

Company Research

21st September 2020

Share Price	\$0.43			
52-Week Range \$0.0)79 - \$0.540			
Market Capitalisation	\$136.6m			
Shares Outstanding	317.7m			
Performance Options (0.1, various)	10.5m			
Advisor Options (10, Mar 2021)	10.0m			
Unlisted Options (20, Jun 2022)	1.0m			
Performance Options (0.1, Sep 2024	1) 11.0m			
Cash (as at 15 th Sep 2020)	\$27.8m			
Potential additional cash from SPP	~\$3.0m			
Maior Shareholders:				
Board & Management	14%			
Deustche Balaton	13%			
Ecopro	13%			
Fidelity	6%			
Top 20 shareholders	60%			
Board				
Hamish Halliday	Chairman			
Scott Williamson Managing Director				
Andrew Radonjic Non-Executive	e Director			
Hoirim Jung Non-Executive	e Director			
Steve Parsons Non-Executive	e Director			
Management				
Jamie Byrde Company	Secretary			
Dr Stuart Owen Exploration	Manager			
Steve Ennor Project	Manager			
Patrick Chang Corp. Developme	nt Officer			
BLACKSTONE				



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). The project also includes a 450,000 tpa concentrator and associated infrastructure such as a tailings dam with spare capacity.

BLACKSTONE MINERALS LIMITED

Research Analyst: J-Fransois Bertincourt

District Scale Project Brings Multiple Discoveries and High Prospectivity

District Scale: In May 2019, Blackstone Minerals Limited purchased far more than a project with an idled plant and a closed underground mine. The Ta Khoa project in Vietnam consists of a district with 23 prospects already defined, each of them having the potential to replicate the massive sulphide veins mined by the previous owner as well as discover much larger tonnage of disseminated sulphides such as the King Cobra Zone, to support a multi-decade operation at a higher throughput.

Exploration & Development Strategy: BSX pursues a two-fold strategy:

- Explore and delineate disseminated sulphides to build tonnes and nickel units to support a plant upgrade and long-life project
- 2. Explore, drill test and develop massive and semi-massive sulphide veins to justify an early plant restart (and/or increase the overall resource grade in the context of an operation with a higher throughout). Positive drilling results have been reported on the first two prospects Ban Chang and Ban Khang/Ta Cuong

The strategy has been highly successful so far and BSX is intensifying the exploration programmes on various prospects thanks to its own geophysical team and six drill rigs including four owed by BSX. This report is focused on the exploration potential of the Ta Khoa project.

Results Driven Team: In a context of continued depressed nickel prices and in less than 18 months from the date of the Ta Khoa project purchase, the BSX team has delivered the following:

- 1. A relatively cheap acquisition (about A\$1.7 million in cash and shares) vs. US\$136 million invested by the previous owner
- 2. Good drill intercepts such as 45m @ 1.2% Ni and 60m @ 1.3% Ni
- 3. A new discovery with the King Cobra Zone mineralisation
- 4. The validation of two nearby prospects Ban Chang with the addition of the Viper Discovery Zone and Ban Khang
- 5. An alliance with South Korea's largest electric vehicle (EV) battery cathode manufacturer, Ecopro BM Co Limited (EcoPro, market cap ~US\$1 billion). Ecopro is the world's second largest and South Korea's largest nickel-rich cathode materials manufacturer, it brings financial and technical support as well as being an off-taker
- 6. A cornerstone institutional investment from Fidelity, validating BSX strategy and supporting its future development
- 7. Successive capital raisings at higher share prices:
 - a. 10 May 2019: 40 million shares at \$0.05 for \$2.0 million
 - b. 23 Sep 2019: 30 million shares at \$0.15 for \$4.5 million
 - c. 7 Apr 2020: 40 million shares at \$0.17 (62% premium) for \$6.8 million
 - d. 11 Sep 2020: 42.8 million shares at \$0.42 for \$18 million
- 8. A market capitalisation increasing from A\$7m to A\$137m

9. A share price increasing from 6.4 to 43 (with a high at 54) The additional funds and top shareholders (Ecopro & Fidelity) provides comfort in the development of the project beyond the imminent milestones:

- Q3 2020: a mineral resource in the order of 20-50 Mt @ 0.5-0.6% Ni
- Q3 2020: a scoping study with a likely open mining scenario, considering that the King Cobra discovery is shaping up as near surface large scale disseminated nickel sulphide zone.

The project redevelopment will benefit from the brownfield nature of the project including a modern treatment plant, a fully permitted tailings storage facility and the financial, technical and regulatory supports from Ecopro, Fidelity and the Vietnamese government.

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1. Exploration Target

Ban Phuc / King Cobra Zone

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For the Ban Phuc prospect, Terra Studio estimated in October 2019 an exploration target in the range of 20-50 Mt at 0.5-0.6% Ni. The discovery of the King Cobra Zone in December 2019 supports the upper end of this estimate. BSX is expected to announce a mineral resource for Ban Phuc/King Cobra in the next few weeks.

Beyond this mineral resource, BSX is actively exploring with its own geophysical survey team and currently six drill rigs including four own by BSX. The aim is to ultimately drill test the 23 prospects identified across the Ta Khoa project.

Ban Chang / Viper Discovery Zone

The results of BSX drilling at the first two prospects outside Ban Phuc confirms the high prospectivity of the Ta Khoa project.

As it is the case for Ban Phuc, the mineralisation consists of either massive sulphide veins (MSV) or disseminated sulphide (DSS).

At Ban Chang, the initial drilling results indicate MSV mineralisation over a 1.2 km of strike. If this is confirmed by further drilling, the Ban Chang deposit could be larger than the Ban Phuc MSV deposit mined by the previous owners, which had a strike length of 730m and where 975,000 tonnes of high grade ore was mined at average grades of 2.4% Ni and 1.0% Cu from an average vein width of 1.3m for 3.5 years between 2013 and 2016.



Furthermore and similarly to the King Cobra Zone at Ban Phuc, the Ban Chang prospect appears to host a disseminated sulphide zone, the Viper Discovery Zone.

Ban Khang/ Ta Cuong

At Ta Cuong, historic drill holes (previously unassayed) returned significant results and further drilling is currently underway after electro-magnetic (EM) plates were defined.

Exploration Strategy

Overall, if we include the King Cobra Zone discovered at Ban Phuc, the success rate is 3 out 3. The two-fold exploration strategy summarised below is working well:

- 1. Explore and delineate disseminated sulphide resources to build tonnes and nickel units to support a plant upgrade and long-life project;
- 2. Explore, drill and develop more massive and semi-massive sulphide veins to justify an early plant restart and/or increase the overall resource grade in the context of an operation with higher throughput.

2. Project Overview

Project Location

The site is located approximately 160 km west of Hanoi near Ban Phuc Village in Son La Province, in the north-west of the Socialist Republic of Vietnam.

The nearest towns are Hat Lot, approximately 30 km to the north-west and Bac Yen, approximately 25 km to the east. The nearest major population centre is the provincial capital Son La, approximately 55 km to the north-west.

The site is approximately 3 km from the Da River hydro-electric dam reservoir. The elevation across the site ranges from 100m to 550m above sea level.

The Ta Khoa concession covers an area on either side of the narrow, steep-sided Da River Valley, which traverses the region in a general south-easterly direction. On the northern side, steep mountainous country rises to about 1,200m near Hong Ngai; this side being the lower levels of the main dividing range between the Red and Da Rivers, which in this area exceeds 2,500m. On the south side of the river similar mountainous country rises to 1,520m.



Figure 1.1 – Ban Phuoc project area – Looking North



Source: Asian Mineral Resources Limited (previous owner)

Regional and Tectonic Setting

The Ban Phuc deposit and nearby prospects are located within the NW to SE-trending Song Da Rift Zone of northern Vietnam.

The Song Da Rift is a major crustal suture zone between the Indochina and Yangtze (South China) Cratons. This fundamental continues north into China with a N-S trend (the Panxi Rift or Fault Zone), where it is associated with a series of comparable magmatic Ni-Cu-PGE deposits e.g. Baimazhai, Qingquanshan, Limahe and Yangliuping of similar age.



Figure 1.1 – Location of the Ban Phuc project area in relation to the Song Da Rift and Panxi Rift in southern China

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Source: BSX

The Song Da Rift, bounded to the SW by the Song Ma fault zone, is interpreted to be a classic continental rift dominated by a terrigenous and calcareous sedimentary succession to Lower Triassic age. Mafic to ultramafic plutons, such as those hosting disseminated Ni-Cu mineralization in Ban Phuc and nearby ultramafic intrusions, are present mainly within the Ta Khoa antiformal dome, and are considered co-magmatic with extrusive mafic units mapped there and elsewhere within the rift (e.g. the Na Muoi River basin). The extrusive units have been dated as Permo-Triassic and are considered to form part of the Emeishan Large Igneous Province.

Project History

Initial work in the Ta Khoa region by Vietnamese and Chinese geologists focused on areas of known copper mineralisation from 1959 to 1963. Follow-up reconnaissance work in 1961-1964 delineated several new zones of nickel, with or without copper, in nine areas and copper without nickel in an additional five areas. There are 154 drill holes up to 2003, totalling 18,741 m. There are also 169 adits, cross-cuts, drives and channels, totalling 5,107 m.

Most nickel mineralization, with or without copper, is both spatially and temporally associated with ultramafic intrusions as follows:

- disseminated low grade nickel or nickel-copper mineralization (DSS) in basin-shaped cumulate layers (locally multiple), often near the base and walls of ultramafic intrusions, e.g. Ban Phuc, Ban Khoa;
- veins of high-grade massive nickel-copper sulphide in metasedimentary wall rocks adjacent to ultramafic intrusions, with locally developed low grade disseminated copper-nickel mineralization marginal to the massive sulphide veins (MSV), e.g. Ban Phuc, Ban Trang, and Ban Mong; and
- disseminated Cu mineralization occurs within Triassic basic volcanics and contorted sediments, e.g. Ban Na Ka

Copper, without accompanying nickel, is encountered in the Ta Khoa area as narrow veins within Triassic spilitic volcanics and schists. Reliable data is available for the Van Sai and Na Lui prospects, to the south and west of the contract area.

Ban Phuc deposit contains two types of nickel-copper mineralization:

- 1. Massive and semi-massive sulfide vein-type mineralization (MSV) accompanies ultramafic feeder dikes in a footwall shear zone.
- 2. Disseminated low grade sulfides (DSS) are mainly located near the base of serpentinized dunite-peridotite horizons in the Ban Phuc ultrabasic intrusive though other mineralized horizons occur higher in the sequence.

Geological Setting

Most Ni-Cu-Co mineralisation, with or without PGE's, is both spatially and temporally associated with ultramafic intrusions including:

- veins of high-grade massive Ni-Cu-Co (±PGE) sulphide in metasedimentary wall rocks adjacent to ultramafic intrusions, with locally developed low-grade disseminated copper-nickel mineralisation marginal to the MSV; and
- disseminated low-grade nickel or nickel-copper mineralization (DSS) in basin shaped cumulate layers (locally multiple), often near the base and walls of ultramafic intrusions.

The concession area lies in the Song Darift, a major crustal suture zone, which is part of a broader northwest trending corridor of deep continental rifting known as the Red River Fault Zone. The area is an excellent geological address in a geotectonic and structural zone that has many favourable factors for development of Ni-Cu deposit types such as Norilsk (Russia) and Jinchuan (China). Evidence for magmatism on a regional scale adds to this picture.

Exploration Potential

Considerable potential exists in the district for large-tonnage, lowergrade deposits of disseminated sulphides within ultramafic intrusions, similar to the DSS style mineralisation. Regional exploration in the Ta Khoa corridor has identified an extensive system of mafic-ultramafic intrusives, a remarkable number of which have associated Ni-Cu massive or disseminated sulphide mineralisation.

In addition, the identified prospects and the recent exploration successes tend to confirm that MSV mineralisation is scaterred around the Ta Khoa Project and can deliver low tonnage, higher-grade nickel sulphide deposits.

Deposit Types

Nickel-copper mineralization associated with Ta Khoa ultramafic intrusions is interpreted to have affinities with the Thompson Nickel Belt in Manitoba, Canada. Mineralised layers concentrated near the base and walls of the ultramafic intrusions are of primary origin, due to separation of an immiscible sulphide melt at the base of the intrusion owing to its high density.

Massive nickel-copper sulphide veins in metasedimentary wall rocks, and their envelopes of disseminated mineralisation, have been derived from an immiscible sulphide melt expelled from a crystalline ultramafic magma body into a shear zone.



3. Ta Khoa Prospects Near Ban Phuc

Overview

23 prospects supported by at best by drill hole intercepts or have been defined over the Ta Khoa project area.





Source: BSX

Table 3.1 – Summary of the 23 prospects defined at the Ta Khoa project

#	Name	Area	Distance to plant	Notes	Mineralisation Type	Outcrop	DH Metres	# DH
1	Ban Phuc	Ta Khoa	0	730m L x 0.5-15m W x 420m vertical	MSV	Y		
2	Ban Phuc DSS	Ta Khoa	0	well defined ultramafic body	DSS	Y		
				1000m L, up to 500m W & 500m deep				
3	Suoi Nho	Ta Khoa	0.5 km	mag high likely dyke system adjacent to Ban Phuc,	MSV	N	0	0
				no drilling or EM survey				
4	Suoi Muong	Ta Khoa	0.5 km	mag high intrusion adjacent to Ban Phuc,		N	0	0
				no drilling or EM survey				
5	Adit 7	Ta Khoa	1 km	mag high adjacent to Ban Phuc,	MSV	N	0	0
		T 1/2		possible EM target, inconclusive	500 0101			
6	Nam Noi	Ta Khoa	1.5 km	gossan float @ 1.0% Ni & 0.4% Cu over mag	DSS + SMSV	Y	100	1
				anomaly, single historic nole drilled over top of blind				
				For \$ 500m honorth surface				
7	Suoi Dhuo	To Khoo	2 km	mag high likely dyke system adjacent to Ban Dhua	MOV	N	0	0
'	Suul Fliuc	Ta KIIUa	2 611	no drilling or FM survey	IVIO V	IN	0	0
8	Phai Han	Ta Khoa	2 km	mag high likely dyke system adjacent to Ban Phuc	MSV	N	0	0
0	i nai nan	rannoa	2 811	no drilling or EM survey	1000		0	0
9	Ban Khoa	Ta Khoa	1.2 km	poorly defined ultramatic body with DSS estimated	DSS + MSV	Y	1.835	10
				300x300m in plan & extends from surface to >300m			,	
				deep, several 1960s drill holes, also MSV target area				
10	King Snake West	Ta Khoa	1 km	historic EM survey	MSV	N	0	0
11	King Snake North	Ta Khoa	1.6 km	magnetic anomaly	MSV	N	175	1
12	King Snake	Ta Khoa	1.5 km	600m L x 0.2-3m W (avg 0.62m)	MSV + DSS	Y	3,209	16
13	Queen Snake North	Ta Khoa	2.2 km	magnetic anomaly	MSV	N	411	2
14	Queen Snake	Ta Khoa	2.5 km	magnetic anomaly and historic EM survey	MSV	Y	1,873	6
15	Suoi Lap	Ta Khoa	0.8 km	mag & IP target north of Ban Phuc, no drilling	MSV	N	0	0
16	Ban Chang	Ta Khoa	2.5 km	West zone 420m L x 0.4-4m W	MSV + DSS	Y	1,379	7
				Central zone 200m L x up to 1.4m W				
17	Co Muong	Ta Khoa	3.2 km	gossan at 1.6% Ni, 0.6% Cu & 0.2g/t PGE	DSS + MSV	N	183	3
18	Suoi Tao	Ta Khoa	5.3 km	mag dykes, Cu & Ni soils anomaly,	MSV	N	1,169	13
				need EM survey to target drilling				
19	Ta Cuong	Ta Khoa	6.0 km	650m L x 5-20m W	DSS +	Y	1,153	10
	(Ban Khang)				SMSV + MSV			
20	Suoi Hao	Hong	15 km	mag dykes, Cu & Ni soils anomaly,	MSV	N	462	2
		Ngai		need EM survey to target drilling				
21	Suoi Chanh	Hong	10 km	mag dykes, Cu & Ni soils anomaly,	MSV	N	0	0
		Ngai	101	need EM survey to target drilling				
22	Ban Mong	I a Hoc	10 km	First section 480m L x 0.5-1.05m W	MSV	Y	204	5
	Quei Dheng	Tallaa	10 1/00	Second Section Toom L X 0.1m W	MOV + DOO	V	050	
23	Suor Phang		I∠ KIII	South access 120m L x 0.9-2. III W	IVION + DOO	ř	203	4
				North googon 0.2m W/				

North gossan 0.2m W Source: BSX, Terra Studio, L =long, W = wide. Avg = average, EM = electromagnetic, IP = induced polarisation, Mag = magnetic, SMSV = semi-massive sulphide veins Logically, BSX has started drilling some of the most advanced prospects (i.e. with drilling results) among the closest prospects to the Ban Phuc treatment plant: first Ban Chang 2.5 km away then Ta Cuong (Ban Khang) 6 km away.





Source: BSX

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Ban Chang

Early this year, BSX in-house geophysics crew generated a 1km long massive sulphide target within a 12km long district-scale exploration corridor which it will drill test over the coming months. Blackstone is targeting MSV prospects analogous to the previously mined Ban Phuc MSV, where previous owners successfully mined 975,000 tonnes from an average vein width of 1.3m and average grades of 2.4% Ni and 1% Cu.

Figure 3.3 –12km long district-scale exploration corridor



Source: BSX





Figure 3.4 – Ta Khoa Ni-PGE (Cu-Co) district showing radius from processing facility

Source: BSX

The Ban Chang prospect is located 2.5km south-east of the processing facility and the Ban Phuc deposit (see Figure 3.4). The known mineralisation style is mainly veins and lenses of massive sulphide, as well as DSS hosted within tremolite dykes. The dyke swarm is approximately 900m long and varies between 5m and 60m wide (see Figure 3.5). The dykes and massive sulphide are interpreted to be hosted within a splay (and subsidiary structures) off the major regional Chim Van – Co Muong fault system.



The Ban Chang west zone is a 420m long zone of interpreted bifurcating MSV lenses. This zone strikes NW-SE and dips moderately to the SW. The Central Zone is consistent in strike and dip with the West Zone, defined by a weathered gossan which is 200m long and up to 1.4m wide, containing 0.18- 0.27% Ni and 1.29-1.38% Cu. The prospect area was



historically mapped and trench sampled (19 trenches) by Vietnamese geologists in the 1960-63 period. Channel samples included 3.9m at 1.07% Ni and 0.95% Cu, including 1.1m at 1.62% Ni and 1.48% Cu. Drill hole BCLK4 intersected a zone of 1.7m at 1.89% Ni and 0.91% Cu from 62.9m. Drill hole BLK 2 intersected a 1m wide massive sulphide vein within schist grading 2.65% Ni and 1.07% Cu from 58.5m down hole.

At the end of May 2020, BSX started drilling on the regional nickel sulphide target, with Ban Chang being the first on the list.

Historical and recent drilling results are summarised in Table 3.1 and displayed on Figures 3.7 and 3.8.

Table 3.1 - Ban Chang historical drilling results									
	Ban Chang historical drilling results								
Date / Hole	From	То	Length	Ni	Cu	Со	PGE		
BCLK2	58.2	59.2	1.0	2.7	1.0	na	na		
BCLK4	62.9	64.6	1.7	1.9	0.9	na	na		
BCLK4	64.6	65.8	1.2	0.7	1.9	na	na		
29-May-20	Drilling sta	Drilling starts at Ban Chang							
3-Jun-20	BC20-01 ii	BC20-01 intersects massive sulphide							
BC20-01	58.5	59.55	1.05	MSV					
BC20-01	59.5	60.0	0.50	MSV					
17-Jun-20	Assays for	BC20-01							
BC20-01	58.0	63.2	5.2	0.66	0.73	0.04	0.79		
incl.	58.5	60.0	1.5	2.2	2.12	0.13	2.66		
23-Jun-20	Broad Ni s	ulphides in	terested at	Ban Chang					
BC20-03	57.05	66.9	9.8	1.45	0.9	0.08	0.7		
incl.	60.0	65.7	5.7	2.07	1.08	0.12	0.95		
2-Jul-20	Ban Chan	g Prospect	Extended k	by 1km					
BC20-03	57.05	66.85	9.8	1.45	0.9	0.08	0.70		
incl.	60.0	65.7	5.7	2.07	1.08	0.12	0.95		
22-Jul-20	200m long High Grade Nickel at Ban Chang								
BC20-02	85.9	90.0	4.1	0.92	0.69	0.05	0.26		
incl.	85.9	88.2	2.3	1.6	1.09	0.09	0.43		
11-Aug-20	High Grage Nickel at Ban Chang								
BC20-04	71.0	92.5	21.5	0.69	0.66	0.03	0.81		
incl.	76.0	89.4	13.4	1.01	0.96	0.05	1.14		
incl.	77.6	79.7	2.1	2.53	1.36	0.11	0.76		
19-Aug-20 Discovery of new Viper nickel zone, east of Ban Chang									
BCH20-03	t sample	0.8	0.5						
2-Sep-20 Broad zones of nickel sulphides at Ban Chang									
BC20-06	89.0	102.0	13.0	0.50	0.71	0.05	0.46		
incl.	97.8	102.0	4.2	0.52	0.81	0.06	0.82		
BC20-08	57.0	66.6	9.6	0.84	0.73	0.05	0.70		
BC20-10	45.0	59.7	14.65	0.74	0.71	0.04	0.54		
incl.	51.8	57.7	5.85	1.62	1.47	0.08	1.09		
BC20-12	35.5	43.8	8.3	0.5	0.7	0.05	0.46		
incl.	39.0	43.8	4.8	0.71	0.81	0.06	0.46		

Source: BSX. The BCH prefix denotes tree

Figure 3.6 – Maiden Ban Chang drillhole BC20-01 intersects massive sulphide



Source: BSX





Figure 3.8 – Ban Chang prospect with 1.2km long of EM plates and maiden drill holes at VDZ

Source: BSX

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Ta Cuong (Ban Khang)

The Ta Cuong prospect is associated with the Ban Khang intrusion which is located approximately 6 km north-west of Ban Phuc and is hosted in the Ban Phuc Horizon, adjacent to the Chim Van Co Muong Fault (refer to Figure 3.4). A series of 20 trenches for a total of 722m was completed at Ta Cuong in 2016 and resulted in the discovery of a 130m strike of gossan assaying 0.48% Ni and 0.54% Cu, adjacent to the mapped ultramafic body. Tremolite dykes exposed near surface and in trenches yielded disseminated sulfide (DSS) mineralisation assaying up to 0.48% Ni and 0.29% Cu.





As at 7th Sep 2020, and following on some EM surveys, BSX started drilling at Ta Cuong to test some EM plates as displayed in Figure



Figure 3.10 – Ta Cuong MSV target showing drilling by previous owners

King Snake

King Snake is located 1.5 km north-east of the processing facility at the Ta Khoa Nickel-PGE Project (see Figures 3.2, 3.3 and 3.4). MSV and highgrade brecciated Ni-Cu-Co-PGE (Pt+Pd+Au) sulfides/gossan are associated with tremolite-altered mafic-ultramafic rocks. Approximately 50 rock chip samples were assayed by previous owners from surface exposures. A total of 23 diamond drill holes for 5,187 metres, have been drilled by previous owners. Based on the existing drilling, the known body of mineralisation at King Snake is estimated to be 600m long, 0.2 to 3.0m thick averaging 0.62m wide and 1.79% Ni, 0.7% Cu and 1.14 g/t PGE (see Figure 3.11).

King Snake remains open at depth and to the west. Blackstone will complete ground-based EM west of King Snake over the coming months to identify zones of potentially broader mineralisation associated with the King Snake MSV.





Ban Khoa

The Ban Khoa prospect is centred on an ultramafic body adjacent to the Chim Van - Co Muong Fault, approximately 1.5 km north of the Ban Phuc deposit (see Figures 3.2, 3.3 and 3.4). The body is interpreted to be a 300m wide sill which has intruded into fine-grained Ban Phuc sediments. Early work conducted by Vietnamese geologists consisted of 13 trenches, a single 100m long adit and 50 drill holes, for a total of 2,338m. Several holes penetrated a 90-150m thick, synclinally-folded and nickeliferous dunite sill, containing sub-parallel layers of nickel-enriched ultramafic. These cumulate layers are thicker and more abundant near the base of the sill, with shallow layers along the northern flank of the dunite.

The Ban Khoa dunite averaged 0.15-0.20% nickel across the entire 90-150m wide section. The best intersections were in cumulate layers encountered at the base of the dunite, with 25m grading 0.80% nickel, including 10m of 1.16% nickel as disseminated sulfides (DSS) in drill hole BK02 (see ASX announcement 8th May 2019). No modern drilling has been completed at Ban Khoa. Blackstone will conduct ground-based EM at Ban Khoa over the coming months.



Suoi Phang

The Suoi Phang prospect is located at the far west end of the licence area and is hosted within Devonian metasediments of the Ban Mong Formation (see Figures 3.2 and 3.4). Massive sulfide was exposed in a historical adit, and two gossans were exposed in historical trenching (assays up to 5.9% Ni). The northern gossan measures 120m in strike length and the south part of the gossan is 100m long (see Figure 3.12). No modern surface EM surveying has been conducted on the prospect.



Source: BSX

Ban Mong

The Ban Mong prospect is located 1.2 km south along strike of the Suoi Phang prospect (see Figure 3.4) and is hosted in the same Ban Mong Formation quartzites, locally interbedded with sericite schists, which are steeply folded and north-east trending in the prospect area. A tremolite dyke swarm is present which is approximately 1.4km long and varies between 5m and 50m wide (see Figure 3.13). This is associated with veins and lenses of massive sulfide as well as DSS within the tremolite-altered ultramafic dykes. Massive sulfide mineralisation was previously exposed in trenches and a creek exposure and assayed up to 6.11% Ni.

The MSV and weathered gossans traced at Ban Mong measure: 50m of strike length for the western lens; 250m for the centre lens; and 85m for the eastern lens. Ban Mong is considered analogous to Suoi Phang structurally, in that the MSV is interpreted to be hosted within a shear zone. Previous owner's drill hole BM09-01 to 32.1m depth, intersected 0.5m of massive sulfide assaying 4.61% Ni, 1.2% Cu and 4.33 g/t Pt+Pd+Au. Drill hole BM09-02 drilled on the same section intersected 0.3m of stringer sulfides assaying 0.47% Ni, 0.8% Cu and 5.96 g/t Pt+Pd+Au.



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The author of this report has visited the Ta Khoa project in October 2019.