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Completion of Placement – Tranche 2 Notice Under Section 708A and Appendix 3B

As announced on the 12 December 2017, Blackstone Minerals Limited (ASX code: BSX), announced it will raise \$5m in a two-tranche placement, through the issue of 11.9m shares at \$0.42 per share.

Blackstone is pleased to confirm that it has completed the second tranche of the placement following shareholder approval at the General Meeting held on 22 January 2018, with the allotment of 8,284,762 million shares at \$0.42 to raise gross proceeds of \$3,479,600.

Notice under Section 708A

Blackstone Minerals Limited (ASX code: BSX), has issued 8,284,762 fully paid ordinary shares on 24 January 2018, as approved by shareholders at the General Meeting held on 22 January 2018. The securities are part of a class of securities quoted on the Australian Securities Exchange (ASX).

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act. The shares were issued without disclosure under Part 6D.2, in reliance on Section 708A (5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- a) The provisions of Chapter 2M of the Corporations Act; and
- b) Section 674 of the Corporations Act.

There is no excluded information as at the date of this notice, to be disclosed for the purposes of Sections 708A (7) and (8) of the Corporations Act.

Detailed information on all aspects of Blackstone Minerals projects can be found on the Company's website www.blackstoneminerals.com.au.

Appended to this announcement is the Appendix 3B.

Ends.

Jamie Byrde Joint Company Secretary

BLACKSTONE FAST FACTS

Shares on Issue Share Price Market Cap ASX Code 86.7 \$0.52 \$45.1m **BSX**

BOARD & MANAGEMENT Non-Exec Chairman Hamish Halliday

Managing Director Scott Williamson

Technical Director Andrew Radonjic

Non-Exec Directors Bruce McFadzean Stephen Parsons Michael Konnert

Joint Company Secretaries Michael Naylor Jamie Byrde

ADVANCING THE FOLLOWING PROJECTS:

High Grade 3% Cobalt & 20g/t Gold Little Gem Project

British Columbia, Canada

Cartier Cobalt Project Quebec, Canada

Gold and Nickel Projects Western Australia

-Silver Swan South -Middle Creek -Red Gate

REGISTERED OFFICE

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

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

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 Ordinary fully paid shares

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

8,284,762 ordinary fully paid shares

Ordinary fully paid shares

⁺ See chapter 19 for defined terms.

4 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:

- 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

\$0.42

- 5 Issue price or consideration
- 6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)
 - Shareholders on 22 January 2018.

Tranche 2 of placement as announced on 12

December 2017 and approved at General Meeting of

6a Is the entity an ⁺eligible entity No that has obtained security holder approval under rule 7.1A?

If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i

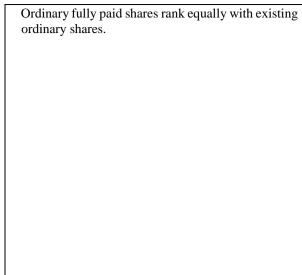
- 6b The date the security holder N resolution under rule 7.1A was passed
- 6c Number of *securities issued without security holder approval under rule 7.1
- 6d Number of *securities issued with security holder approval under rule 7.1A
- 6e Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

N/A

N/A

N/A

N/A



- 6f Number of securities issued N/A under an exception in rule 7.2
- If securities issued under rule 6g 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.
- 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
- 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
- 7 Dates of entering ⁺securities into holdings uncertificated or despatch of certificates
- 8 Number and ⁺class of all +securities quoted on ASX (including the securities in section 2 if applicable)

N/A

N/A

N/A

24 January 2018

Number	+Class	
69,404,766	Fully paid shares	

	Number	+Class
9 Number and ⁺ class	17,300,000	Ordinary Shares (escrowed to 12 January 2019)
of all ⁺ securities not quoted on ASX (<i>including</i> the	1,000,000	\$0.20 unlisted options expiring 12 January 2020
securities in section 2 if	1,000,000	\$0.20 unlisted options expiring 12 January 2020 (escrowed to 12 January 2019)
applicable)	4,000,000	Class A Performance Shares expiring 22 January 2022 All prospecting licence applications comprising the Middle Creek Project being granted (with or without conditions) under the Mining Act.
	4,000,000	Class B Performance Shares expiring 22 January 2022 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.
	2,000,000	\$0.001 Performance Options expiring 23 October 2022.
	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:
		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
		750,000 options exercisable at \$0.001 expiring 3 years to 6 November 2020 subject to completing 18 months of service.
	3,500,000	\$0.001 unlisted options expiring 23 October 2020.
		 50% vest upon issue; 50% subject to a vesting condition when the 30 day VWAP of the Company's share price is \$0.50 or greater.

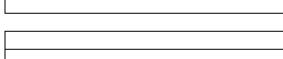
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required? 12 Is the issue renounceable or nonrenounceable? 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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. 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 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

⁺ See chapter 19 for defined terms.

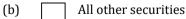
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate 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



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

Entities that have ticked box 34(b)

37

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 valation to the next dividend 	
	relation to the next dividend, distribution or interest payment	

⁺ See chapter 19 for defined terms.

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)

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

	Number	+Class
l		
K		
į		

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 January 2018

Jamie Byrde Joint 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	
Add the following:	
• 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 	
 Note: Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
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 [Note: this value cannot be changed]	
<i>Multiply</i> "A" by 0.15	N/A	
Step 3: Calculate "C", the amount 7.1 that has already been used	of placement capacity under rule	
<i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:		
Under an exception in rule 7.2		
Under rule 7.1A		
 With security holder approval under rule 7.1 or rule 7.4 		
 Note: This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 		
"C"	N/A	
Step 4: Subtract "C" from ["A" x " placement capacity under rule 7.1	B"] to calculate remaining	
"A" x 0.15		
Note: number must be same as shown in Step 2		
Subtract "C"		
Note: number must be same as shown in Step 3		
<i>Total</i> ["A" x 0.15] – "C"	N/A	

⁺ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities		
Step 1: Calculate "A", the base figure from which the placement capacity is calculated		
" A "	N/A	
Note: number must be same as shown in Step 1 of Part 1		
Step 2: Calculate 10% of "A"		
"D"	0.10 Note: this value cannot be changed	
<i>Multiply</i> "A" by 0.10	N/A	
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used		
 Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: This applies to equity securities – not just ordinary securities Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed 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 It may be useful to set out issues of securities on different dates as 	N/A	
separate line items "E"	N/A	
Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A "A" x 0.10 N/A Note: number must be same as shown in Step 2		
Subtract "E"	N/A	
Note: number must be same as shown in Step 3		
<i>Total</i> ["A" x 0.10] – "E"	N/A Note: this is the remaining placement capacity under rule 7.1A	