

## BLACKSTONE MINERALS LIMITED

### Company Research

7<sup>th</sup> April 2020

### Share Price \$0.105

52-Week Range	\$0.063 - \$0.220
Market Capitalisation	\$20.1m
Shares Outstanding	191.7m
Performance Options (0.1¢, Nov 2020)	0.75m
Advisor Options (10¢, Mar 2021)	10.0m
Performance Options (0.1¢, Sep 2024)	11.0m
Cash (31 Dec 2019)	\$2.8m
Placement cash	\$6.8m

Major Shareholders:	
Board & Management	17%
Deutsche Balaton	16%

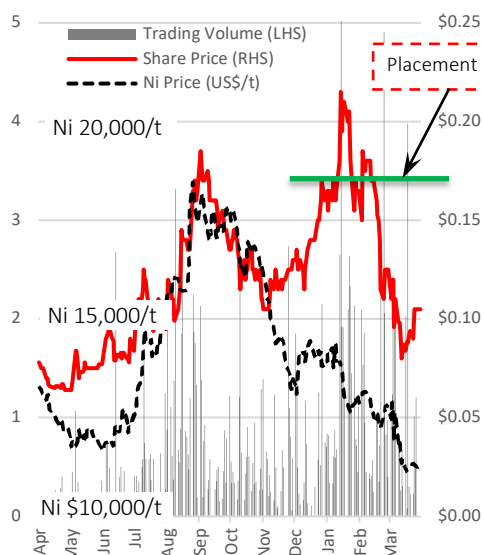
#### Board

Hamish Halliday	Chairman
Scott Williamson	Managing Director
Andrew Radonjic	Technical Director
Steve Parsons	Non-Executive Director

#### Management

Jamie Byrde	Company Secretary
Dr Stuart Owen	Exploration Manager
Lisa Fodor	Project Geologist

BLACKSTONE  
MINERALS



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).

Research Analyst: J-François Bertincourt

### Flash Note: Top Battery Manufacturer Investing \$6.8m in BSX

Blackstone Minerals Limited has signed a binding share purchase agreement with EcoPro Co. Limited (EcoPro, market cap ~US\$1 billion). EcoPro's subsidiary, EcoPro BM, is the world's second largest and South Korea's largest nickel-rich cathode materials manufacturer. The binding share purchase agreement outlines a firm commitment to raise \$6.8 million (before costs) through a placement of 40 million shares at an issue price of \$0.17 per share, which represents a 62% premium to Blackstone Minerals' last traded price.

Further EcoPro and Blackstone are to form an alliance to whereby the next stage of the partnership will be an additional investment via a Joint Venture Agreement at project level to develop the downstream processing infrastructure project.

We note that both LG and Samsung are also investing significantly in Vietnam. Vietnam is already a major manufacturing location for Samsung and the company is currently investing US\$220m in a R&D center. LG Chem (currently the holder of various world-leading battery technologies) has established a JV with Vinfast, Vietnam first automaker, to build battery packs for electric vehicles. As well as EcoPro, those groups must be keen to secure the raw materials such as nickel sulphate, hence creating some competitive tension between them.

**Results Focused Team:** Considering that the Ta Khoa project was purchased in May 2019, less than a year ago, the BSX team has done tremendous work following a new strategy delivering:

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 mineralisation
4. An alliance with South Korea's largest electric vehicle (EV) battery cathode manufacturer, EcoPro BM Co Limited
5. Successive capital raisings at higher share prices. Previous raisings:
  - a. 23 Sep 2019: 30 million shares at \$0.15 for \$4.5 million
  - b. 10 May 2019: 40 million shares at \$0.05 for \$2.0 million
6. A market capitalisation increasing from A\$7m to A\$20m (with a high at \$41m)
7. A share price increasing from 6.4¢ to 10.5¢ (with a high at 22¢)

The additional funds raised provides comfort in the delivery of the following milestones in the next six months:

- Q3 2020: the drilling results to date comforts Terra Studio's view of 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 high grade, 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 and a fully permitted tailings storage facility, please visit this link (<https://inventum3d.com/c/BSX/TaKhoa>) for a visit of the infrastructure readily available at the project site
- The alliance with EcoPro and potentially the support of LG Chem and Samsung, three battery manufacturer "heavyweights"
- The support from the Vietnamese government

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