

ASX RELEASE
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ASX:BSX

Blackstone Purchases Third Diamond Drill Rig to Accelerate Drilling at Ban Chang

- Blackstone purchases a **third diamond drill rig to accelerate drilling the Ban Chang prospect** at the Ta Khoa Nickel-Cu-PGE project in Vietnam (*Refer to Figure 3*);
- Blackstone owns two diamond drill rigs **drilling Ban Chang East and the King Cobra Discovery zone (KCZ)** at Ban Phuc;
- A third diamond drill rig will allow Blackstone to **accelerate drilling at Ban Chang 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 averagesⁱ**;
- Blackstone’s four **maiden drill holes at Ban Chang all intersected massive sulfide nickel over a 1.2km strike** within a 1.2km long massive sulfide target zone defined by high priority electromagnetic (EM) plates (*Refer to Figure 1*).

Blackstone Minerals’ Managing Director Scott Williamson commented:

“Blackstone has made rapid progress over the past few months and we are very excited about the potential of Ban Chang. Our latest assays have confirmed a new zone of high-grade mineralisation which was previously untested at Ban Chang East. As we work towards completing our scoping study this quarter, we have now purchased an additional diamond drill rig to ensure we can progress the project as rapidly as possible as we systematically test our 25 massive sulfide targets.”

Blackstone Minerals Limited (**ASX code: BSX**) is pleased to announce the acceleration of diamond drilling at the Ta Khoa Nickel-Cu-PGE project in Vietnam with the purchase of a third diamond drill rig. This will allow Blackstone to fast track drilling along strike and down-dip at the Ban Chang prospect (*Refer to Figure 1*), where the company has previously reported the following significant results (*Refer to Figure 1*):

- BC20-01** 5.2m @ 0.66% Ni, 0.73% Cu, 0.04% Co & 0.79g/t PGE¹ from 58.0m
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
¹ Platinum (Pt) + Palladium (Pd) + Gold (Au)
- BC20-03** 9.8m @ 1.45% Ni, 0.9% Cu, 0.08% Co & 0.70g/t PGE from 57.05m
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 has purchased a third diamond drill rig to accelerate drilling at the Ban Chang prospect as it targets a further resource update as soon as possible after completion of the maiden Ban Phuc resource this quarter. It will drill further targets later in 2020, extending the drilling program to beyond Ban Chang and throughout the 25 massive sulfide vein (MSV) targets (Refer to Figure 2).

Successful deployment of Blackstone owned and operated drill rigs has to date provided the company with substantial cost savings, with approximately 60% reduction of per metre drilling costs relative to Australian industry averages. Owning and operating three diamond drill rigs substantially increases the amount of drilling the Company can undertake relative to other companies for the same expenditure.

At the Ban Chang prospect, the Company currently has assays pending from hole BC20-02 which intersected 1.2m MSV from 87.0m (Refer to Figure 1) and BC20-04 which intersected a 15.4m wide zone of sulfide vein mineralisation (Refer to Figure 1). The drilling is part of an ongoing campaign to target regional MSV as Blackstone aims to build its resource inventory at Ta Khoa to supplement the Ban Phuc maiden resource, which is on track for completion in Q3, 2020.

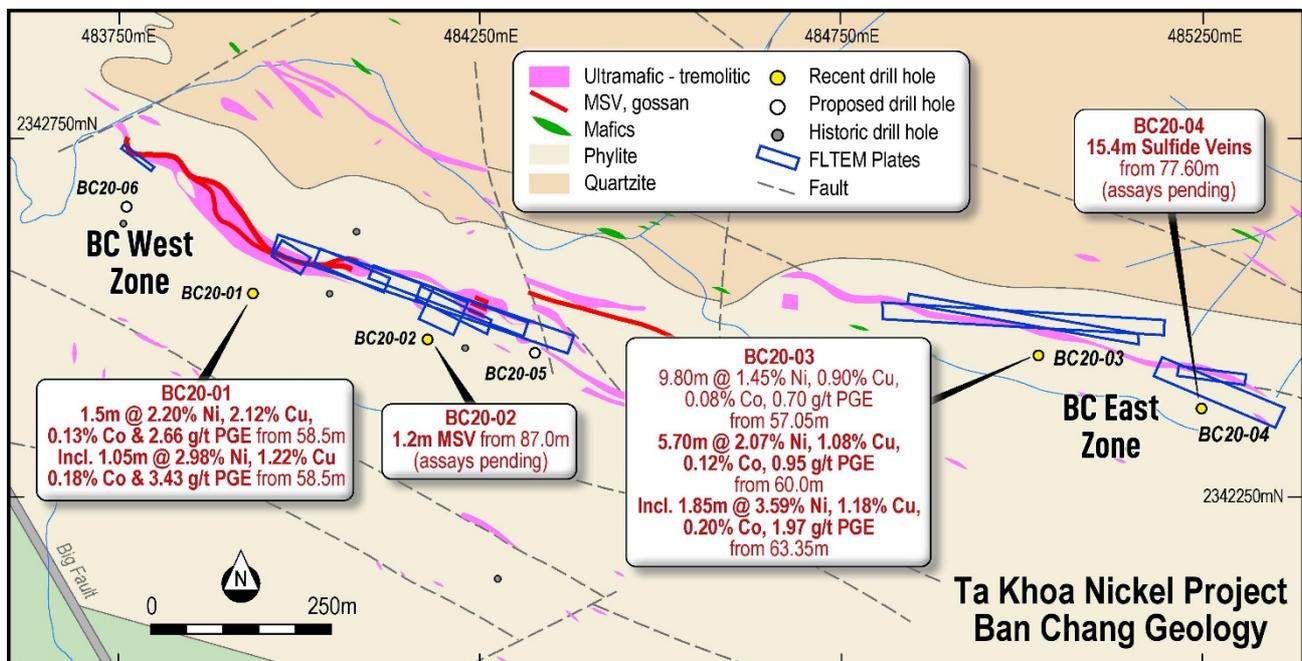


Figure 1: Ban Chang prospect with 1.2km long of EM plates and drillholes BC20-01(ASX17 June 2020), BC20-02, BC20-03 (ASX 2 July 2020) & BC20-04.

Ban Chang

The Ban Chang prospect is located 2.5km south-east of the processing facility and the Ban Phuc deposit adjacent to the Chim Van – Co Muong fault system. The prospect geology consists of a tremolitic dyke swarm within phyllites, sericite schists and quartzites of the Devonian Ban Cai Formation. The known mineralization style is mainly veins and lenses of massive sulfide as well as disseminated sulfide (DSS) hosted within tremolite dykes. The dyke swarm is approximately 900 m long, and varies between 5m and 60m wide. The dykes and massive sulfide are interpreted to be hosted within a splay (and subsidiary structures) off the major regional Chim Van – Co Muong fault system.

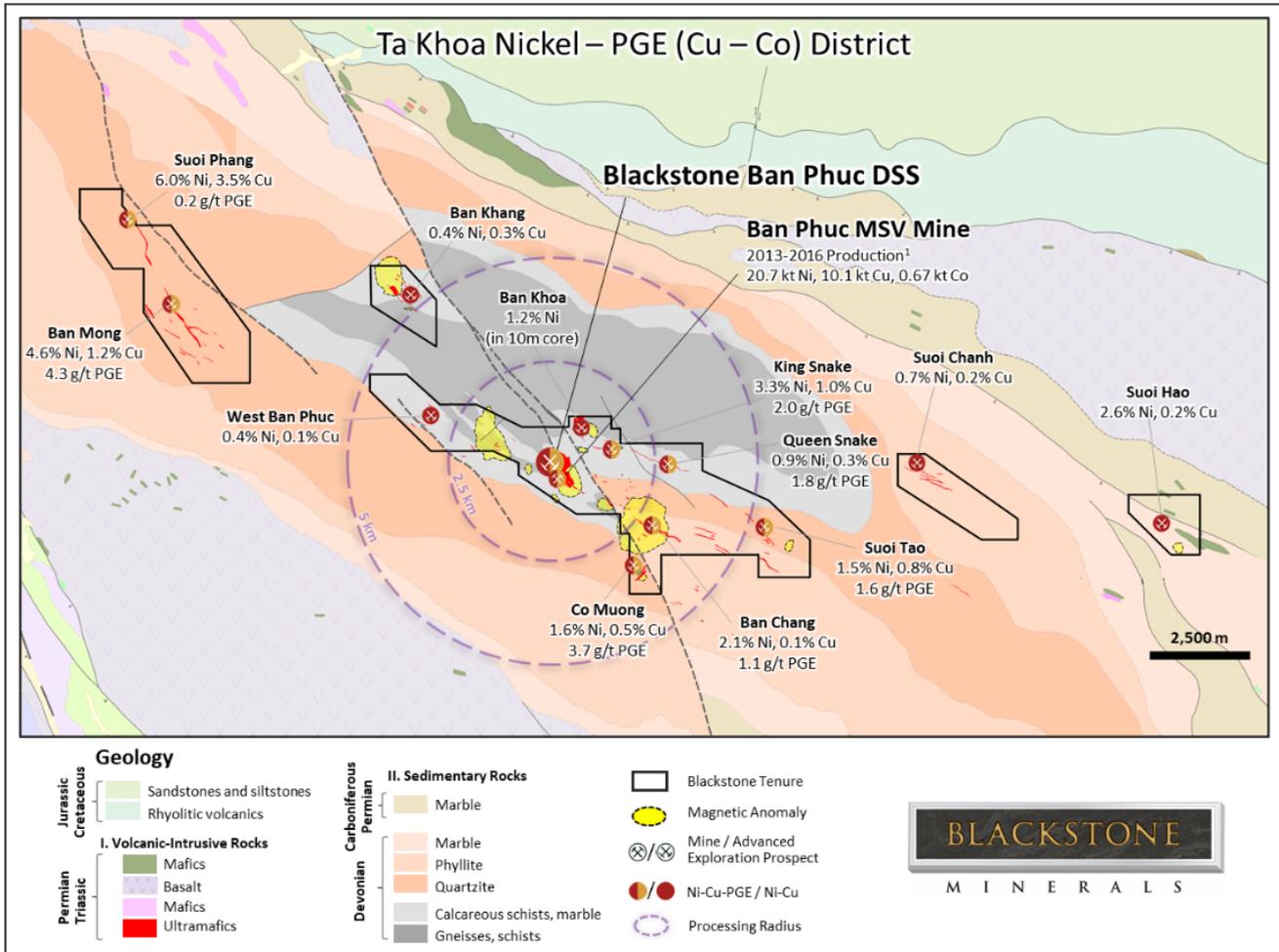


Figure 2: Ta Khoa Nickel-Cu-PGE – Regional Prospects

Ta Khoa Nickel-Cu-PGE Project – Next Steps



Blackstone Minerals aims to deliver a maiden resource in Q3, focused initially on the 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 (MSV) 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 3: Ta Khoa Nickel-Cu-PGE – Project Location

The Ta Khoa Nickel-Cu-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-Cu-PGE Project.

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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-Cu-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.

ⁱ industry average refers to quoted rates received in Australia for equivalent diamond drilling