE project in northern Vietnam;
- Blackstone is targeting MSV prospects analogous to the previously mined Ban Phuc MSV, where previous owners successfully mined 975kt of high grade ore at average grades of 2.4% Ni & 1.0% Cu from an average vein width of 1.3m for 3.5 years between 2013 and 2016, producing 20.7kt Ni, 10.1kt Cu and 0.67kt Co;
- Blackstone's ground-based electromagnetics (EM) geophysics crew generated a 1.2km long massive sulfide target within a 12km long district-scale exploration corridor which Blackstone will continue to test over the coming months;
- Blackstone attracted a \$6.8 million investment at a 62% premium from EcoPro, Korea's largest cathode manufacturer, through a placement of 40 million fully paid ordinary shares at an issue price of \$0.17 per share.
- The binding agreement outlines an alliance structure whereby EcoPro and Blackstone Minerals will work in partnership (through an additional investment via a Joint Venture Agreement) to develop a downstream processing facility in association with Blackstone Minerals' Ta Khoa Nickel-Copper-PGE Project in northern Vietnam.
- The deal was completed with the appointment of Hoirim Jung as a Non-Executive Director to Blackstone's board.
- Blackstone exercised the option to acquire a 90% interest in the Ta Khoa Nickel-Copper-PGE Project in Northern Vietnam by executing the binding option agreement to purchase AMR Nickel Limited's 90% interest in the project as per the ASX announcement dated 8th May 2019.
- Blackstone appointed experienced business development and investor relations executive Patrick Chang as Corporate Development Officer.
- The June Quarter has seen Blackstone position itself to significantly advance the Ta Khoa Nickel-Copper-PGE Project over the coming year, with a strong cash position of \$6.78M and supportive shareholder base.

Exploration

King Cobra Discovery Zone (KCZ)

- Drilling continues at the King Cobra Discovery Zone (KCZ) at depth, continuously delivering broad nickel sulfide; new results include the following:
 - 38m @ 1.1% Ni, 59m @ 0.9% Ni & 49m @ 0.8% Ni from near surface;
 - New shallow, high grade disseminated nickel sulfide intersections include 16m @ 1.8% Ni & 20m @ 1.4% Ni;
 - Drilling has also intersected some of the broadest downhole intercepts to date including 265m @ 0.33% Ni, 83m @ 0.5% Ni & 72m @ 0.65% Ni.

Ban Chang Prospect

- Blackstone has intersected massive nickel sulfide in three maiden drill hole over a 1km strike within a 1.2km long massive sulfide target, defined by high priority EM at the Ban Chang Prospect delivering the following significant high grade results:

BC20-01 5.2m @ 0.66% Ni, 0.73% Cu, 0.04% Co & 0.79g/t PGE from 58.0m

or 1.5m @ 2.20% Ni, 2.12% Cu, 0.13% Co & 2.66g/t PGE from 58.5m

Incl. 1.05m @ 2.98% Ni, 1.22% Cu, 0.18% Co & 3.43g/t PGE from 58.5m

BC20-02 4.1m @ 0.92% Ni, 0.69% Cu, 0.05% Co & 0.26g/t PGE from 85.9m

or 2.3m @ 1.6% Ni, 1.09% Cu, 0.09% Co & 0.43g/t PGE from 85.9m

Incl. 1.8m @ 2.01% Ni, 1.27% Cu, 0.12% Co & 0.53g/t PGE from 86.4m

BC20-03 9.8m @ 1.45% Ni, 0.9% Cu, 0.08% Co & 0.70g/t PGE from 57.05m

or 5.7m @ 2.07% Ni, 1.08% Cu, 0.12% Co & 0.95g/t PGE from 60.0m

Incl. 1.85m @ 3.59% Ni, 1.18% Cu, 0.20% Co & 1.97g/t PGE from 63.35m

- Blackstone purchased a third diamond drill rig to accelerate drilling the Ban Chang prospect. This third diamond drill rig will allow Blackstone to accelerate drilling to supplement the ongoing study work focused on downstream processing to produce nickel sulfate for the lithium-ion battery industry;
- By purchasing a third diamond drill rig the Company has an “All-in” diamond drilling cost of US\$50/m at the Ta Khoa project, a ~60% reduction in drilling costs relative to Australian industry averages¹.

¹Industry average refers to quoted rates received in Australia for equivalent diamond drilling

Ta Cuong Target

- Blackstone's geophysics crew mobilised to the newly generated Ta Cuong target associated with the highly prospective Ban Khang ultramafic intrusion;
- Ta Cuong is located 6km along strike from Ban Chang and proximal to a major regional structure that is also close to the Ban Phuc and Ban Chang prospects;
- The Ta Cuong prospect is analogous to the recently drilled Ban Chang prospect and the flagship Ban Phuc orebody where the company has delivered the King Cobra discovery and delineated the maiden Ban Phuc DSS resource to be announced during Q3;
- Drilling at Ta Cuong by previous owners was not targeting EM plates and Blackstone's geophysics crew will now use EM to refine the MSV targets at Ta Cuong for high impact drilling over the coming months.

Ta Khoa Nickel-Copper-PGE Project

Blackstone Minerals Limited (ASX code: BSX) has acquired a 90% interest in the Ta Khoa Nickel-PGE Project. The Ta Khoa Nickel-PGE Project is located 160km west of Hanoi (see Figure 4) 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. Blackstone previously announced drilling at the King Cobra discovery which intersected 60m @ 1.3% Nickel from 32m. The King Cobra discovery includes the first-ever intersection of MSV and breccia styles of sulfide mineralisation within the Ban Phuc intrusion and may provide vectors towards the high grade 'feeder zone' mineralisation.

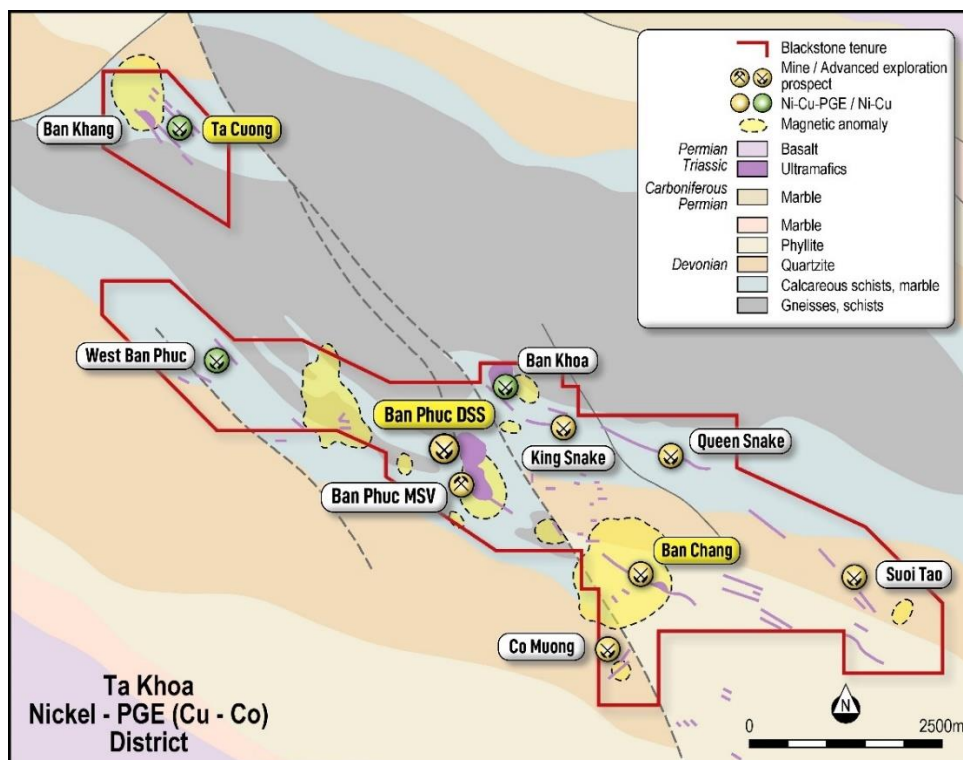


Figure 1: Ta Khoa Nickel-PGE (Cu-Co) district

Initial geological modelling of Blackstone's drilling, combined with more than 60,000m in 381 holes drilled by the previous owners of the project, is starting to reveal the potential extents of the Ban Phuc DSS Nickel-PGE deposit (*Refer to Figure 2*). Currently the disseminated mineralisation has been encountered in drill holes over an area 1,000m by 500m and remains open along strike to the north-west and south-east and down dip to the north-east. Blackstone's drilling of the Ban Phuc DSS includes the following significant results (*Refer to previous ASX announcements 17th September 2019, 16th October 2019, 18th December 2019, 20th January 2020, 11th March 2020 & 14 May 2020 for full details*):

Drillhole	From (m)	To (m)	Interval (m)	Ni (%)	Pt+Pd+Au (g/t)
BP19-02	106.6	124.4	17.8	1.00	0.74
incl.	106.6	114	7.4	1.36	1.10
BP19-03	56.5	102	45.5	1.20	0.35
BP19-06	101	128.7	27.7	0.88	0.74
incl.	108.5	122	13.5	1.12	0.91
BP19-08	140.6	170	29.4	1.00	0.60
incl.	140.6	146.9	6.3	1.22	1.03
BP19-09	107	118.9	12.0	1.46	1.09
incl.	108.2	117	8.8	1.70	1.28
BP19-10	136.9	170.2	33.3	0.80	0.37
incl.	137.5	152	14.5	1.31	0.65
BP19-07	310.9	375	64.4	0.52	0.20
incl.	310.9	327	15.6	1.08	0.58
BP19-11	109.4	161	51.5	0.50	0.22
incl.	116	124	8.0	1.09	0.66
BP19-22	79	108	29.0	0.60	0.39
incl.	81	94.4	13.4	0.82	0.72
BP19-23	173	224	51.0	0.71	0.43
incl.	187	203	15.7	1.48	1.14
BP19-29	32	91.8	59.8	1.29	0.29
incl.	49.1	63	13.9	2.25	0.54
BP19-32	108	187.8	79.8	0.51	0.33
incl.	108.6	121.9	13.3	1.08	1.13
or	108.6	110.6	2.0	0.85	2.88
BP19-38	0	96.3	96.3	0.64	0.22
incl.	0	39	39	1.13	0.4
BP19-40	3	47.4	44.4	0.87	0.18
incl.	7.3	35	27.7	1.15	0.24

Blackstone's Ta Khoa Nickel-PGE project has a combination of large DSS nickel targets and 25 other prospects, including multiple high-grade MSV targets of the style that were mined adjacent to the current Ban Phuc DSS drilling. The Ban Phuc Nickel mine operated for 3.5 years between 2013 and 2016, producing 20.7kt Ni, 10.1kt Cu and 0.67kt Co, before closing when the defined mineable reserves were depleted. The high-grade Ban Phuc MSV is located less than 50m to the south of the Ban Phuc DSS deposit and remains underexplored at depths below the base of previous mining. Many other MSV targets are within potential trucking distance of the existing 450ktpa Ban Phuc processing facility that was built to international standards, commissioned in 2013, and has been on care and maintenance since 2016.

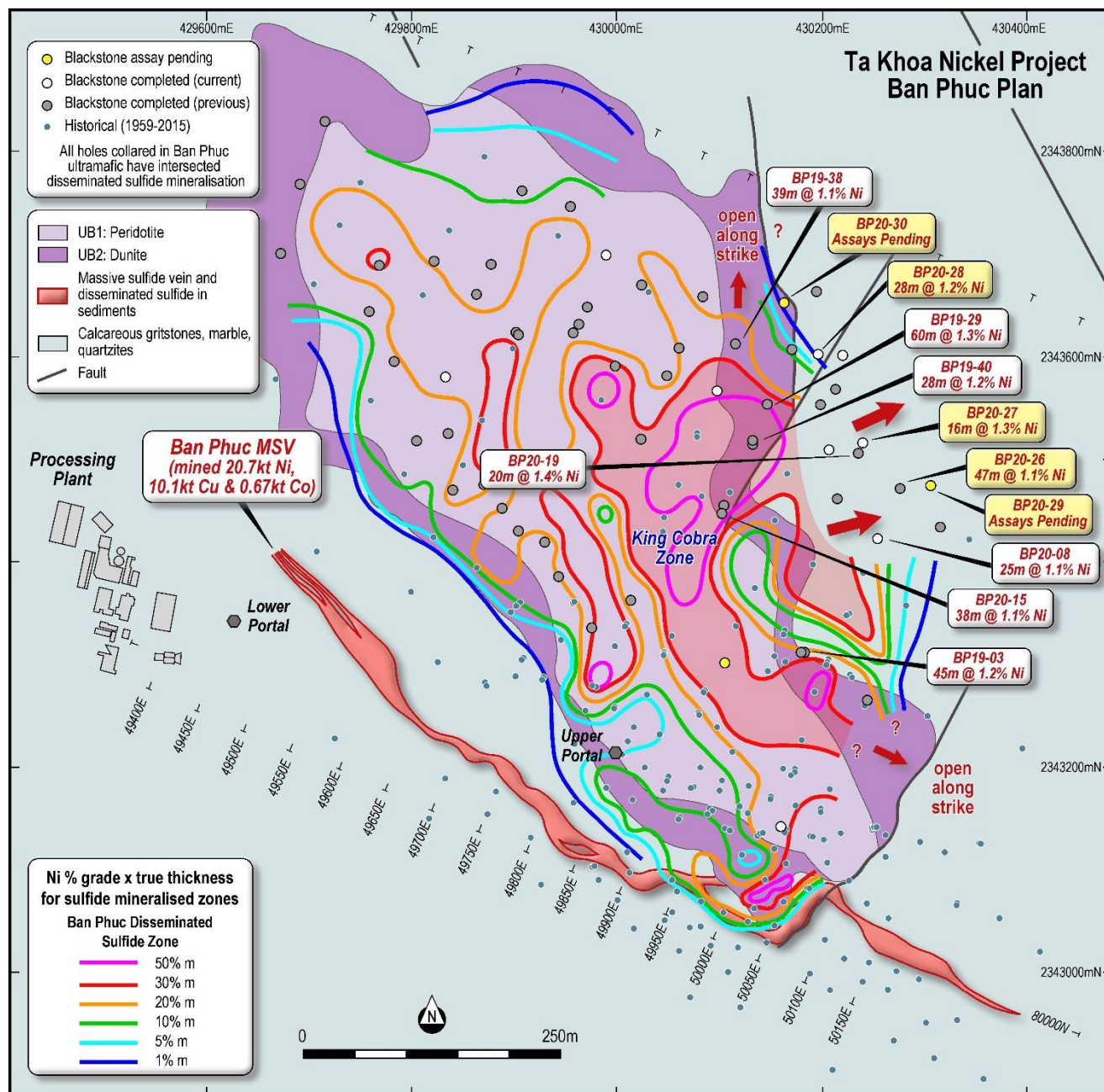


Figure 2: Plan View showing Ban Phuc DSS drill hole collar locations and KCZ. (Refer to previous ASX announcements 17th September 2019, 16th October 2019, 18th December 2019, 20th January 2020, 11th March 2020 & 14 May 2020 for full details)

Blackstone is evaluating near mine MSV and other potential DSS targets for drill testing during the 2020 season initially at the Ban Chang prospect (Refer to Figure 3), with the concept of identifying high grade and further disseminated mineralisation for either an early restart of the Ban Phuc mining operation, or the potential to blend higher grade MSV mineralisation with the larger tonnage DSS mineralisation for processing. Blackstone believes that the Ta Khoa project represents a true district scale Nickel-PGE sulfide opportunity (Refer to Figure 1), of a calibre rarely controlled by a junior company.

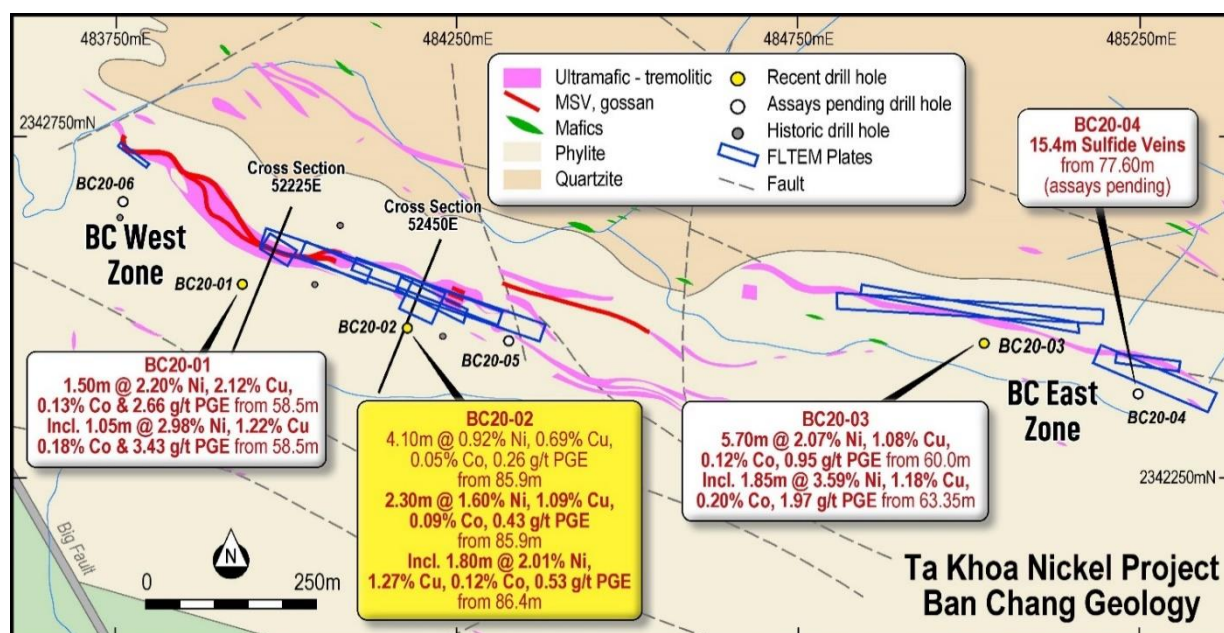
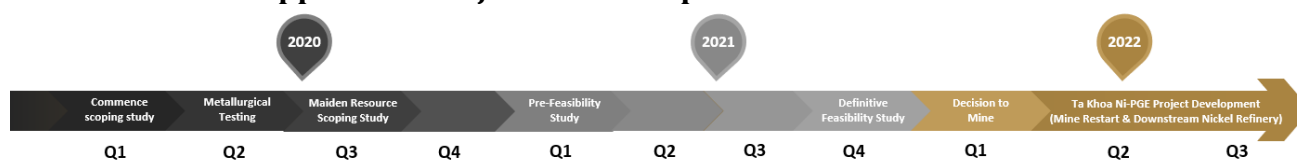


Figure 3: Ban Chang prospect with 1.2km long of EM plates and drill holes BC20-01, BC20-02, BC20-03 & BC20-04 (Refer to ASX previous ASX announcements 17 June 2020, 02 July 2020 & 22 July 2020)

The project also has significant infrastructure advantages that include the existing 450ktpa processing facility, abundant low cost hydroelectric power, a skilled low-cost labour force, and is located in a country that has become an Asian hub for electronics and battery manufacturing with a growing demand for Nickel Sulfate for EV battery manufacture. Blackstone looks forward to reporting further results from the King Cobra discovery and the ongoing drilling at Ban Chang over the coming weeks, as the company advances the exploration and evaluation of this high calibre asset for its shareholders.

Ta Khoa Nickel-Copper-PGE Project – Next Steps



Blackstone Minerals aims to deliver a maiden resource in Q3, focused initially on the disseminated sulfide (DSS) at Ban Phuc and continues to investigate the potential to restart the existing Ban Phuc concentrator through focused exploration on both massive sulfide veins and DSS deposits.

Blackstone Minerals has commenced a scoping study on the downstream processing facility at Ta Khoa. The scoping study, also to be announced in Q3, will provide details for joint venture partners to formalise the next stage of investment. Blackstone Minerals has commenced metallurgical testing on the Ban Phuc DSS deposit with an aim to develop a flow sheet for a product suitable for the lithium-ion battery industry.

In addition, Blackstone Minerals will 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.



Figure 4: Ta Khoa Nickel-Copper-PGE Project – Project Location



The Ta Khoa Nickel-Copper-PGE Project in northern Vietnam includes an existing modern nickel mine which has been under care and maintenance since 2016 due to falling nickel prices. Existing infrastructure includes an internationally designed 450ktpa processing plant. Previous project owners focused mining and exploration efforts primarily on the MSV at Ban Phuc.

Blackstone Minerals plans to explore both MSV and DSS targets throughout the project, initially within a 5km radius of the existing processing facility. Blackstone Minerals will conduct further geophysics on the MSV and DSS targets and continue its maiden drilling campaign. Online readers can click [here](#) for footage taken from our Ta Khoa Nickel-Copper-PGE Project.

Canadian Projects

Gold Bridge Project (100% interest)

The Gold Bridge Project (367 km² of tenure), formerly the Little Gem - BC Cobalt 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 Gold Bridge Project in October 2017 and has since completed an extensive maiden exploration program including 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 June Quarter, Blackstone prepared for the 2020 field season with ongoing data collation, administration and first nations engagement. 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.

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 largescale IP anomalies indicating the potential source of the highgrade 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. Blackstone is actively seeking joint venture partners for the Gold Bridge Project.

Australian Projects

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 June Quarter, 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 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.
- The above results have significantly upgraded the Black Eagle prospect and, when combined with previous reconnaissance results of 3m @ 3.5g/t Au from 60m sees Black Eagle elevated to a priority drill target;
- The Silver Swan South project is located 8 km along strike and encompasses the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine (+5 Moz gold endowment);
- Aircore drilling will also target the Black Hawk prospect following up on an initial 3 m @ 2.6 g/t Au from 52 m intersected in the first phase of drilling at Silver Swan South.

Blackstone's initial drilling at Silver Swan South was 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 (combined endowment 166kt Ni metal). The initial programs were 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.

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

Middle Creek Project (95% to 100% interest)

The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced >400 koz gold since 2012 and, as at 31st July 2018, had a 1.1Moz resource inventory), in the Pilbara region of Western Australia and consists of 21 prospecting licence covering 37.7 km² within the Mosquito Creek belt. During the June Quarter, Blackstone continued to work on finalising priority targets for drill testing.

Corporate

- On 21 April 2020, the company issued 38,100,000 Tranche 1 shares to EcoPro Co Ltd with an issue price of \$0.17 per share.
- Mr Hoirim Jung, was appointed to the Board of Blackstone Minerals Limited on 21 April 2020.
- On 5 June 2020, the company issued 1,900,000 Tranche 2 shares to EcoPro Co Ltd with an issue price of \$0.17 per share for a combined Tranche 1 and Tranche 2 of \$6,800,000.
- On 5 June 2020, the company issued 8,600,000 shares with an issue price of \$0.1162 to Ta Khoa Mining Ltd following the exercise of the Option to acquire the ordinary shares in AMRN Nickel Ltd, the owner of 90% interest in the Ban Phuc Nickel Mines.
- During the quarter, the company made related party payments of \$183k: including Directors' fees, salaries, superannuation and consulting fees of \$171k; and Office recharges to related entities including rent and shared office charges on an arms length basis of \$12k.
- As announced on 16 August 2019, Blackstone Minerals Ltd (ASX:BSX) (Blackstone or the Company) entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA provides the Company with up to \$2 million of standby equity capital until 31 July 2021. The Company and Acuity Capital have agreed to increase the CPA facility to \$5 million to accommodate the recent increase in Blackstone share price. Note this is not an increase in the number of shares allocated under the facility and is driven by the increase in share price value. As previously announced on 12 June 2020, the Company has utilised the CPA to raise \$860,000. Following the increase to the new CPA limit of \$5m, the remaining standby equity capital under the CPA is \$4.14 million.

Yours sincerely,



Scott Williamson
Managing Director
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About Blackstone

Blackstone Minerals Limited (**ASX code: BSX**) is developing the district scale Ta Khoa Project in Northern Vietnam where the company is drilling out the large-scale Ban Phuc Nickel-PGE deposit. The Ta Khoa Nickel-Copper-PGE Project has existing modern mine infrastructure built to International Standards including a 450ktpa processing plant and permitted mine facilities. Blackstone also owns a large land holding at the Gold Bridge project within the BC porphyry belt in British Columbia, Canada with large scale drill targets prospective for high grade gold-cobalt-copper mineralisation. In Australia, Blackstone is exploring for nickel and gold in the Eastern Goldfields and gold in the Pilbara region of Western Australia. Blackstone has a board and management team with a proven track record of mineral discovery and corporate success.

Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a Director and Technical Consultant of the company, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

No New Information or Data

For full details of the Exploration results, refer to the relevant ASX announcement or release on the said date. Blackstone Minerals is not aware of any new information or data that materially affects the information included in this announcement.

Appendix One| Tenements

Mining tenements held at the end of June 2020 Quarter

Project	Location	Tenement	Interest at June 2020
Gold Bridge	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%
	British Columbia, Canada	1052893 1065892	100%
	British Columbia, Canada	1066580, 1066581	100%
Bull Run (Record Mine)	Oregon, United States	152073, 152074,	0% ¹
		152076, 152077,	0% ¹
		152078, 152627,	0% ¹
		17242 – 17246	0% ¹
Ta Khoa	Vietnam	ML 1211/GPKT-BTNMT	90%
		and 522 G/P	90%
Cartier	Quebec, Canada	2459824, 2459825	100%
	Quebec, Canada	2459826, 2459827	100%
	Quebec, Canada	2459828, 2459829	100%
	Quebec, Canada	2463107, 2463108	100%
	Quebec, Canada	2463109, 2463110	100%
	Quebec, Canada	2463111, 2463112	100%
	Quebec, Canada	2463113, 2463114	100%
	Quebec, Canada	2463115,	100%
Silver Swan South	Eastern Goldfields	P27/2191 – P27/2196, E27/545	100%
Red Gate	Eastern Goldfields	E31/1096	100%
Middle Creek	Western Australia	P46/1900 - P46/1912	95%
		P46/1914 - P46/1920,	95%
		P46/1924	100%

1. Held via option agreement to acquire up to 100% of the project.

Mining tenements acquired and disposed during the June 2020 Quarter

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

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

Project	Location	Tenement	Interest at end of Quarter
Nil			

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

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