

Ref: /BSX/609/BSX076

Drilling Commences at the Little Gem Cobalt-Gold Project

Blackstone Minerals Limited (“**Blackstone**” or the “**Company**”), is pleased to announce the Company has commenced drilling at the very high grade Little Gem Cobalt-Gold Project (“**Little Gem**”) in British Columbia, Canada (Refer Figure Three).

Highlights

- Blackstone has commenced drilling at the very high grade Little Gem Cobalt-Gold Project in British Columbia, Canada (Refer Figure One);
- The first hole in the current program is planned to intersect the entire target zone on the same section to Blackstone’s previous drill hole which was abandoned halfway through the target zone and intersected the following significant result (Refer Figure Two):
 - 1.1 m @ 3.0% cobalt and 44 g/t gold; within**
 - 4.3 m @ 1.0% cobalt & 15 g/t gold.**
- Blackstone is planning an initial six diamond drill holes to test the original ~300 m strike target zone at Little Gem before looking to explore a +1.0 km strike extension to the east and +500 m strike extension to the west;
- Blackstone recently completed the final payment under the Gold Bridge option agreement and is now the 100% owner of the Little Gem project;
- The initial results from the maiden drilling have been consistent with historic drilling and adit channel sampling which returned average grades of **3% cobalt and 20 g/t gold**;
- The Little Gem Project covers a large land holding with **48 km of untested strike potential** of geology **analogous to the world class Bou-Azzer primary Cobalt district in Morocco** (Refer Figure Four);
- Little Gem is favourably located **less than 15 km along strike from the Bralorne-Pioneer mining complex (endowment of 4.4 Moz at 17 g/t Au)**.

Blackstone’s Managing Director commented; “*Blackstone is pleased to announce the Company has commenced drilling at the very high grade Little Gem Cobalt-Gold project in British Columbia, Canada. It has been a great effort by the team at Radius drilling in conjunction with our exploration team on site to establish the drill pad in the winter conditions. We look forward to the first assay results to be reported over the coming weeks, shareholders can expect more consistent news flow throughout the drill season as we explore the full potential of the Little Gem Cobalt-Gold project.*”

BLACKSTONE FAST FACTS

Shares on Issue	96.2m
Share Price	\$0.445
Market Cap	\$42.8m
ASX Code	BSX

BOARD & MANAGEMENT

Non-Exec Chairman
Hamish Halliday

Managing Director
Scott Williamson

Technical Director
Andrew Radonjic

Non-Exec Directors
Stephen Parsons
Michael Konnert

Joint Company Secretaries
Michael Naylor
Jamie Byrde

ADVANCING THE FOLLOWING PROJECTS

High Grade (3% Cobalt & 20 g/t Gold) Little Gem Project
British Columbia, Canada

Cartier Cobalt-Nickel Project
Quebec, Canada

Gold and Nickel Projects
Western Australia

- Silver Swan South
- Middle Creek
- Red Gate

REGISTERED OFFICE

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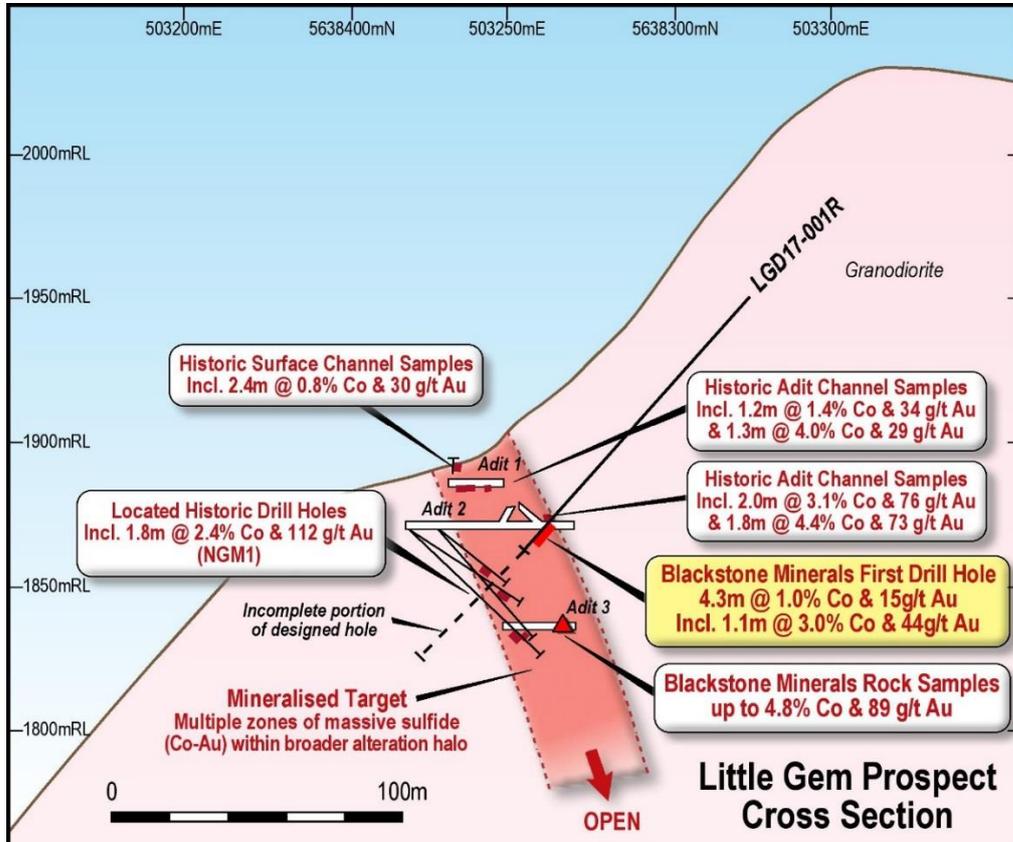
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Figure One | Drilling Commences at the Little Gem Cobalt-Gold project



Figure Two | Little Gem Cross Section showing previous drill hole LGD17-001R



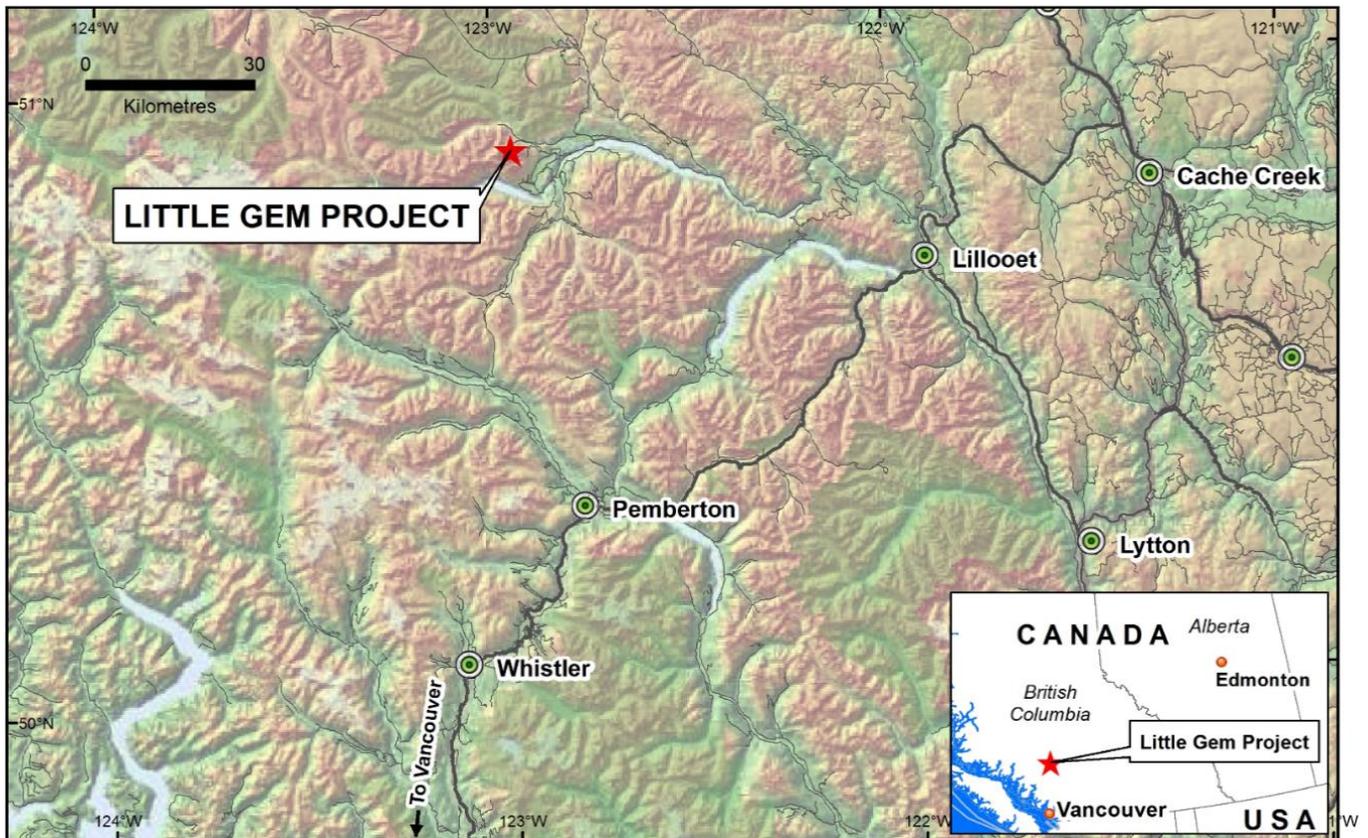
(Source: Refer ASX Announcement 26 July 2017 & 9 January 2018)

Little Gem Cobalt-Gold Project

Blackstone Minerals Limited has commenced its maiden drilling program at the very high grade Little Gem Cobalt-Gold Project in British Columbia, Canada. The drilling program started late in the 2017 field season and hence only one diamond drill hole was able to test the target zone before weather conditions changed. The successful diamond drill hole only tested the upper portion of the alteration zone and stopped halfway (due to mechanical issues) through the mineralised target. Although the drill hole was successful and confirmed historic drilling and sampling results, it has not tested the full potential of the cobalt and gold mineralisation at Little Gem. The successful drill hole intersected massive, semi-massive and disseminated mineralisation with the following significant results:

**1.1m @ 3.0% cobalt and 44g/t gold; within
4.3m @ 1.0% cobalt & 15g/t gold.** (Refer ASX Announcement 9 January 2018 for full set of results)

Figure Three | Location of the Little Gem Project



The Little Gem Project was discovered in the 1930's by prospectors identifying a pink cobalt-bloom on weathered mineralization 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. Results from this work generated some exceptional Cobalt and Gold assays including:

Historic drilling	1.8 m @ 2.4% cobalt & 112 g/t gold 3.3 m @ 1.4% cobalt & 12 g/t gold; and 4.1 m @ 1.4% cobalt & 11 g/t gold.
Underground channel sampling	1.8 m @ 4.4% cobalt & 73 g/t gold; and 2.0 m @ 3.1% cobalt & 76 g/t gold.
Surface channel sampling	0.4 m @ 5.7% cobalt & 1,574 g/t gold; and 0.1 m @ 4.6% cobalt & 800 g/t gold.

(Refer ASX Announcement 26 July 2017 for full set of results)

Little Gem is mostly underlain by granite of the Coast Plutonic Complex and ultramafic rocks on what is interpreted to be the northern extension of the Cadwallader fault zone (Refer Figure Three). These are the major geological units and structures important to the mineral deposits either as the host rocks or sources of the mineralizing fluids that gave rise to the Bridge River mining camp. The camp has 60 mineral localities including the Bralorne-Pioneer mining complex (**endowment of 4.4 Moz at 17 g/t Au**) which retains the status of the foremost gold producer in British Columbia and the sixth largest in Canada. Little Gem is only 15 km along strike to the north of the Bralorne-Pioneer mining complex.

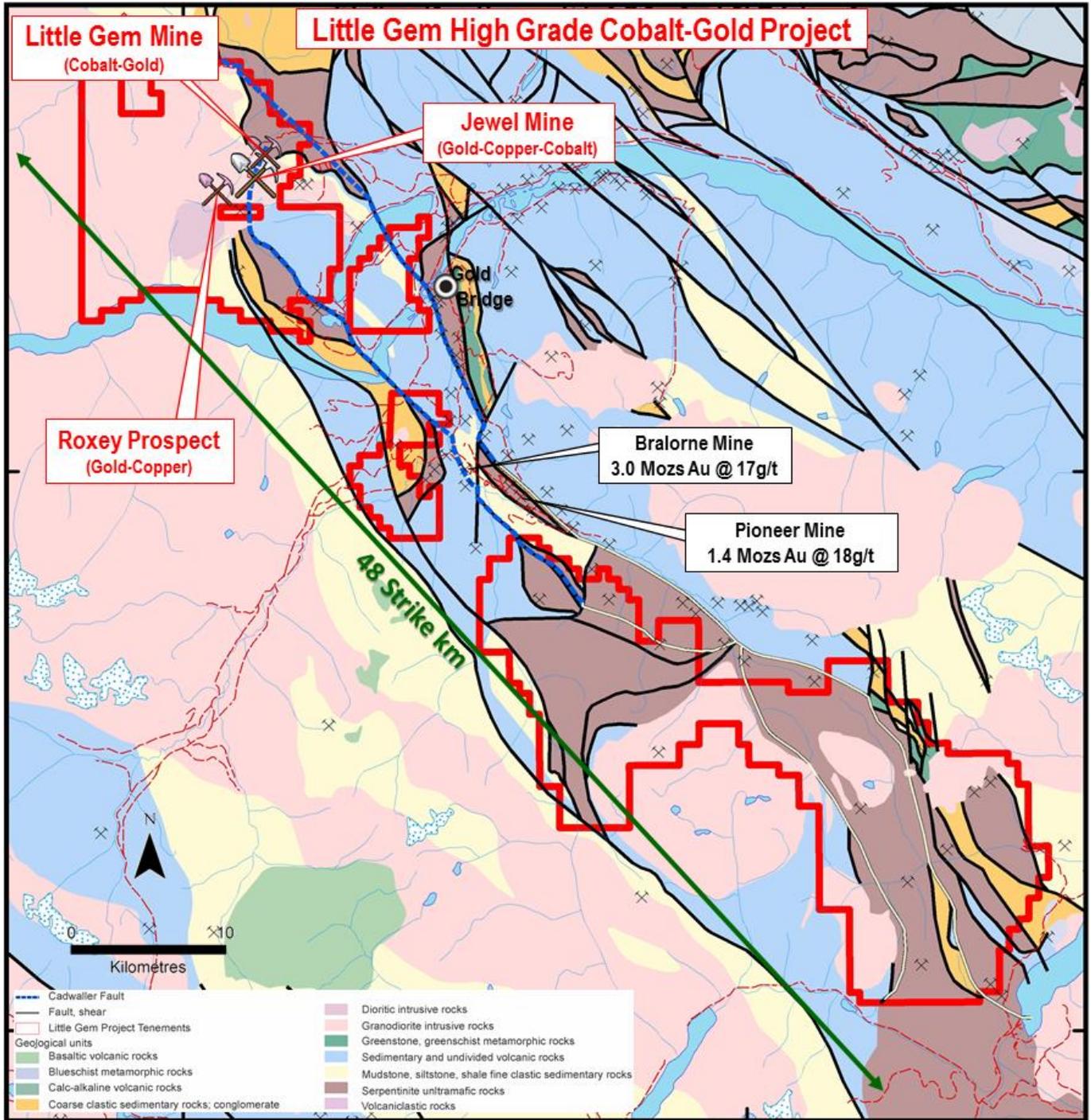
There has been very little modern day exploration at Little Gem with the main activities being airborne geophysical surveys (including magnetic, radiometric and electromagnetic ("EM") surveys) in the 1970's and a further two drill holes completed in 1986.

The second mineral occurrence at the Little Gem Project is the historic Jewel Gold Prospect which supported some gold production from 1938 to 1940 and is located only 1.1 km north-northeast of the Little Gem Mine. Since Blackstone began working on the Little Gem Cobalt-Gold Project it has verified the mineralisation identified historically at the Little Gem Cobalt-Gold Prospect and the Jewel Gold Prospect and discovered a new high grade Gold prospect named Roxey.

The Roxey Gold prospect is located 1.5 km west-southwest of the Little Gem Cobalt-Gold prospect. Blackstone visually identified Roxey during the due diligence site visit and took rock chip samples within the target area which assayed up to **24 g/t gold, 1.9% copper & 24 g/t silver** (Refer ASX Announcement 6 September 2017). Mineralization at Roxey is associated with quartz-pyrite altered diorite containing chalcopyrite.

Surface rock chip samples taken to verify the mineralisation at the Jewel prospect located 1.1 km north-northeast of Little Gem, returned up to **98 g/t gold and 3.2% copper** (Refer ASX Announcement 6 September 2017 for full set of results). These results confirm what Blackstone's recent investigation has revealed with historical samples of up to **0.6 m @ 75 g/t gold and 0.45m @ 153 g/t gold** from underground and surface channel sampling and up to **6.9 g/t gold, 19.25% copper & 137 g/t silver** from underground rock chip sampling (Refer ASX Announcement 6 September 2017 for full set of results). Mineralization at Jewel sits in an ultramafic near the easterly trending/steep south dipping contact with the quartz diorite/granodiorite that hosts the Little Gem Prospect.

Figure Four | Little Gem Geological Setting



(Source: Refer ASX Announcement 26 July 2017 & 6 September 2017)

Cobalt Market Commentary

Cobalt contributes up to 60% of the value of Lithium Ion Batteries which in turn accounts for greater than 50% of demand for cobalt. The lithium ion battery is projected to become the world's most significant source of power with the use in electric vehicles ("EV") being the key driver. Bloomberg forecasts 35% of vehicles sold by 2040 will be electric, currently only 1% of global sales are EVs. Consequently, cobalt demand is expected to rise at 5% compound annual growth rate ("CAGR") over the next 4 years. Cobalt's other main use at 20% is in superalloys which compliments the battery demand as high-tech industry grows.

Cobalt is expected to have a supply deficit as currently mining is only just meeting demand. The cobalt price has risen significantly from US\$10/lb (US\$22,000/t) to US\$40/lb (US\$87,000/t) over the past 2 years. Current prices are still well short of the 2008 high of US\$52/lb (US\$115,000/t) which was the last time cobalt was in deficit.

Approximately 98% of the world's supply of cobalt comes from copper and nickel production with 15 mines representing half of the world's supply. This makes the supply stream for cobalt highly sensitive to disruptions caused by mine related issues. Currently more than 50% of the world's supply of cobalt is a by-product of copper production from the Democratic Republic of Congo (DRC).

Yours sincerely



Scott Williamson
Managing Director
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About Blackstone

Blackstone Minerals Limited (**ASX code: BSX**) is actively exploring the very high grade Little Gem Cobalt-Gold project in British Columbia, Canada. Blackstone is the first company in over 60 years to undertake systematic exploration for Cobalt at Little Gem and within the surrounding district. Blackstone owns a large land holding with 48 km of untested strike potential of highly prospective geology analogous to the world class Bou-Azzer primary Cobalt district in Morocco. Blackstone is actively 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.

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.