

## 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 low nickel prices (~US\$8,000/t). Current price is now ~\$17,000/t

## KEY ELEMENTS OF STRATEGY

- The strategy consists of the following three key elements:
1. Delineate a large disseminated sulphide mineral resource
  2. Increase the plant throughput from 450ktpa to 2mtpa
  3. Add a Pressure Oxidation circuit to produce nickel sulphate

## KEY OUTCOMES IF SUCCESSFUL

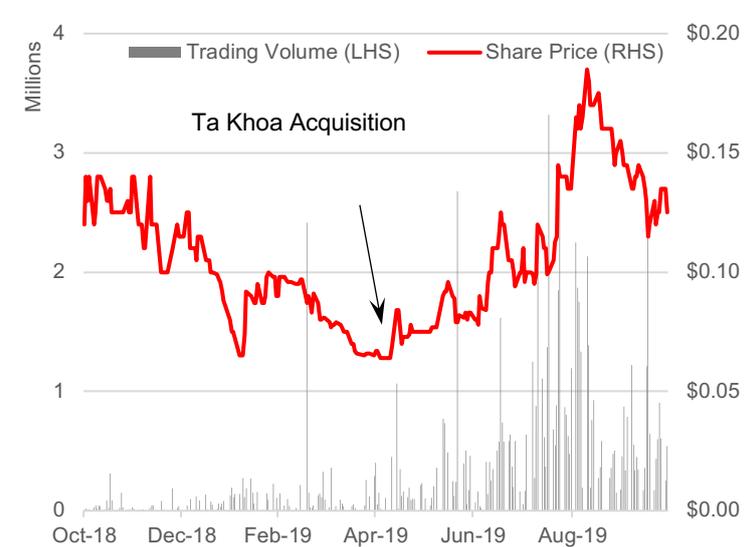
1. Globally significant mineral resource / project
2. Project restart on larger scale and longer mine life
3. Value added nickel product to attract Li-ion battery raw materials manufacturers

## 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 to start in Jan 2020

## CORPORATE OVERVIEW (AUD)

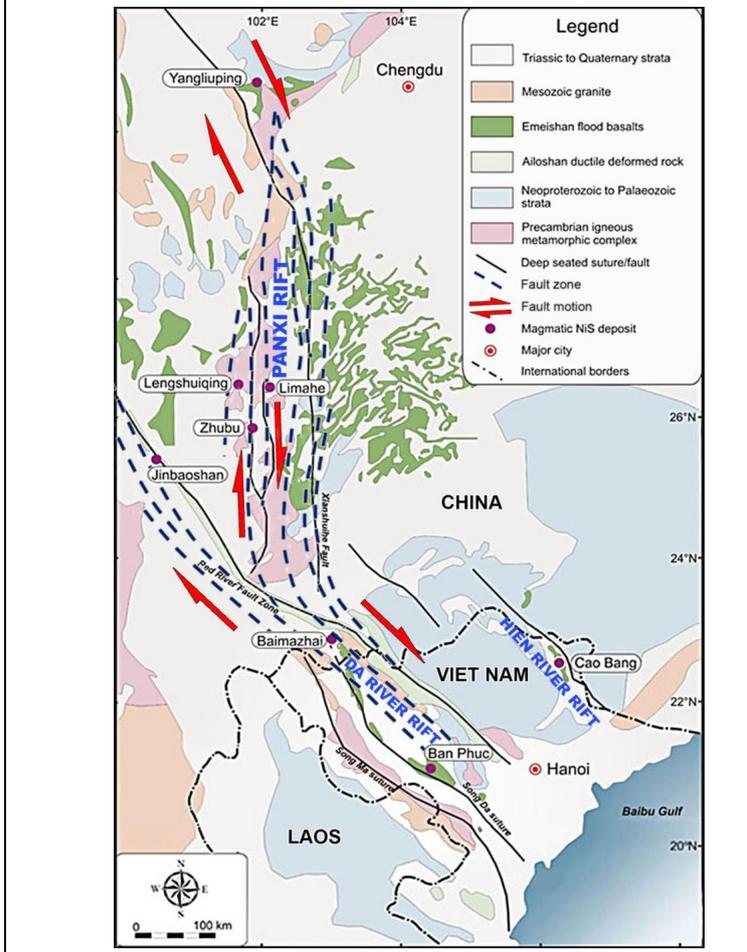
Shares	191.7 Million ordinary fully paid shares
Options	12 Jan 2020: 2 million \$0.20 unlisted options 6 Nov 20: 750k \$0.001 director performance options* 26 Mar 20: 1.7m \$0.001 employee perf. options* 17 Mar 21: 10 million \$0.10 advisor options 30 Sep 24: 11 million \$0.001 directors perf. options* * subject to vesting conditions
Share Price	\$0.125
Market Capitalisation	\$24 million
Cash	\$4.9 million as at 30 September 2019 \$4.5 million were raised at \$0.15 in September 2019 ⇒ Fully funded for current drilling program and scoping study



⇒ Positive response from the market in terms of both share price appreciation and increased liquidity

## 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 Yangliuiping.



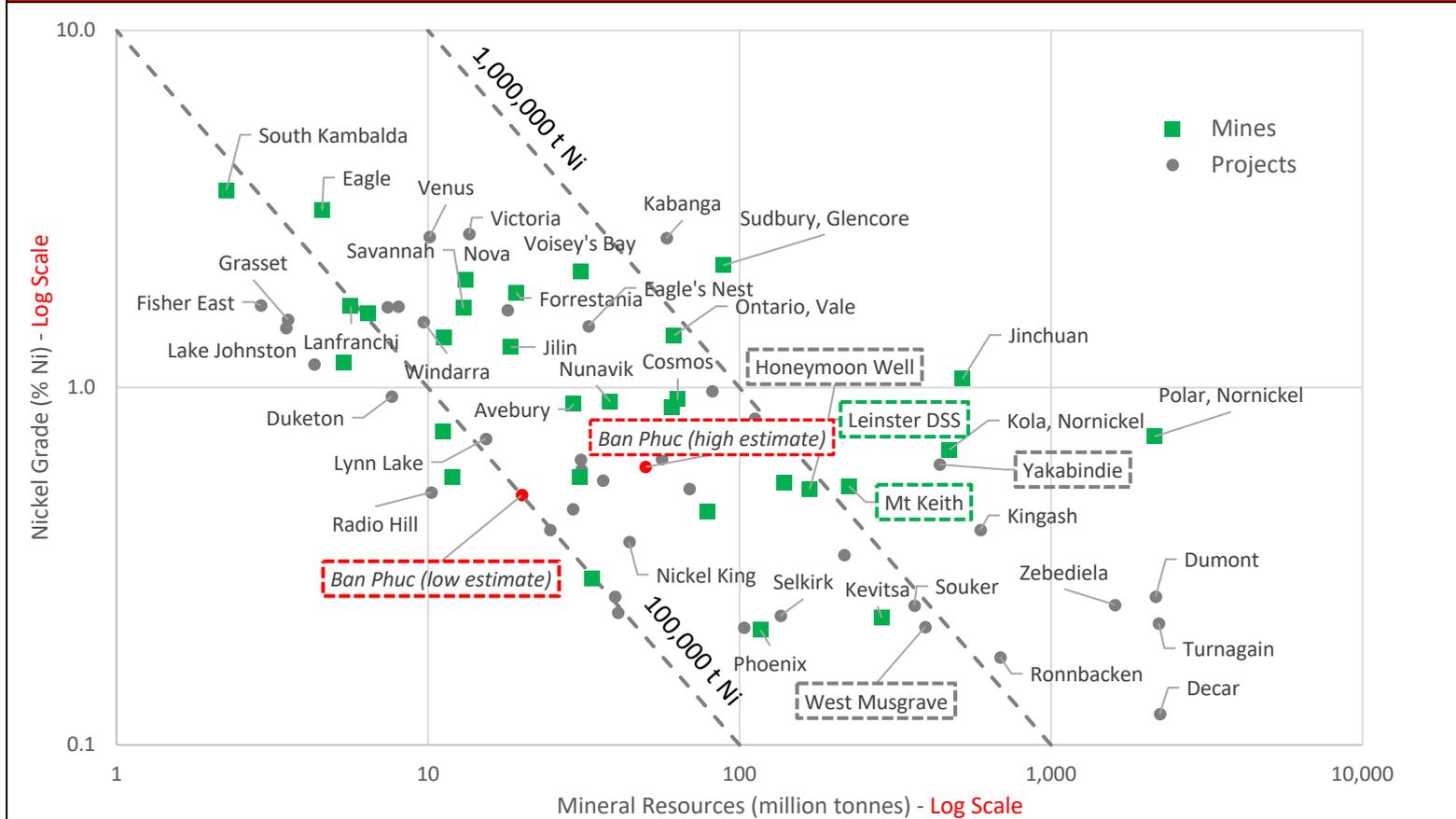
- Previous Drilling**
- Previous exploration and mining focused on high grade massive sulphide veins (MSV)

- Current Drilling Program**
- Targeting the Disseminated Sulphide (DSS) mineralisation
  - 56 holes for 12,000m, 2,000m drilled so far
  - Increasing to 4 rigs (2 BSX, 2 contract)
  - BSX started drilling the deeper part of the disseminated sulphide mineralisation with results exceeding expectations in terms of grades and widths
  - As drilling move towards the shallower part of the DSS, lower nickel grades, but higher Platinum Group Elements (PGE) grades are expected

- 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**, see chart on next page

- Exploration Potential**
- Beyond the mineral resource to be delineated through the current strategy, the Ta Khoa project contains 12 nickel prospects for high grade massive sulphide veins, most with economic drill hole intercepts
  - Beyond the 50 km<sup>2</sup> tenement holding, 150 km<sup>2</sup> of ground is reserved to BSX by the Vietnamese government

**POTENTIAL NICKEL SULPHIDE MINERAL RESOURCE BENCHMARKING**



**INVESTMENT HIGHLIGHTS (continued)**

Infrastructure	<ul style="list-style-type: none"> <li>450 ktpa 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 in its entirety</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 looking to mitigate the financing risk by establishing a joint venture on the downstream processing circuit with a Li-ion battery raw material manufacturer</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</li> <li>Low official inventories</li> <li>Consistent growth from the stainless steel market (&gt;5% CAGR over 50+ years)</li> <li>Booming market demand from the battery sector although from a currently low base</li> </ul> </li> <li>Please visit Terra Studio's website to access a presentation on the nickel market outlook <a href="http://www.terrastudio.biz">www.terrastudio.biz</a></li> </ul>

**COMPANY, MINES AND PROJECTS PEERS**

Company	Cassini Resources Ltd (ASX: CZI), market capitalisation \$35m, cash \$8m, developing the West Musgrave Ni-Cu project (Western Australia) in JV 30/70 with Oz Minerals Ltd (ASX: OZL). In Aug 2016, OZL committed \$36m of exploration spend to progressively reach a 70% interest Mineral resources: Nebo-Babel deposit: 238 Mt @ 0.35% Ni, 0.38% Cu PFS expected in first quarter 2020
Mines	BHP Leinster DSS: 168 Mt @ 0.52% Ni BHP Mt Keith: 225 Mt @ 0.53% Ni (all DSS)
Projects	BHP Yakabindie: 439 Mt @ 0.61% Ni Norilsk Nickel Honeymoon Well: 183 Mt @ 0.68% Ni