

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Blackstone Minerals Limited

ABN

96 614 534 226

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

- a) Ordinary fully paid shares
- b) Class C Performance Shares
- c) Performance Options
- d) Performance Options
- e) Unlisted Options

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- a) 25,000,000 ordinary fully paid shares
- b) 14,000,000 Class C Performance Shares
- c) 2,000,000 Performance Options
- d) 1,500,000 Performance Options
- e) 3,500,000 Unlisted Options

+ See chapter 19 for defined terms.

3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)

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| <p>a) Ordinary fully paid shares</p> <p>b) Class C Performance Shares expiring 23 October 2022.</p> <p><i>The Performance Shares shall convert into an equal number of fully paid ordinary shares upon the Company achieving a drill result representing a 2% cobalt equivalent-metres intersection (reported in accordance with clause 50 of the JORC Code 2012).</i></p> <p>c) Performance Options with an exercise price of \$0.001 expiring 23 October 2022. Subject to the Class C performance milestones.</p> <p>d) Performance Options issued to Managing Director with an exercise price of \$0.001 expiring 6 November 2020. Subject to the following vesting conditions:</p> <p><i>50% of options exercisable at \$0.001 expiring 3 years to 6 November 2020 subject to achieving a market capitalisation of A\$50 Million for a consecutive period of greater than 30 days. On satisfaction of the performance condition outlined above, should this occur within 12 months of the Commencement Date then the Managing Director agrees not to exercise any Tranche 1 options until he has completed 12 months' employment with the Company; and</i></p> <p><i>50% of options exercisable at \$0.001 expiring 3 years to 6 November 2020 subject to completing 18 months of service.</i></p> <p>e) Unlisted Options with an exercise price of \$0.001 expiring 23 October 2020.</p> |
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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a) Ordinary fully paid share rank equally with existing ordinary shares. b)to e) No</p>
<p>5 Issue price or consideration</p>	<p>a) At date of shareholder approval \$0.415. b) Nil c)to e) \$0.001</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) 25,000,000 ordinary shares approved at General Meeting of Shareholders held on 12 October 2017 for the acquisition of Cobalt One Energy Corp (Canada)</p> <p>b) 14,000,000 Class C Performance Shares with 8,000,000 to the vendors of Cobalt One Energy Corp (Canada) and 6,000,000 to certain Directors as approved at General Meeting of Shareholders held on 12 October 2017).</p> <p>c) 2,000,000 performance options to management and employees, issued under the company's placement capacity in accordance with ASX L.R 7.1.</p> <p>d) 1,500,000 performance options to be issued under agreement with the appointed Managing Director commencing 6 November 2017 and subject to vesting conditions. To be issued under the company's placement capacity in accordance with ASX L.R 7.1.</p> <p>e) 3,500,000 unlisted options to Corporate Advisors issued under the company's placement capacity in accordance with ASX L.R 7.1.</p>

+ See chapter 19 for defined terms.

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A

7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	24 October 2017
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	Number	⁺ Class
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	43,500,004 Fully paid shares

⁺ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	17,300,000	Ordinary Shares (escrowed to 12 January 2019)
	1,000,000	\$0.20 unlisted options expiring 12 January 2020 (escrowed to 12 January 2018)
	1,000,000	\$0.20 unlisted options expiring 12 January 2020 (escrowed to 12 January 2019)
	4,000,000	Class A Performance Shares expiring 22 January 2022 <i>All prospecting licence applications comprising the Middle Creek Project being granted (with or without conditions) under the Mining Act.</i>
	4,000,000	Class B Performance Shares expiring 22 January 2022 <i>On any Tenement, the Company obtaining a drill result representing a 30 gram per metre gold intersection, or metal equivalents (as that term 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.</i>
	14,000,000	Class C Performance Shares expiring 23 October 2022 <i>The Performance Shares shall convert into an equal number of fully paid ordinary shares upon the Company achieving a drill result representing a 2% cobalt equivalent-metres intersection (reported in accordance with clause 50 of the JORC Code 2012).</i>
	2,000,000	\$0.001 Performance Options expiring 23 October 2022 subject to Class C Milestones (above).
	1,500,000	Performance options to be issued under agreement with the appointed Managing Director commencing 6 November 2017 Performance Options issued to Managing Director with an exercise price of \$0.001 expiring 6 November 2020. Subject to the following vesting conditions: <i>-750,000 options exercisable at \$0.001 expiring 3 years to 6 November 2020 subject to achieving a market capitalisation of A\$50 Million for a consecutive period of greater than 30 days. On satisfaction of the performance condition outlined above, should this occur within 12 months of the Commencement Date then the Managing Director agrees not to exercise any Tranche 1 options until he has completed 12 months' employment with the Company; and</i> <i>750,000 options exercisable at \$0.001 expiring 3 years to 6 November 2020 subject to completing 18 months of service.</i>
3,500,000	\$0.001 unlisted options expiring 23 October 2020. <i>- 50% vest on issue; 50% subject to a vesting condition when the 30 day VWAP of the Company's share price is \$0.50 or greater.</i>	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

⁺ See chapter 19 for defined terms.

- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue Date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- i) the date from which they do
- ii) the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- iii) the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 24 October 2017

Jamie Byrde
Company Secretary

Print name:

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	N/A
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	N/A

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>

Multiply “A” by 0.15	N/A
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	N/A
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	N/A

Part 2

Rule 7.1A – Additional placement capacity for eligible entities
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+ See chapter 19 for defined terms.

Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.