



BLACKSTONE

M I N E R A L S

Interim Financial Report
31 December 2016

ABN 96 614 534 226



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Corporate Directory

Corporate Directory

Non-Executive Chairman

Hamish Halliday

Technical Director

Andrew Radonjic

Non-Executive Directors

Bruce McFadzean

Company Secretary

Brett Dunnachie

Principal & Registered Office

288 Churchill Avenue

Subiaco WA 6008

Telephone: (08) 6489 0973

Facsimile: (08) 6489 0974

Stock Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: BSX

Website Address

www.blackstoneminerals.com.au

Share Registry

Security Transfer Registrars 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



Your directors present their report on the consolidated entity consisting of Blackstone Minerals Limited and the entities it controlled at the end of, or during, the period from 30 August 2016 (date of incorporation) to 31 December 2016.

1. Directors

The following persons were directors of Blackstone Minerals Limited during the period and up to the date of this report:

Hamish Halliday – appointed 30 August 2016

Andrew Radonjic – appointed 30 August 2016

Bruce McFadzean was appointed as a director on 27 October 2016 and continues in office to the date of this report.

Brett Dunnachie was appointed as a director on 30 August 2016 and resigned on 27 October 2016.

2. Review of Operations

Blackstone Minerals Limited, is pleased to announce that it has completed its Initial Public Offering (IPO) and raised \$3.5 million before costs of the offer, with the shares commencing trading on the ASX at 10am on Monday 23 January 2017.

From date of incorporation being 30 August 2016, the company focused on completing the IPO and looks forward to commencing work on the three projects (Red Gate, Middle Creek and Silver Swan South), which are all located in Western Australia (Refer to Figure One) and are prospective for gold, while the Silver Swan South project is also prospective for nickel.

Red Gate Project (right to earn 80% interest)

The Red Gate Project consists of the 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 (0.5 Moz gold endowment), 140 km northeast of Kalgoorlie. Here historical exploration work has mostly targeted the Porphyry North Prospect where shallow, out cropping mineralisation has been defined. There is the potential to discover further mineralisation at Porphyry North and several other prospects nearby.

Middle Creek Project (95% interest)

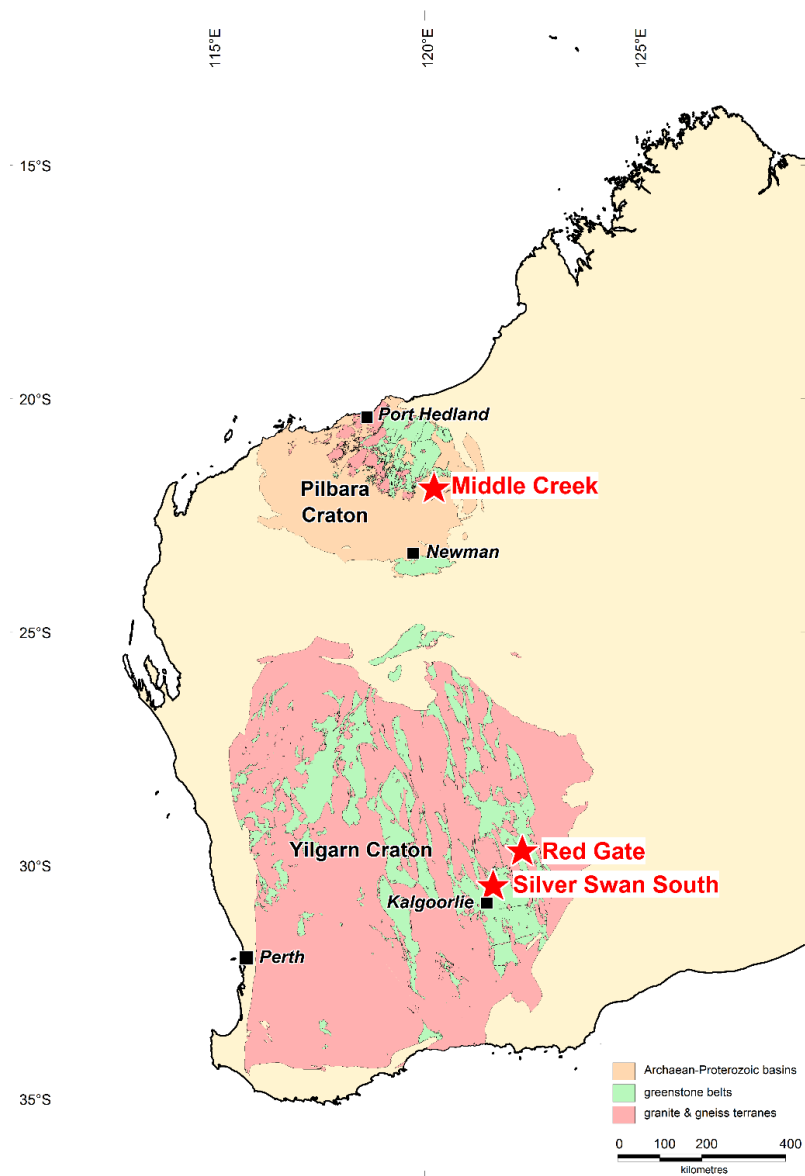
The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced ~300 kozs gold since 2012) in the Pilbara region of Western Australia and consists of 21 prospecting licence applications covering 39.6 km² within the Mosquito Creek belt.

Silver Swan South Project (100% interest)

The Silver Swan South Project comprises of one exploration licence application E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 47.2 km². The Project is along trend of the massive nickel 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).

2. Review of Operations (continued)

Figure One | The locations of the Projects



Corporate

The net operating loss after tax for the period from 30 August 2016 (date of incorporation) to 31 December 2016 was \$48,990. As at 31 December 2016, the Company held \$3,577,531 in cash.



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3. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read "A. Radonjic".

Andrew Radonjic
Technical Director

Perth, Western Australia, 14 March 2017

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

14 March 2017

Board of Directors
Blackstone Minerals Limited
288 Churchill Avenue
SUBIACO WA 6008

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 review of the financial statements of Blackstone Minerals Limited for the period from 30 August 2016 to 31 December 2016, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Martin Michalik
Director

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This interim financial report does not include all the notes of the type normally included in an annual financial report and is to be read in conjunction with any public announcements made by Blackstone Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the Blackstone Minerals Limited. The financial report is 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
288 Churchill Avenue
Subiaco WA 6008

A description of the nature of the Company's operations is included in the directors' report on pages 3 - 4, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 14 March 2017. The Company has the power to amend and reissue the financial report.

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.

Statement of Profit or Loss and Other
Comprehensive Income



For the period from 30 August 2016 (date of incorporation) to 31 December 2016

	Period to 31 December 2016 \$
Revenue	
Revenue from continuing operations	-
	-
Expenditure	
Administration costs	(466)
Consultancy expenses	(879)
Compliance and regulatory expenses	(1,286)
Exploration expensed	(46,359)
Loss before income tax	(48,990)
Income tax benefit	-
Loss for the half-year attributable to owners	(48,990)
Other comprehensive income	
<i>Items that may be reclassified to profit or loss</i>	-
<i>Items that will not be classified to profit or loss</i>	-
Total comprehensive loss for the half-year attributable to owners	-
Basic loss per share (cents per share)	(0.75)
Diluted loss per share (cents per share)	(0.75)

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



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Statement of Financial Position

As at 31 December 2016

	Notes	31 December 2016 \$
Current Assets		
Cash and cash equivalents	4	3,577,531
Trade and other receivables		12,174
Total Current Assets		3,589,705
Total Assets		3,589,705
Current Liabilities		
Trade and other payables	5	3,575,315
Total Current Liabilities		3,575,315
Total Liabilities		3,575,315
Net Assets		14,390
Equity		
Issued capital	6	63,380
Accumulated losses		(48,990)
Total Equity		14,390

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



For the period from 30 August 2016 (date of incorporation) to 31 December 2016

	Contributed Equity	Accumulated Losses	Total
	\$	\$	\$
Balance at 30 August 2016	-	-	-
Total comprehensive loss for the interim period:			
Loss for the period	-	(48,990)	(48,990)
Total comprehensive loss for the half year	-	(48,990)	(48,990)
Transactions with owners in their capacity as owners:			
Contributions of equity (net of transaction costs)	63,380	-	63,380
	63,380	-	63,380
Balance at 31 December 2016	63,380	(48,990)	14,390

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

For the period from 30 August 2016 (date of incorporation) to 31 December 2016

	Notes	Period to 31 December 2016 \$
Cash flows from operating activities		
Payments to suppliers and employees		(30)
Payments for exploration and evaluation		(35,000)
Net cash (used in) operating activities		<u>(35,030)</u>
Net cash received from investing activities		<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares		206,325
Proceeds received for the future issue of shares		3,511,750
Share issue transaction costs		(105,514)
Net cash provided by financing activities		<u>3,612,561</u>
Net increase in cash and cash equivalents		<u>3,577,531</u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	4	<u>3,577,531</u>

Amounts shown above relating to payments to suppliers and employees include goods and services tax. The above statement of cash flows should be read in conjunction with the accompanying notes.



1. Basis of preparation of half-year report

This interim financial report for the reporting period from 30 August 2016 (date of incorporation) to 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with any public announcements made by Blackstone Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company was incorporated on 30 August 2016 and accordingly the financials for the period ending 31 December 2016 do not have comparatives.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

The following standards became effective for annual reporting periods beginning on or after 1 January 2016 and therefore effective for the current interim period.

AASB 2014-4: Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation; and

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

2. Segment information

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

The segment information provided to the board of directors for the reportable segments for the period from 30 August 2016 (date of incorporation) to 31 December 2016 is as follows:

	Exploration Australia	Corporate	Total
	\$	\$	\$
Half-year ended 2016			
Total segment revenue	-	-	-
Interest revenue	-	-	-
Total segment profit/(loss) before income tax	(46,359)	(2,631)	(48,990)
Total segment assets 31 December 2016	-	3,589,705	3,589,705
Total segment liabilities 31 December 2016	-	3,575,314	3,575,314

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

	31 December 2016 \$
4. Cash & Cash Equivalents	
(a) Cash & cash equivalents	
Cash at bank and in hand	65,696
Cash held on trust	3,511,835
Total cash and cash equivalents	3,577,531
(b) Cash at bank and on hand	
Cash on hand is non-interest bearing. Cash at bank bears interest rates of 0.01%	



31 December 2016
\$

5. Trade and other payables

Trade payables	63,565
Application funds	3,511,750
Total trade and other payables	3,575,315

(a) Application funds

The application funds relate to funds received under the Companys Initial Public Offering, refer to Note 8.

	Date	Shares	Issue Price	Total \$
6. Contributed Equity				
Movements in issued capital				
Balance at 30 August 2016		-		-
Share issue	30 Aug 2016	4	\$1.000	4
Share issue	13 Sept 2016	2,600,000	\$0.001	2,600
Share issue	30 Sept 2016	3,700,000	\$0.001	3,700
Shares issue	05 Oct 2016	2,000,000	\$0.100	200,000
Less: Transaction costs				(142,924)
Closing Balance at 30 June		8,300,004		63,380

7. Commitments & Contingencies

The Company has the following contingent liabilities and commitments that have not been accounted for in the statement of financial position as at 31 December 2016 which were contingent upon the successful completion of the Initial Public Offering.

As part of the consideration payable for the acquisition of Black Eagle Pty Ltd (Black Eagle), a cash reimbursement totalling \$100,432 is required to be paid to the Vendors of Black Eagle for the expenses incurred in relation to the Red Gate, Middle Creek, Silver Swan and additional application. Subsequent to year end the cash reimbursement has been settled.

The Company has the following exploration commitments order to maintain rights of tenure to exploration tenements;

	\$
Not longer than one year	92,652
Longer than one year, not longer than five years	260,396
Longer than five years	-
Total	353,048



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8. Events Occurring Subsequent to Reporting Date

Subsequent to period end, Blackstone Minerals Limited completed its Initial Public Offering (IPO) by raising \$3.5 million before costs of the offer and the issue of 17,500,000 fully paid ordinary shares. The shares commenced trading on the ASX at 10am on Monday 23 January 2017.

As part of the IPO, the Company acquired Black Eagle Pty Ltd for the following consideration;

- i) Issue of 10,000,000 fully paid ordinary shares;
- ii) Issue of 4,000,000 Class A performance shares;
- iii) Issue of 4,000,000 Class B performance shares; and
- iv) Reimbursement totalling \$100,432 is relating to previous expenses incurred.

Class A performance shares convert to one fully paid ordinary share for each performance share held upon all prospecting licence applications comprising the Middle Creek Project being granted (with or without conditions) under the Mining Act.

Class B performance shares convert to one fully paid ordinary share for each performance share held if on any tenement, the Company obtains a drill result representing a 30 gram per meter gold intersection, or metal equivalents (as that item is used in paragraph 50 of the JORC Code) including silver, copper, lead, zinc, nickel, cobalt, platinum, palladium, iron, graphite, lithium, tin, tantalum, niobium and tungsten.

Subsequent to period end, the Company made an ex gratia payment to the Chairman, Technical Director, Company Secretary and Exploration Manager for work performed relating to the IPO during the period to December 2016. The ex gratia payments were contingent upon a successful IPO with payments totalling \$25,438.

There are no other material events subsequent to reporting date.



In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the period from 30 August 2016 (date of incorporation) to 31 December 2016; and
- (b) there are reasonable grounds to believe that Blackstone Minerals Limited will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read "A. Radonjic".

Andrew Radonjic
Technical Director

Perth, Western Australia, 14 March 2017

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Blackstone Minerals Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the period from 30 August 2016 to 31 December 2016, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Blackstone Minerals Limited.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Blackstone Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Blackstone Minerals Limited on 14 March 2017.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackstone Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the period from 30 August 2016 to 31 December 2016 and
- (b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and *Corporations Regulations 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
14 March 2017