

## COMPANY OVERVIEW / FLAGSHIP PROJECT

Blackstone Minerals Ltd (ASX: **BSX**) is a mineral exploration and development company, which acquired in May 2019 a 90% interest in the Ta Khoa nickel project in Vietnam. The Ta Khoa project includes the Ban Phuc nickel sulphide mine, which successfully operated from 2013 to 2016, when it shut due to very low nickel prices (~US\$8,000/t).

## KEY ELEMENTS OF STRATEGY

BSX pursues a two-fold strategy:

1. Drilling disseminated sulphides to build tonnes and nickel units to support a plant upgrade and long-life project
2. Further to the King Cobra discovery, finding/drilling more massive and semi-massive sulphide veins to justify an early plant restart (and increase overall resource grade)

Fold 1 is to be followed by:

- i. Delineating a large disseminated sulphide mineral resource
- ii. Increasing the plant throughput from 450ktpa to 2mtpa
- iii. Adding a Pressure Oxidation circuit to produce NiSO<sub>4</sub>

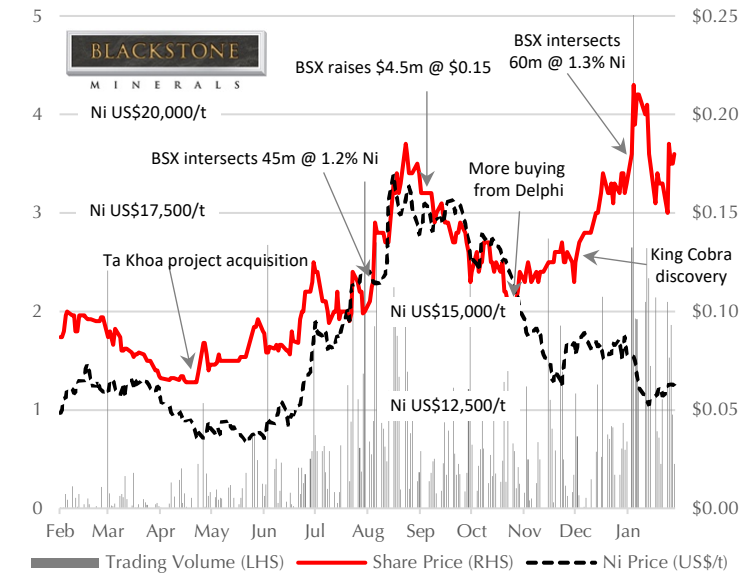
## KEY OUTCOMES IF SUCCESSFUL

1. Globally significant mineral resource / project
2. Either an early existing plant restart or a plant upgrade to restart on a larger scale and with a longer mine life
3. Value added nickel product to attract Li-ion battery raw materials manufacturers

⇒ The recent King Cobra discovery bodes well for the success of BSX' strategy

## CORPORATE OVERVIEW (AUD)

Shares	191.7 million ordinary fully paid shares
Options	6 Nov 20: 750k \$0.001 director performance options* 26 Mar 20: 1.7m \$0.001 employee perf. options* 17 Mar 21: 10 million \$0.10 advisor options 30 Sep 24: 11 million \$0.001 directors perf. options* * subject to vesting conditions
Share Price	\$0.18
Market Capitalisation	\$35 million
Cash	\$2.8 million as at 31 December 2019 ⇒ Fully funded for current drilling program and scoping study



⇒ Thanks to the King Cobra discovery, BSX share price is performing strongly with high volumes despite the nickel price correcting in the opposite direction.

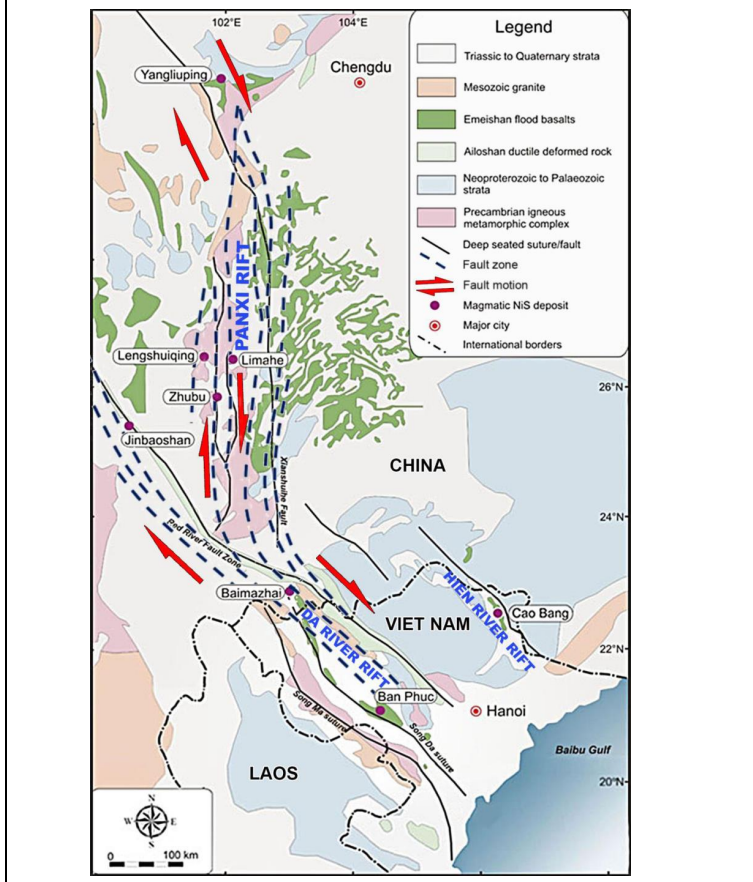
## TA KHOA ACQUISITION TERMS

- 12-month exclusive binding option agreement
  - Quarterly option payments of US\$100,000
  - Exercise of option by issuing A\$1,000,000 in BSX shares
- ⇒ Inexpensive acquisition and with hindsight quite timely, before the announcement in Aug 2019 of the earlier than scheduled Indonesian ore export ban now started in Jan 2020

## INVESTMENT HIGHLIGHTS

Geology

- Ta Khoa located in Song Da Rift, which is a major crustal suture zone continuing north into China, where it is associated with similar Ni-Cu-PGE deposits: Baimazhai, Qungquanshan, Limahe and Yangliuping.



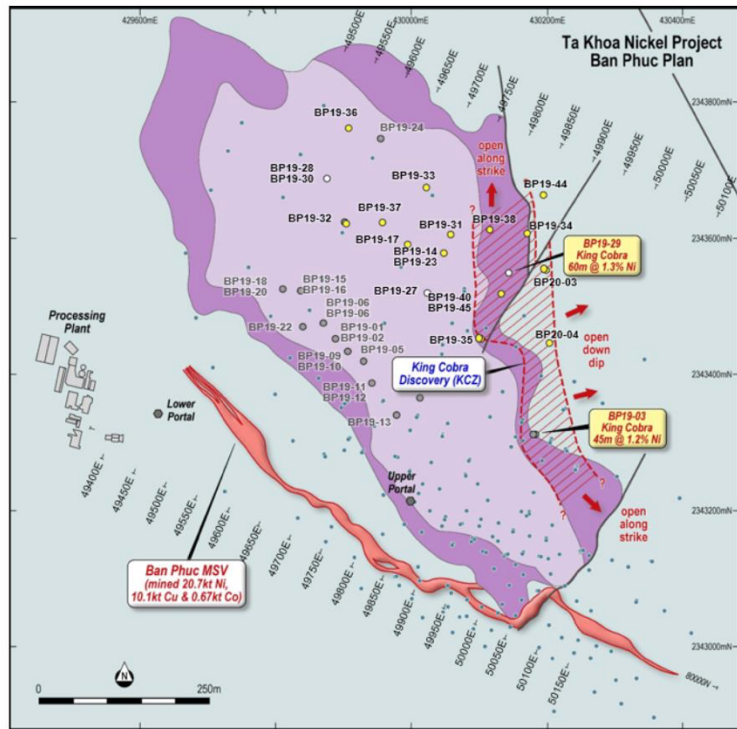
## Current Drilling Program

- Targeting the Disseminated Sulphide (DSS) mineralisation, and discovering new massive sulphide veins (MSV) along the way
- 56 holes for 12,000m, [2,000m drilled so far]
- 4 rigs including 2 rigs focused on step-out testing
- BSX started drilling the deeper part of the disseminated sulphide mineralisation with results exceeding expectations in terms of grades and widths
- Drilling has now intersected the King Cobra (KCZ) discovery zone over 200m of strike length, with the KCZ interpreted to be open along strike to the north west and south east and down dip to the north east

## Mineral Resource

- Terra Studio estimates conservatively a range of **20-50 Mt @ 0.5-0.6% Ni**, plus PGE, for a nickel metal content ranging from **100,000 tonnes to 300,000 tonnes**
- ⇒ The King Cobra discovery supports the upper end of this estimate

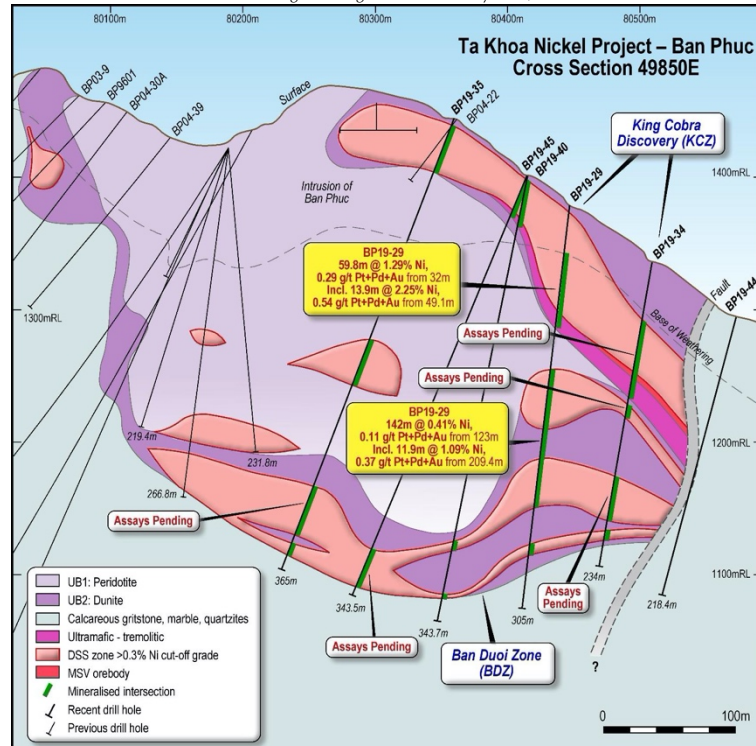
**Ban Phuc Drillhole Locations – Plan View**



- Blackstone assay pending
- Blackstone completed (current)
- Blackstone completed (previous)
- Historical (1959 – 2015)
- All Holes collared in ultramafic have intersected DSS mineralisation
- UB1: Peridotite
- UB2: Dunite
- MSV and DSS in Sediments
- Calcareous gritstones, marble, quartzites
- Fault



Cross Section 49850E showing the King Cobra discovery hole, BP19-23 and BP19-34



**COMPANY/PROJECT PEERS**

Company Code	Blackstone BSX	Centaurus CTM	Poseidon POS	Panoramic PAN	Mincor MCR
Partner	✓	✗	✗	✗	✓
Concentrator	✓	✗	✓	✓	✓ (BHP)
Resource	✗	✓	✓	✓	✓
Study	✗	✗	✓	✓	✗
EV/Resource	n/a	\$0.05/lb	\$0.07/lb	\$0.27/lb	\$0.42/lb
EV/Reserve	n/a	n/a	\$0.45/lb	\$0.54/lb	\$2.79/lb
Mkt Cap (A\$)	\$35m	\$46m	\$93m	\$176m	\$220m

**INVESTMENT HIGHLIGHTS (continued)**

Exploration Potential	<ul style="list-style-type: none"> <li>The Ta Khoa project contains 12 nickel prospects for high grade massive sulphide veins, most with economic drill hole intercepts</li> <li>Beyond the 50 km<sup>2</sup> tenement holding, 150 km<sup>2</sup> of ground is reserved to BSX by the Vietnamese government</li> <li>⇒ Beyond the Ban Phuc deposit, the prospectivity of the Ta Khoa project is at camp or district scale</li> </ul>
Mining Scenario	<ul style="list-style-type: none"> <li>As the King Cobra discovery is shaping up to be a high grade, near surface, large scale disseminated nickel-PGE zone, an open pit mining scenario appears more likely, with the King Cobra zone being a highly valuable starter pit</li> <li>⇒ This will improve project economics as defined by Net Present Value and payback</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>450,000 tpa concentrator plant built by and to Australian standards</li> <li>Access to competitive hydro grid power</li> <li>Tailings facility with excess capacity and expansion options</li> <li>Internationally certified laboratory (SGS)</li> <li>250-person camp</li> <li>⇒ US\$136m invested by previous owner</li> </ul>
Vietnam	<ul style="list-style-type: none"> <li>Established mining industry (45 mines)</li> <li>Ban Phuc identified as project of national significance</li> <li>Trans-Pacific Partnership to eliminate export taxes</li> <li>⇒ Country opening up to foreign investment</li> </ul>

**KEY RISKS AND MITIGANTS**

Geological	<ul style="list-style-type: none"> <li>While exploring for high grade massive sulphide is difficult and costly, targeting disseminated sulphide mineralisation is cost-effective and can underpin a long-life project (20+ years)</li> </ul>
Technical (mining, processing, completion, etc)	<ul style="list-style-type: none"> <li>Overall technical risks are significantly mitigated by the previous operation up to the production of nickel concentrate</li> <li>The pressure oxidation (POx) process treating the nickel concentrate is commonly and successfully used to process base metal concentrates</li> <li>⇒ POx should not be confused with the HPAL process, which treats lateritic ore rather than a concentrate</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Plant upgrade including POx circuit could be in the order of US\$100 million</li> <li>BSX is mitigating the financing risk by developing an alliance with Korea's largest electric vehicle (EV) battery cathode manufacturer, Ecopro BM Co Limited (MoU signed in December 2019)</li> </ul>
Market	<ul style="list-style-type: none"> <li>The nickel market outlook is excellent:                             <ul style="list-style-type: none"> <li>○ Successive deficits since 2015 and for the foreseeable future</li> <li>○ Low official inventories</li> <li>○ Booming market demand from the battery sector although from a currently low base</li> </ul> </li> </ul>