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**BLACKSTONE**  
MINERALS

**ANNUAL REPORT**  
30 JUNE 2021

**LOOKING FORWARD.**  
**MINING GREEN.**

ABN 96 614 534 226



**Non-Executive Chairman**

Hamish Halliday

**Managing Director**

Scott Williamson

**Non-Executive Directors**

Andrew Radonjic

Hoirim Jung

Alison Gaines

**Company Secretary**

Jamie Byrde

**Principal & Registered Office**

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**Share Registry**

Automic Group

Level 2, 267 St Georges Terrace

Perth WA 6000

**Auditors**

Stantons

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

**Bankers**

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

**Stock Exchange Listing**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: BSX

**Website Address**

[www.blackstoneminerals.com.au](http://www.blackstoneminerals.com.au)



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## CHAIR'S LETTER TO SHAREHOLDERS

For the year ended 30 June 2021

### Dear Fellow Shareholders,

I am delighted to present the 2021 Annual Report for Blackstone Minerals (ASX: BSX), on behalf of the Board, as we reflect on the progress our Company has made over the past 12 months in developing our Ta Khoa Nickel-Copper-PGE project in Vietnam.

Blackstone is focused on building an integrated upstream and downstream processing business in Vietnam that produces nickel: cobalt: manganese (NCM) precursor products for Asia's growing lithium-ion (Li-ion) battery industry and providing a product with "green" credentials from mine to customer. We believe our efforts to create a business that value-adds to the products we mine - delivering this in an environmentally friendly way by using renewable hydroelectricity - sets us apart from our peers.

Throughout the year, we have continued to accomplish milestones in our development of Ta Khoa that has demonstrated the immense potential of this project, which has been on care and maintenance since 2016. We are continuing to drill and define our resources across the project for our Upstream Business Unit while also completing feasibility study work as the foundations for our Downstream Business Unit.

Post year-end in July 2021, we delivered a compelling Pre-Feasibility Study (PFS) for the Downstream Business Unit. This confirmed the technically and economically robust hydrometallurgical process we plan to use which will upgrade nickel sulfide concentrate from Ta Khoa and other sources to produce our NCM811 precursor for the Li-ion battery market. On a base case, the PFS demonstrated post-tax Net Present Value (NPV) of more than US\$2 billion and internal rate of return (IRR) of 67%. Upfront project capital of US\$491 million would be paid back in 1.5 years from first production.

The PFS has outlined a clear pathway to building a globally significant downstream nickel refinery to produce precursor for the burgeoning EV revolution. Since release of the PFS, our Board has approved the first phase of pilot plant work and a Definitive Feasibility Study (DFS) for the Ta Khoa Refinery (TKR). We will design the first phase of piloting to process 20kg per hour of nickel concentrate feed and will produce approximately 1.75kg per hour of nickel in NCM products. Prior to the PFS release, we produced a sample of NCM811 precursor using a nickel concentrate blend from the Ban Phuc Disseminated Sulfide (DSS) at Ta Khoa and third-party feed sources, which had a NCM purity of >99.7%. The pilot plant will allow us to further optimise this process.

In terms of our Upstream unit, we are continuing to drill out five orebodies across the project, comprising two larger disseminated deposits and three high-grade underground deposits. We have eight drill rigs operating to support resource estimations for each of these and these are intended to be incorporated into the Upstream Business Unit PFS, due for delivery later in the 2021 calendar year.

On the back of this progress over recent months, in August 2021, we appointed leading independent advisors to arrange debt financing for the integrated Ta Khoa project and refinery. Korea Development Bank and BurnVoor Corporate Finance will act jointly and in collaboration with Blackstone to secure an attractive, flexible funding arrangement to enable us to develop Ta Khoa, and I look forward to keeping you updated on this progress. As Ta Khoa continues to be our focus, we took steps during the year to spin out some non-core gold assets including Record Mine, Silver Swan South, Red Gate, and Middle Creek projects into a new company called Codrus Minerals Limited (ASX: CDR). Codrus successfully raised A\$8 million in its Initial Public Offer (IPO) and listed on the Australian Securities Exchange (ASX) in June 2021. Blackstone continues to hold a 46% interest in Codrus, which is escrowed for two years. This spinout better positions Blackstone to focus on the development of Ta Khoa while Codrus provides a catalyst for growth and monetisation of these assets that are yet to be developed to the level of Ta Khoa.



## CHAIR'S LETTER TO SHAREHOLDERS

During the year, we welcomed Alison Gaines to our Board as Non-Executive Directors, who brings new skills and experience to our Board and I am grateful for her input as well as the continued guidance and expertise provided by all Directors. Steve Parsons resigned during the year due to his commitments with Bellevue Gold, and we thank him for his contribution to Blackstone during his tenure.

We also bolstered our management team with appointments including Andrew Strickland as Head of Project Development, Richard Kitchener as General Manager - Operations, and Tony Tang as General Manager Project Development - Downstream, and promoted existing employees Steve Ennor and Vũ Hồng Cẩm Vân to General Manager Project Development and General Manager Commercial. I thank all of our staff and management for their contributions over the past year, particularly during uncertain and challenging times due to the COVID-19 pandemic.

I thank our Shareholders for your continued support of our strategy, demonstrated by our \$18 million placement completed in September 2020 and accompanying share purchase plan which raised a further \$3 million before costs. The belief and confidence from our shareholders that Blackstone can achieve the goals it has set out, is immensely important to our journey, and we are working hard to deliver value in return.

Despite the operating challenges of the past year, I am really pleased with how far we've come in our development of Ta Khoa. As we work towards production from the project in 2024, I look forward on keeping you updated on our progress and hope you will continue to share the journey with us.



**Hamish Halliday**  
Chairman

**LOOKING FORWARD.**

**MINING GREEN.**



## DIRECTOR'S REPORT

The Directors of Blackstone Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities ("Group" or "Consolidated Entity") for the year ended 30 June 2021 in order to comply with the provisions of the Corporations Act 2001.

### 1. DIRECTORS

The following persons were Directors of Blackstone Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Hamish Halliday	Non-Executive Chairman
Mr Scott Williamson	Managing Director
Mr Andrew Radonjic	Non-Executive Director
Ms Alison Gaines	Non-Executive Director (Appointed 1 April 2021)
Mr Hoirim Jung	Non-Executive Director
Mr Stephen Parsons	Non-Executive Director (Resigned 24 December 2020)
Mr Peter Plakidis	Non-Executive Director (Appointed 24 December 2020) (Resigned 1 April 2021)

### 2. PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the year.

### 3. GROUP FINANCIAL OVERVIEW

#### Profit and Loss

The loss attributable to owners of the Group after providing for income tax amounted to \$14,459,103 (2020: \$7,894,306).

#### Financial Position

The Group had \$21,800,914 in cash and cash equivalents as at 30 June 2021 (2020: \$6,786,541).

### 4. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### 5. BUSINESS STRATEGIES & PROSPECTS FOR THE FORTHCOMING YEAR

The Blackstone Minerals strategy is underpinned by a focus on developing the Ta Khoa Nickel-Copper-PGE Project in Northern Vietnam. The existing modern mine infrastructure at Ta Khoa offers the Company a foundation to build a fully integrated mine-to-market nickel business over the coming years. In close collaboration with our partner EcoPro we aim to build one of the world's first green nickel processing facilities to produce downstream nickel products for the lithium-ion battery industry. The Upstream Pre-feasibility Study at Ta Khoa will give the Company additional resources and prove up the economics of the upstream business unit as our exploration team continues to unlock the geology throughout our Ta Khoa nickel sulfide project.

We have a vision to build a world class nickel mining centre at Ta Khoa and one of the world's first green nickel processing facilities. The Ta Khoa Nickel-Cu-PGE project is currently powered by South East Asia's largest hydro power plant located nearby in the Son La Province. At Blackstone we aim to set an example to the rest of the world and to be a pioneer on building a green nickel mining business for the future demand coming from the rapid growth in nickel-rich cathode materials required to power the electric vehicle revolution.

Blackstone, will look to add value to its Goldbridge Project in British Columbia, Canada through a drill program expected to commence in quarter four of 2021. Material business risks that may impact the results of future operations include further exploration results, future commodity prices and funding.



**6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

The following significant changes in the state of affairs of the during the financial year:

- On 21 August 2020, the Company issued 8,000,000 shares to Acuity Capital under the Controlled Placement Agreement (CPA) with an issue price of \$0.2875 per share.
- On 28 August 2020, the Company increased the CPA facility to \$15m to better reflect the higher market capitalisation.
- On 17 September 2020, the Company completed a placement issuing 42,426,356 ordinary shares at \$0.42 for \$17,819,070 before share issue costs.
- On 18 September 2020, the Company announced eligible shareholders will have the opportunity to participate in the Share Purchase Plan up to the value of \$30,000 at the same price of the placement of \$0.42 per share. The company completed the share purchase plan on 7 October 2020 raising \$3 million.
- On 12 October 2020, the Company issued 7,142,856 ordinary shares at \$0.42 per share to raise \$3,000,000 before costs, following successful completion of the Company's Share Purchase Plan (SPP) as announced on 14 September 2020.
- On 29 October 2020, the Company announced the appointment of a former GR engineering manager, Andrew Strickland, as Head of Project Development of the Ta Khoa Nickel Project in Norther Vietnam.
- On 3 December 2020, the Company announced that it's application to join the US-based OTCQB Market in the United States of America has been accepted and the Company's shares are now traded under the code of OTCQB:BLSTF. Additionally, the Company announced that it has begun trading on the OTCQX Best Market on 10 February 2021.
- On 24 December 2020, the Company announced the appointment of Mr Peter Plakidis as a Non-Executive Director. Following the appointment of Mr Plakidis, Mr Steve Parsons resigned as Non-Executive Director effective 24 December 2020.
- On 15 January 2021, the Company announced it's decision to spin out certain non-core gold assets into a new Initial Public Offering (IPO), Codrus Minerals Limited (Codrus).
- On 24 March 2021, the Company announced the appointment of the highly-experienced hydrometallurgical engineer, Tony Tang, as General Manager of Project Development - Downstream. The announcement followed the Company's announcement outlining plans to expand downstream refining capacity and technical capability.
- On 1 April 2021, the Company announced the appointment of Ms Alison Gaines as Non-Executive Director. Following the appointment of Ms Gaines, Mr Peter Plakidis resigned as Non-Executive Director effective 1 April 2021.
- On 3 May 2021, the Company announced the appointment of Shannan Bamforth as Managing Director of Codrus Minerals Limited, the spin out of its non-core gold assets announced earlier in the financial year.
- On 6 May 2021, the Company announced the Prospectus for the spin-out, Codrus, with priority offers open to eligible shareholders on 14 May 2021. On 23 June 2021, the Company announced the Completion of the Codrus Minerals IPO, following admission to the Official list of the Australian Securities Exchange on 21 June 2021 and official quotation of its shares on 23 June 2021. The announcement followed the successful completion of Codrus' \$8,000,000 initial IPO offering under the Prospectus announced 6 May 2021, and consideration shares of 35,000,000 ordinary shares received by Blackstone as part of the spin-out, resulting in the Company holding 46% of the equity in Codrus (escrowed over 2 years).

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## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS

**Blackstone Minerals Ltd ("Blackstone" or the "Company") (ASX: BSX / OTCQX: BLSTF / FRA: B9S) is focused on building an integrated battery metals processing business in Vietnam that produces Nickel: Cobalt: Manganese (NCM) Precursor products for Asia's growing Lithium-ion battery industry.**

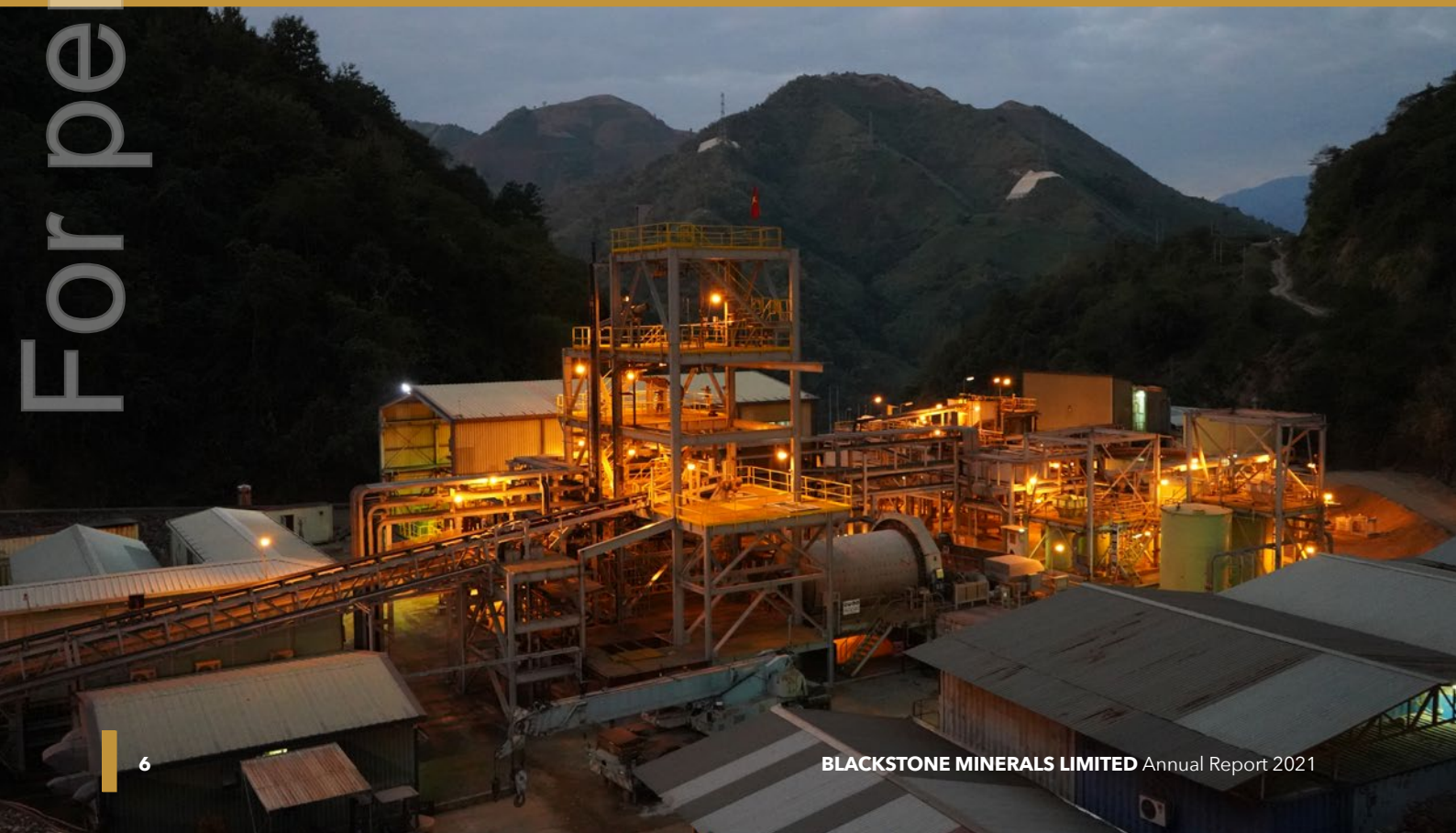
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Blackstone Minerals Ltd ("Blackstone" or the "Company") (ASX: BSX / OTCQX: BLSTF / FRA: B9S) is focused on building an integrated battery metals processing business in Vietnam that produces Nickel: Cobalt: Manganese (NCM) Precursor products for Asia's growing Lithium-ion battery industry.

In October 2020 Blackstone completed a Scoping Study which demonstrated the economic potential of an integrated nickel sulfide mine and downstream chemical refinery producing NCM Precursor Products.

#### Highlights from the Scoping Study included:

- Maiden Ban Phuc DSS Indicated Resource of 44.3Mt @ 0.52% Ni for 229Kt;
- Annual production of ~12.7ktpa Ni over an 8.5 year project life;
- Annual NCM Precursor production of ~25ktpa over an 8.5 year project life;
- Gross revenue of ~US\$3.3 billion;
- Pre-tax cash flow of ~US\$176mpa;
- Pre-tax NPV8% of ~US\$665m and ~45% IRR;
- Pre-production capital cost of ~US\$314m; and
- Capital payback period of ~2.5 years.





**7. REVIEW OF OPERATIONS (continued)**

Following the Scoping Study, the Company explicitly defined Upstream (mine level) and Downstream (chemical refinery) Business Units (the "UBU" and DBU" respectively) (also refer Figure 1). The decision to report against specific business units is intended to enable the Company to better deploy resources, unlock strategic partnerships, deliver funding solutions and increase the overall transparency in communicating business progress.

There were several milestones achieved across the UBU, DBU and at a corporate level for Blackstone. Highlights are presented below:

**UPSTREAM BUSINESS UNIT**

- The Company aggressively explored the Ta Khoa Nickel-Cu-PGE district, focussing on both disseminated sulfide (DSS) and massive sulfide vein (MSV) opportunities.
- Blackstone announced a maiden resource at Ban Phuc, a large bulk tonnage open pit opportunity:
  - o Indicated Resource of 44.3Mt @ 0.52% Ni for 229kt Ni
  - o Inferred Resource of 14.3Mt @0.35% Ni for 50kt Ni
  - o Additionally, a significant infill drilling program was performed during the year, which will be incorporated into an updated resource estimate due later in calendar year 2021
- Blackstone geophysical assessment identified several Electro-magnetic (EM) targets and drilling has yielded positive outcomes at Ban Chang, King Snake and Ta Cuong MSV targets.

**DOWNSTREAM BUSINESS UNIT**

- The Company advanced a Pre-Feasibility (PFS) for the DBU that would consider expanded downstream refining capacity
- Feedstock for the expanded refinery is expected to include nickel in concentrate sourced from Blackstone's potential orebodies (from Blackstone's UBU) as well as third - party concentrate
- Downstream processing test-work was performed to confirm recoveries of Platinum Group Elements (PGEs) including Palladium, Platinum and Rhodium using a conventional flowsheet
- Blackstone commenced a Green Hydrogen Study as part of its ambition to develop a zero-carbon operation.

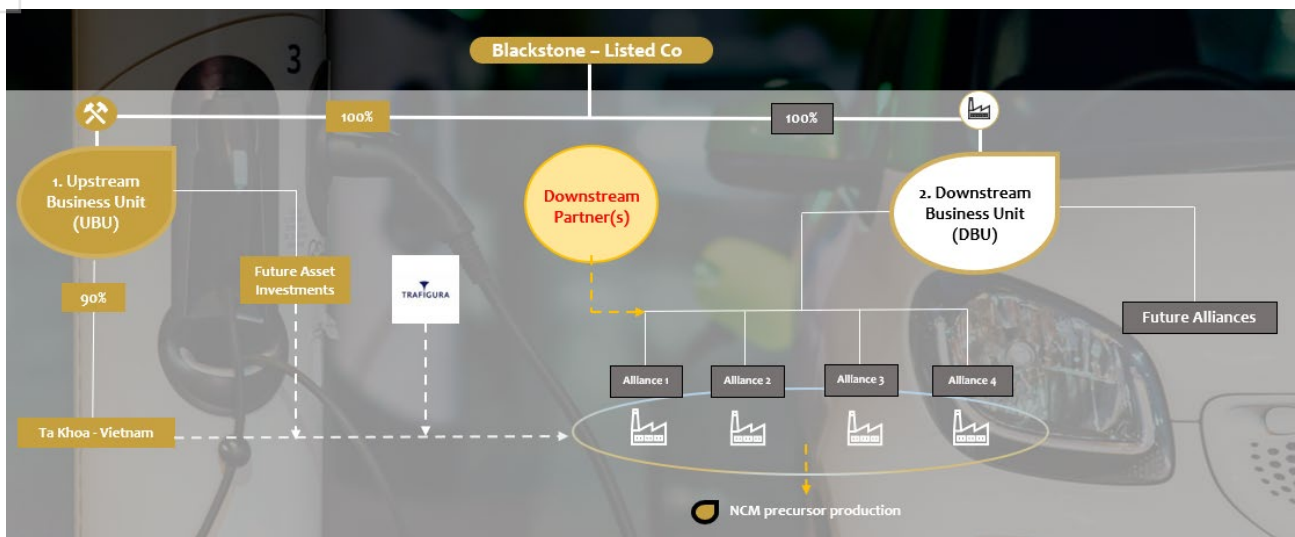


Figure 1: Blackstone Business Units

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TA KHOA UPSTREAM BUSINESS UNIT



## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### TA KHOA UPSTREAM BUSINESS UNIT

The Company owns a 90% interest in the Ta Khoa Nickel-Copper-PGE Project (Figure 2). The Ta Khoa Project is located 160km west of Hanoi in the Son La Province of Vietnam. It includes an existing modern nickel mine built to Australian standards, currently under care and maintenance. The Ban Phuc nickel mine successfully operated as a mechanized underground nickel mine from 2013 to 2016.



Figure 2: Ta Khoa Nickel-Cu-PGE Project Location



7. REVIEW OF OPERATIONS (continued)

**GEOLOGY - EXPLORATION & RESOURCE DEFINITION**

During the period Blackstone continued an aggressive exploration and resource definition program with multiple drill rigs active. Drilling during the period was primarily focussed on increasing the confidence of the Ban Phuc DSS deposit as well as targeting higher grade MSV deposits, with a view to delineate additional resources and mining inventory for ongoing studies. The areas drilled during the period are shaded yellow in Figure 3 below.

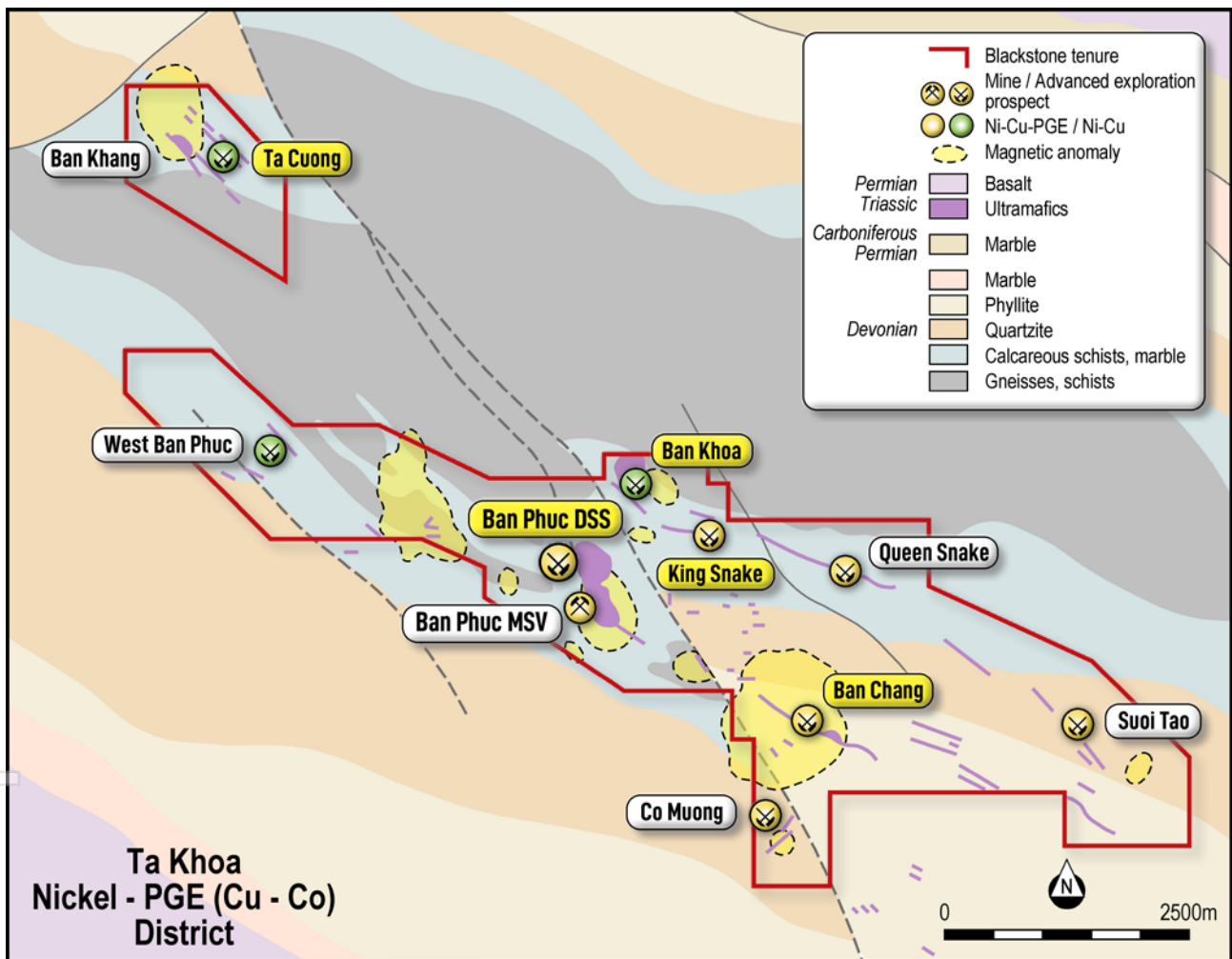


Figure 3: Ta Khoa Nickel-PGE (Cu-Co) district

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## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### BAN PHUC (DSS)

During the period Blackstone declared a maiden resource for the Ban Phuc DSS deposit and had continued success with infill drilling at Ban Phuc including within the shallow high-grade King Cobra Zone (KCZ).

BP20-30	127.2m @ 0.38% Ni, 0.03% Cu, 0.01% Co & 0.09g/t PGE <sup>1</sup> from 20.65m
incl.	14.45m @ 0.77% Ni, 0.15% Cu, 0.02% Co & 0.18g/t PGE <sup>1</sup> from 122.7m
BP20-31	21.3m @ 0.71% Ni, 0.09% Cu, 0.01% Co & 0.18g/t PGE <sup>1</sup> from 48.7m
incl.	11m @ 0.95% Ni, 0.13% Cu, 0.01% Co & 0.24g/t PGE <sup>1</sup> from 59m
BP20-32	149.2m @ 0.42% Ni, 0.06% Cu, 0.01% Co & 0.08g/t PGE <sup>1</sup> from 3m
BP20-34	127.6m @ 1.17% Ni, 0.22% Cu, 0.02% Co & 0.24g/t PGE <sup>1</sup> from 14m
incl.	85m @ 1.36% Ni, 0.27% Cu, 0.03% Co & 0.25g/t PGE <sup>1</sup> from 22m
BP20-35	96.1m @ 0.83% Ni, 0.17% Cu, 0.02% Co & 0.26g/t PGE <sup>1</sup> from 18.4m
incl.	50.2m @ 1.05% Ni, 0.2% Cu, 0.02% Co & 0.4g/t PGE <sup>1</sup> from 45m
BP20-39	166.1m @ 0.75% Ni, 0.16% Cu, 0.01% Co & 0.29g/t PGE <sup>1</sup> from 6.3m
incl.	79.8m @ 1.12% Ni, 0.27% Cu, 0.02% Co & 0.45g/t PGE <sup>1</sup> from 10.5m

<sup>1</sup> Platinum (Pt) + Palladium (Pd) + Gold (Au)

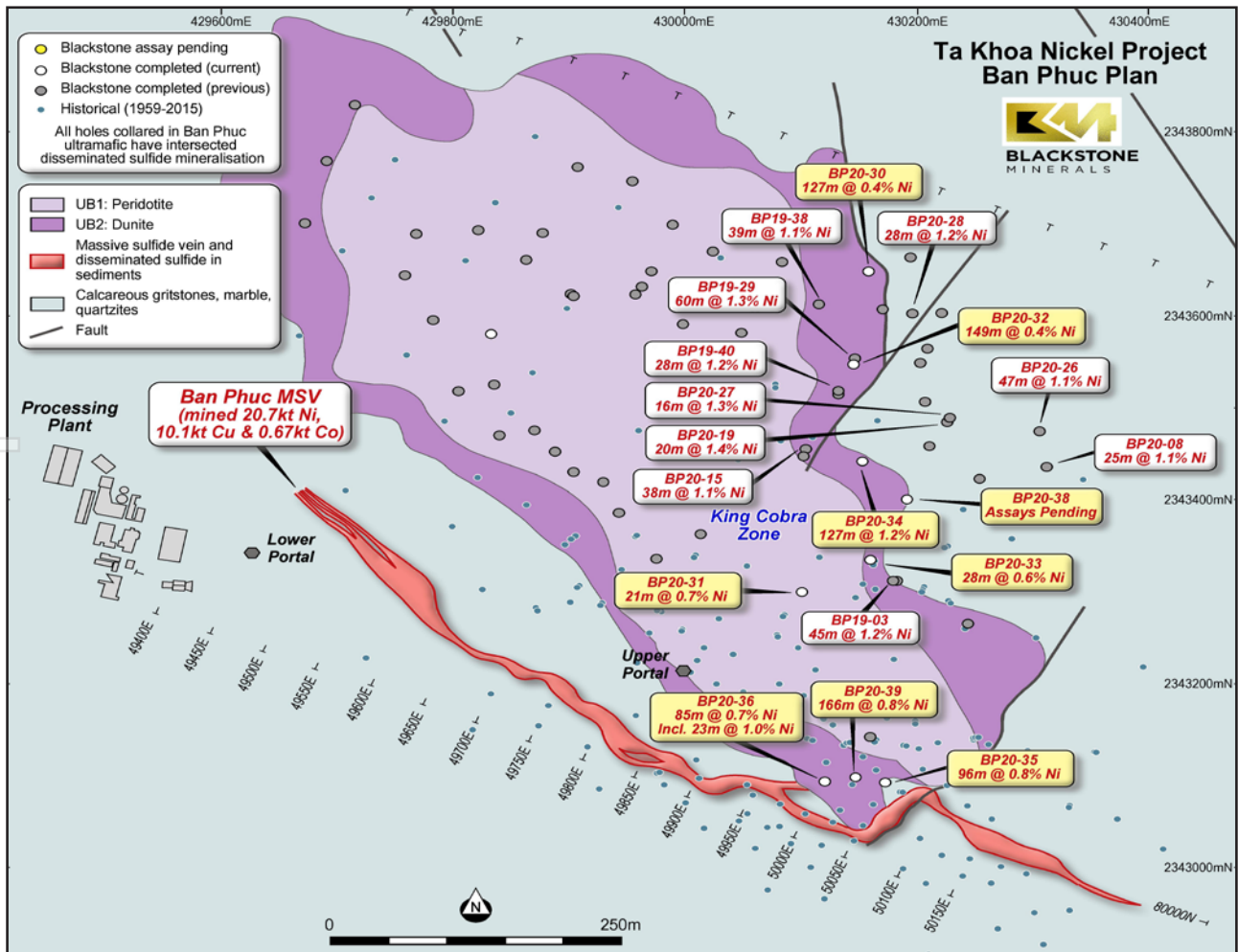


Figure 4: Plan View showing Ban Phuc DSS drill hole collar locations and KCZ



**7. REVIEW OF OPERATIONS (continued)**

**KING SNAKE (MSV)**

King Snake is a MSV prospect, located 1.5km north-east of the processing facility (refer Figure 3). At King Snake, MSV and high-grade brecciated Ni-Cu-Co-PGE sulfides and gossans are associated with tremolite-altered mafic-ultramafic rocks.

Blackstone's drilling at King Snake has been focussed on EM targets which extend down plunge to the west of historic drilling. Assay results indicate greater thickness of sulfide mineralisation down plunge of historic drilling (refer Figures 5). The higher power surface EM targeting has accurately guided the down plunge drilling hundreds of meters from the historic surfaces showings. In addition, downhole EM (DHEM) has further directed investigations to wider higher-grade zones throughout this consistent, high grade and highly planar massive sulfide vein.

Significant intercepts reported at King Snake during the period included:

KS20-02	5.88m @ 1.22% Ni, 0.49% Cu, 0.04% Co & 4.67g/t PGE <sup>1</sup> from 131.74m
incl.	1.81m @ 0.77% Ni, 0.44% Cu, 0.03% Co & 12.53g/t PGE <sup>1</sup> from 131.74m
KS20-03	5.55m @ 1.35% Ni, 0.45% Cu, 0.05% Co & 1.28g/t PGE <sup>1</sup> from 204.00m
incl.	1.19m @ 3.56% Ni, 0.98% Cu, 0.13% Co & 3.10g/t PGE <sup>1</sup> from 205.38m
KS21-04	10.45m @ 0.32% Ni, 0.22% Cu, 0.02% Co & 0.33g/t PGE <sup>1</sup> from 194.00m
incl.	0.63m @ 3.77% Ni, 2.11% Cu, 0.15% Co & 2.33g/t PGE <sup>1</sup> from 202.80m
KS21-06	3.13m @ 1.23% Ni, 0.75% Cu, 0.04% Co & 2.03g/t PGE <sup>1</sup> from 184.87m
incl.	1.12m @ 2.19% Ni, 0.93% Cu, 0.07% Co & 2.72g/t PGE <sup>1</sup> from 185.18m
KS21-10	2.62m @ 1.54% Ni, 2.01% Cu, 0.06% Co & 5.16g/t PGE <sup>1</sup> from 254.08m
incl.	0.62m @ 3.00% Ni, 0.84% Cu, 0.11% Co & 3.36g/t PGE <sup>1</sup> from 254.08m
KS21-11	2.92m @ 0.90% Ni, 0.54% Cu, 0.04% Co & 1.60g/t PGE <sup>1</sup> from 267.63m
incl.	1.67m @ 1.33% Ni, 0.67% Cu, 0.05% Co & 1.17g/t PGE <sup>1</sup> from 267.63m
KS21-12	1.90m @ 1.00% Ni, 0.27% Cu, 0.04% Co & 1.48g/t PGE <sup>1</sup> from 349.90m
incl.	0.85m @ 1.45% Ni, 0.41% Cu, 0.05% Co & 1.91g/t PGE <sup>1</sup> from 349.90m

<sup>1</sup> Platinum (Pt) + Palladium (Pd) + Gold (Au)

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7. REVIEW OF OPERATIONS (continued)

TAIPAN DISCOVERY ZONE - TA CUONG (MSV)

Ta Cuong is a Nickel-PGE-Cu-Co MSV prospect located 6km along strike from the recently operating Ban Phuc MSV nickel mine and existing processing centre zone (refer Figure 3). The prospect is associated with the Ban Khang intrusive complex and is proximal to a major regional fault zone which also transects the Ban Phuc, King Snake and Ban Chang MSV.

The Taipan Discovery hole TC21-03 (refer Figures 6 & 7) returned significant assays for nickel, copper, cobalt and platinum group elements (PGEs) across 35.25m of continuous mineralisation, with a result of:

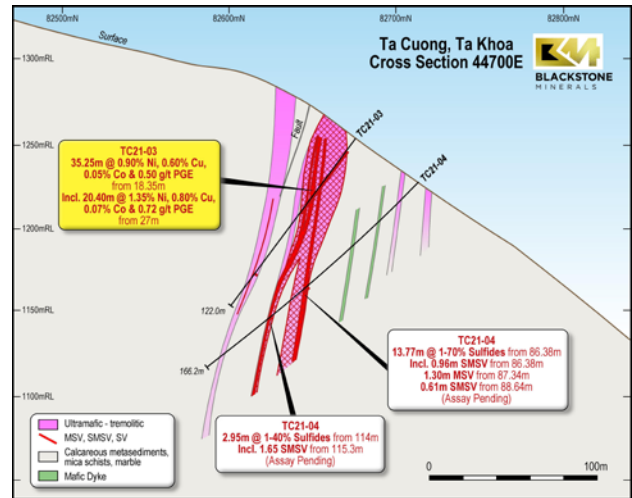


Figure 6: Taipan Discovery Hole

TC21-03	35.25m @ 0.90% Ni, 0.60% Cu, 0.05% Co & 0.50g/t PGE <sup>1</sup> from 18.35m
incl.	20.40m @ 1.35% Ni, 0.80% Cu, 0.07% Co & 0.72g/t PGE <sup>1</sup> from 27.00m

<sup>1</sup> Platinum (Pt) + Palladium (Pd) + Gold (Au)

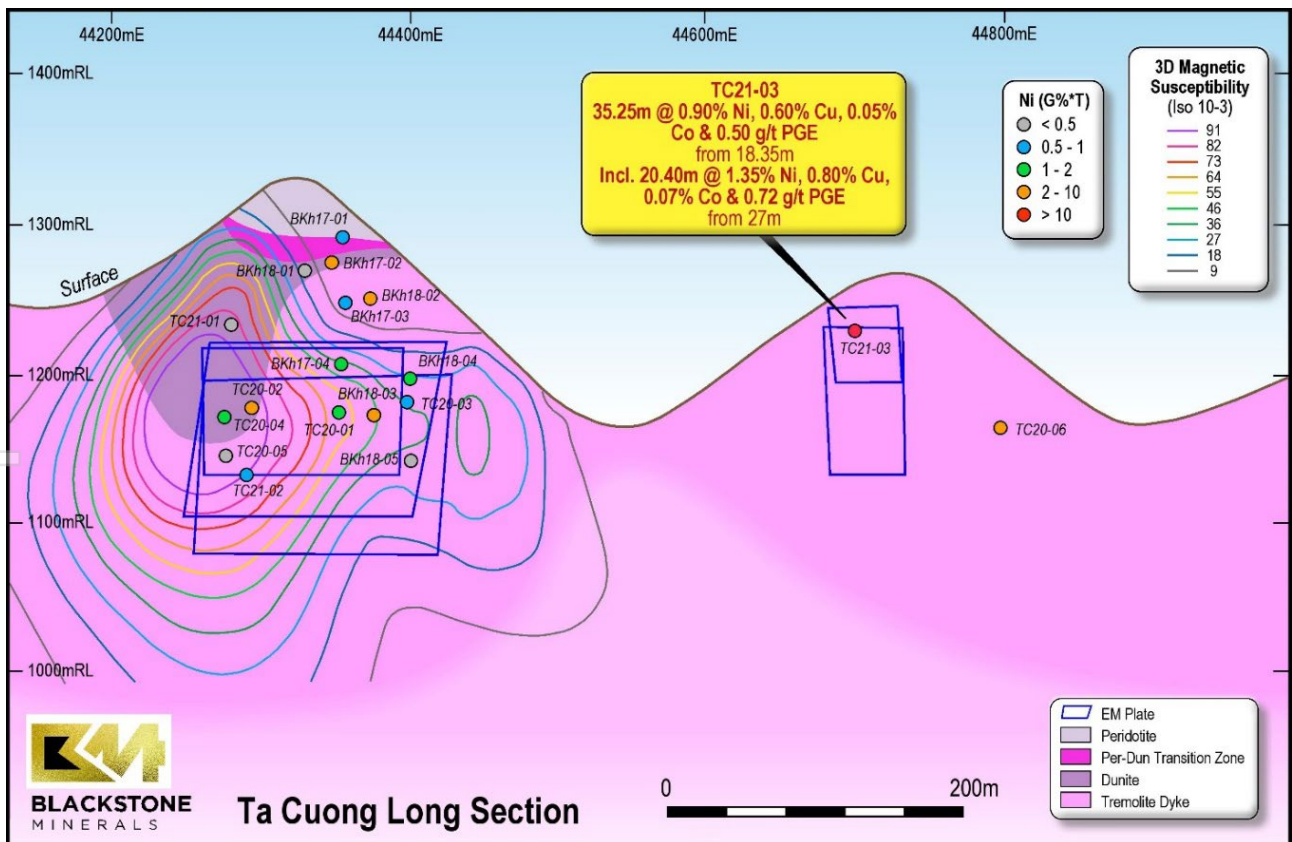


Figure 7: Ta Cuong Long Section

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TA KHOA UPSTREAM BUSINESS UNIT



## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### BAN CHANG (MSV)

Ban Chang is located 2.5km south-east of the existing processing facility and the Ban Phuc DSS deposit adjacent to the Chim Van - Co Muong fault system. The prospect geology consists of massive and DSS hosted within a tremolitic dyke swarm which intruded into phyllites, sericite schists and quartzites of the Devonian Ban Cai Formation (refer Figure 3).

The known dyke swarm is approximately 900m long and varies between 5 and 60 meters 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.

Drilling at Ban Chang has identified multiple massive sulfide lenses, which are often associated with broader disseminated sulfide zones. Preliminary mining studies suggest that Ban Chang is amenable to a modern mechanised underground mining.

Significant assays reported at Ban Chang include (refer Figure 8):

BC20-16	5.65m @ 1.04% Ni, 1.16% Cu, 0.05% Co & 0.71g/t PGE from 55.1m
incl.	1.92m @ 2.1% Ni, 2.56% Cu, 0.11% Co & 1.46g/t PGE from 58.9m
BC20-19	15.8m @ 0.47% Ni, 0.25% Cu, 0.03% Co & 0.21g/t PGE from 41.8m
incl.	1.9m @ 1.21% Ni, 0.48% Cu, 0.07% Co & 0.7g/t PGE from 55.6m
BC20-20	3.85m @ 0.81% Ni, 0.57% Cu, 0.05% Co & 0.36g/t PGE from 46.0m
incl.	1.7m @ 1.45% Ni, 1.08% Cu, 0.08% Co & 0.60g/t PGE from 48.15m
BC21-09	18.28m @ 0.44% Ni, 0.41% Cu, 0.03% Co & 0.31g/t PGE <sup>1</sup> from 64.72m
incl.	5.65m @ 1.07% Ni, 0.53% Cu, 0.06% Co & 0.51g/t PGE <sup>1</sup> from 68.75m
BC21-10	15.30m @ 0.72% Ni, 0.45% Cu, 0.04% Co & 0.36g/t PGE <sup>1</sup> from 42.30m
incl.	5.01m @ 1.67% Ni, 1.01% Cu, 0.09% Co & 0.95g/t PGE <sup>1</sup> from 50.6
BC21-11	12.55m @ 0.57% Ni, 0.42% Cu, 0.03% Co & 0.38g/t PGE <sup>1</sup> from 43.10m
incl.	3.10m @ 1.16% Ni, 0.95% Cu, 0.06% Co & 0.67g/t PGE <sup>1</sup> from 46.90m
BC 21-12	19.27m @ 0.35% Ni, 0.23% Cu, 0.02% Co & 0.16g/t PGE <sup>1</sup> from 23.73m
incl.	3.75m @ 1.02% Ni, 0.67% Cu, 0.06% Co & 0.43g/t PGE <sup>1</sup> from 37.00m

<sup>1</sup> Platinum (Pt) + Palladium (Pd) + Gold (Au)

7. REVIEW OF OPERATIONS (continued)

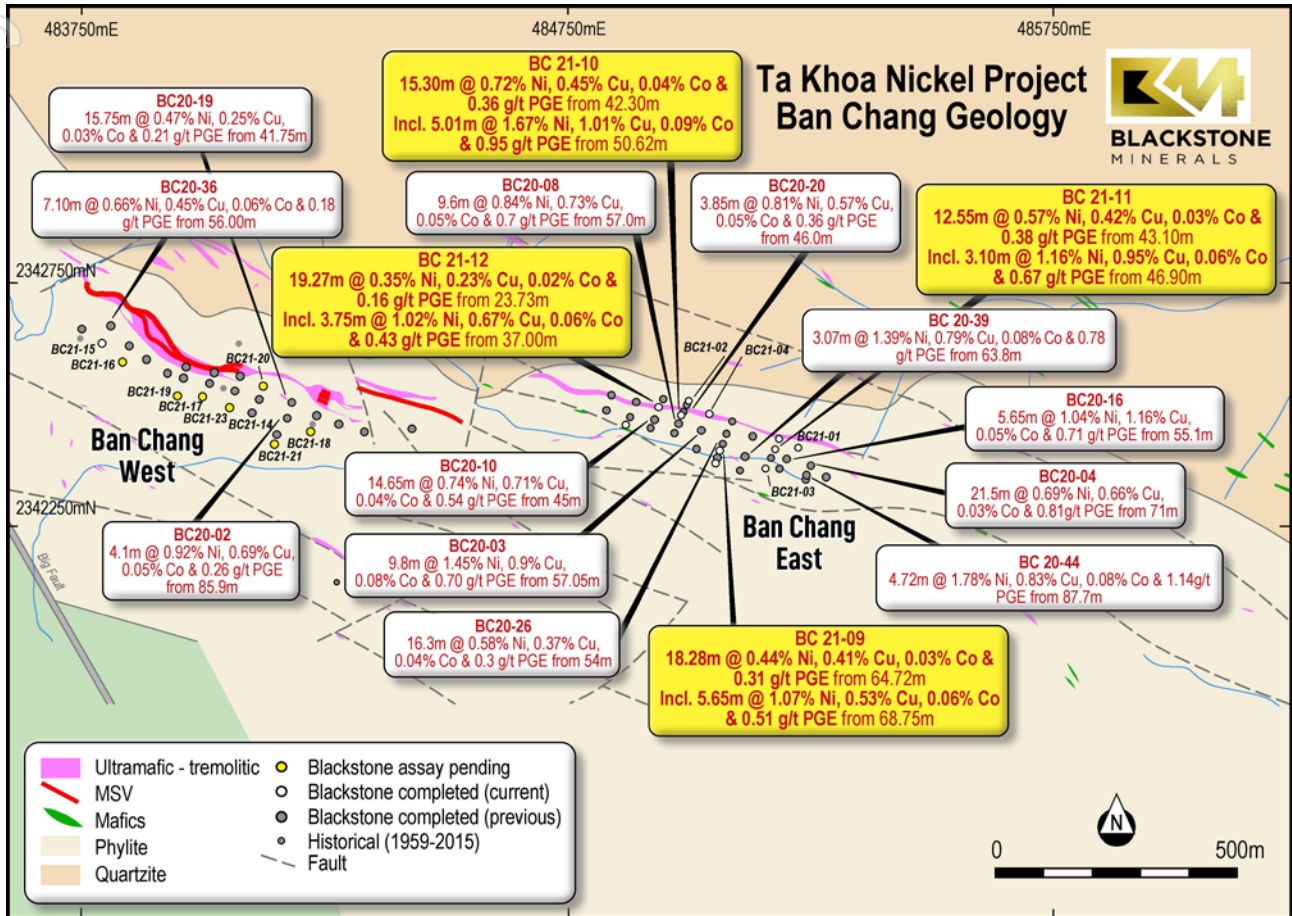


Figure 8: Ban Chang Plan View

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TA KHOA UPSTREAM BUSINESS UNIT



## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### TA KHOA DOWNSTREAM BUSINESS UNIT

During the period the Company confirmed that its Pre-Feasibility Study (PFS) on the DBU would consider significantly expanded downstream refining capacity.

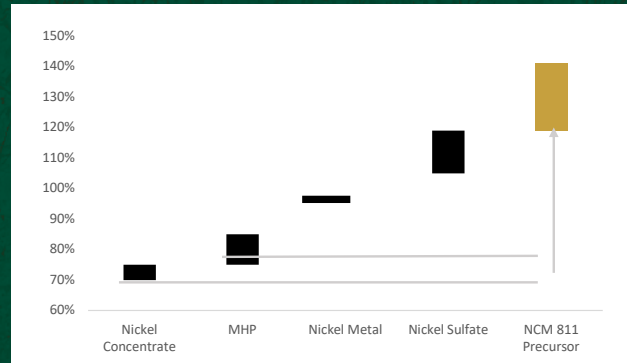
- Planned additional downstream refining capacity for the Ta Khoa Refinery (TKR) is expected to be supplemented by third party concentrates (refer ASX announcement dated 22 January 2021) and additional discoveries made at Ta Khoa.
- Delivering on the expanded scale will see Blackstone becoming a globally significant Class I nickel producer.

During the period the Company advanced designs and studies for TKR which would enable the production of a range of Nickel: Cobalt: Manganese (NCM) precursor products, which attract a strong premium to metal prices (refer Figure 9). The PFS for the Ta Khoa Refinery was released after the reporting period on 26 July 2021.

#### Downstream Processing Testwork

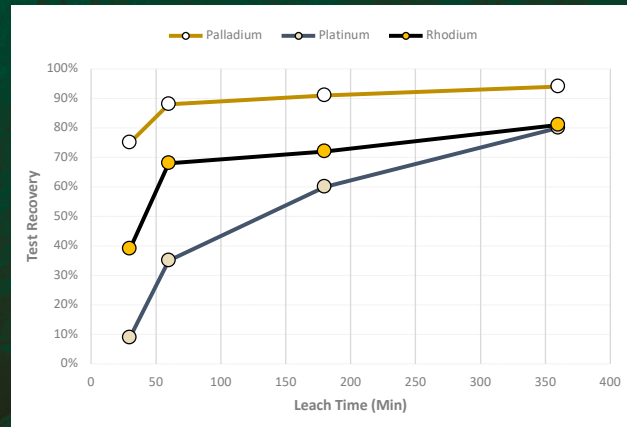
During the period preliminary hydrometallurgical test work completed by Simulus Engineers on DBU PFS Pressure Oxidation (POX) residues has demonstrated excellent recoveries of Platinum Group Elements (PGEs) including palladium, platinum and rhodium using a conventional flowsheet (refer Table 1 and Figure 10).

- Concentrate residue samples have been tested and determined to be amenable to chlorination leaching.
- The Blackstone DBU hydrometallurgical process enables economic PGE recovery from concentrates with PGE concentrations below typical payability limits, due to low losses in the POX process.



**Figure 9: Illustration of Nickel Product Payability vs Metal Spot Price**

Source: SMM (Shanghai Metals Market), Benchmark Mineral Intelligence



**Figure 10: Leach Time Vs Recovery**

PGE	Concentrate Head Grade (g/t)	30 min	60 min	180 min	360 min
Palladium	3.32	75%	88%	91%	94%
Platinum	2.38	9%	35%	60%	80%
Rhodium	0.33	39%	68%	72%	81%

**Table 1: Preliminary PGE Recoverability Results**

Table 1 Notes:

- Sample name TAKH-0052-D01S
- Test Conditions: 75°C, 18% Solids,



7. REVIEW OF OPERATIONS (continued)

**Green Hydrogen Study**

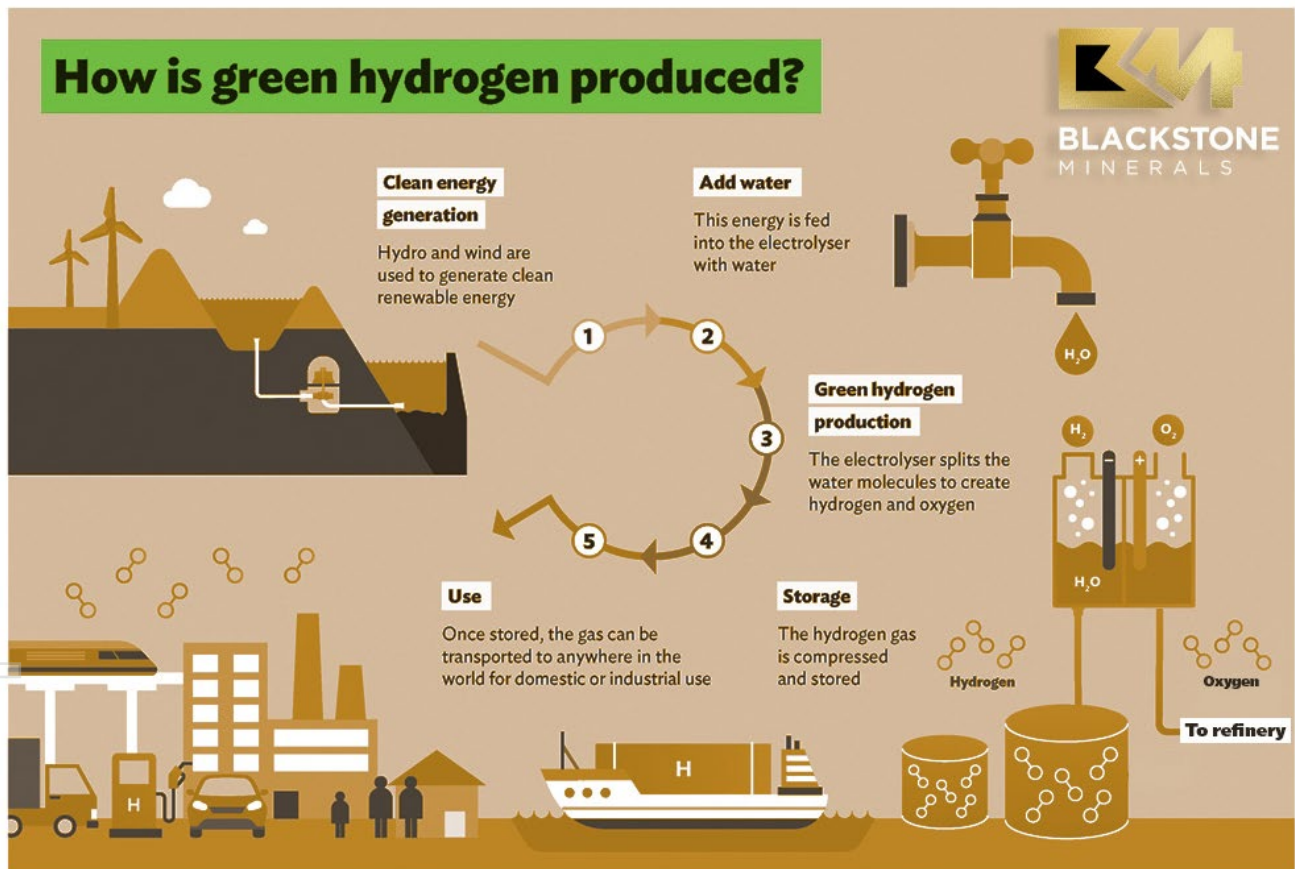
As part of its commitment to producing green nickel™, Blackstone announced a study to consider “green” hydrogen production at Ta Khoa.

The Company's current PFS requires the use of oxygen in the downstream processing plant. Typically, the oxygen is produced by a conventional cryogenic oxygen plant with nitrogen as a by-product. However, the Company will investigate producing oxygen via the electrolysis of water, which will produce “green” hydrogen as by-product through the utilising of abundant renewable hydroelectric power and water available at Ta Khoa (Green Hydrogen Study).

The Green Hydrogen Study will include:

- An investigation into emerging green hydrogen technologies and their potential application at Ta Khoa
- A trade-off assessment of the economic (capital cost and operating cost) and environmental benefits of each option
- Assessment of the potential for downstream business to tap into renewable hydroelectric power and water sources.

The opportunity to produce a green hydrogen by-product at Ta Khoa strengthens Blackstone's aim to develop a zero-carbon mining operation and downstream processing facility at Ta Khoa (refer Figure 11).



**Figure 11: How is Green Hydrogen Produced?**

Source: Adapted from Hydro Tasmania

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## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### Gold Bridge Project (100% interest)

The Gold Bridge Project (367km<sup>2</sup> of tenure), formerly the Little Gem - BC Cobalt Project, is located 180 km north of Vancouver in British Columbia, Canada. The Project was discovered in the 1930s by prospectors identifying a pink cobalt-bloom on weathered mineralization that led to three adits being developed. A total of 1,268 m of drilling was completed from underground, and detailed channel sampling was taken from the adits.

Blackstone acquired the Gold Bridge Project in October 2017 and has since completed an extensive exploration program including drilling, geochemical and geophysical surveys, with the initial results indicating potential for the project to host a world class Cobalt Belt in British Columbia.

Blackstone completed the 2020 field season with ongoing data collation, administration and first nations engagement. During the 2018 field season, Blackstone identified many major Copper-Gold-Cobalt targets centred on the Jewel prospect, located 1.1 km north-northeast of the Little Gem prospect. The soil anomalies are greater than 1.5 km long and coincide with several significant IP targets, indicating a large sulfide bearing body at depth. The Copper, Gold and Cobalt soil anomalies are favourably located within a significant structural setting near the contact between the granodiorite and serpentinite.

Blackstone's geological model for the Jewel prospect suggests the Copper-Gold-Cobalt prospect is well located within a similar geological setting to the underground mines of the world class Bou-Azzer primary Cobalt district in Morocco. The majority of the high grade underground primary Cobalt mines at Bou-Azzer are located near the contact of the serpentinitized ultramafic and the quartz diorite. The historical Jewel Mine is likewise located within close proximity to the contact of the serpentinite and granodiorite bodies.

With the discovery of Cobalt-Gold mineralization at Erebor during the 2018 field season returning grades of up to 2.3% cobalt, 32 g/t gold, 1.6% copper and 1.1% nickel combined with the multiple largescale IP anomalies indicating the potential source of the high-grade mineralization at Little Gem, Erebor, Jewel and Roxey, the Company continues to unlock the potential for multiple deposits in a region with geology analogous to the Bou-Azzer primary Cobalt district in Morocco (>50 deposits and over 75 years of Cobalt production).

Regional targets continue to be generated from the data collected through prospecting and stream sediment sampling across the entire 48 strike km of untested geology prospective for further primary Cobalt and Gold mineralization. Blackstone is actively seeking joint venture partners for the Gold Bridge Project.

**7. REVIEW OF OPERATIONS (continued)**

**CORPORATE**

**Spin out of non-core gold assets**

Blackstone announced the decision to spin out several non-core gold assets into a new IPO, Codrus and seek a listing on the Australian Securities Exchange (ASX). Codrus highly prospective portfolio of gold assets includes the Bull Run Project, Silver Swan South Project, Red Gate Project, and Middle Creek Project (See ASX announcement 15 January 2021).

Blackstone appointed Shannan Bamforth as Managing Director of Codrus on 3 May 2021. Mr Bamforth is a geologist with over 20 years' experience in the resources industry, focusing on base metals and gold. He has worked in exploration, operations and corporate roles in Australia, Africa, China, and Indonesia. Mr Bamforth joined Codrus from Sandfire Resources, where he has been working in the role of General Manager Geology since 2010.

Codrus lodged a Prospectus for its IPO on 6 May 2021, which opened to offers on 14 May. It successfully completed an \$8m IPO and was admitted to the ASX on 23 June 2021.

Blackstone retains 46.67% of the equity in Codrus under escrowed for two years.

**Placement and Share Purchase Plan**

In September 2020, Blackstone announced a \$18 million Share Placement through a placement of 42,426,356 fully paid ordinary shares (shares) at an issue price of \$0.42 per share.

In addition, Blackstone completed a Share Purchase Plan ("SPP") to eligible shareholders to raise a further \$3 million. Eligible shareholders had the opportunity to apply for shares up to the value of \$30,000 at the same price of the placement of \$0.42 per share. The company completed the SPP on 7 October 2020, raising \$3 million, with shares issued on 12 October 2020.

Blackstone used funds for ongoing exploration, resource drilling and PFS work at Ta Khoa.

**Controlled Placement Agreement**

The Company announced on 23 July 2021, it has agreed with Acuity Capital to extend the expiry date of its Controlled Placement Agreement ("CPA") to 31 July 2023.

As previously announced, the CPA was initially established with an expiry date of 31 July 2021 (see announcements on 16 August 2019, 31 July 2020 & 28 August 2020). Also, as previously announced, the Company has utilized the CPA to raise a total of \$3,160,000 (see announcements on 12 June 2020 and 21 August 2020 for further details).

Please note there is no requirement on Blackstone to utilize the CPA, and there were no fees or costs associated with the extension of the CPA. Further, no additional security has been provided or required in relation to the CPA extension.

**Letter of Interest signed with Trafigura**

In January 2021, Blackstone announced it had signed a Non-Binding Letter of Interest ("LOI") with Trafigura Pte Ltd ("Trafigura") as part of its strategy to upscale its downstream refining business and its vision to become a significant global supplier of downstream nickel products for the lithium-ion battery industry.

The LOI relates to a potential agreement for Trafigura to supply certain quantities of nickel and cobalt products to Blackstone, in respect of the production by Blackstone of downstream products for the Lithium-ion battery industry at the Ta Khoa Nickel Project in Vietnam.

Trafigura is one of the largest physical commodities trading groups in the world and a leading physical commodities trader involved in copper, zinc, lead, nickel and cobalt trading.

This intended arrangement reflects the expectation by Blackstone that additional downstream refining capacity will be met by materials sourced from third parties.



## DIRECTOR'S REPORT

### 7. REVIEW OF OPERATIONS (continued)

#### Appointments

During the year, the Company also announced the appointment of Alison Gaines as an Independent Non-Executive Director and the resignation of Steve Parsons as Non-Executive Director. Peter Plakidis was appointed as a Non-Executive Director and resigned during the year.

The Company also announced it had strengthened its management team with the appointments of Andrew Strickland as Head of Project Development and the promotion of existing employees Steve Ennor and Vũ Hồng Cẩm Vân to General Manager Project Development and General Manager Commercial.

Blackstone announced the appointment of highly-experienced hydrometallurgical engineer Tony Tang as General Manager Project Development - Downstream in March following the Company outlining its plans to expand downstream refining capacity and technical capability (refer ASX announcement 17 March 2021).

#### Trading on OTCQX

In December 2020, Blackstone announced it would commence trading on the US-based OTCQX Best Market. Blackstone trades under the code BLSTF.

The OTCQX Best Market is the highest market tier of OTC Markets on which 11,000 US and global securities trade. To be eligible, companies must meet high financial standards, follow best practice corporate governance, demonstrate compliance with US securities laws, be current in their disclosure, and have a professional third-party sponsor introduction. Blackstone's primary listing will continue to be the Australian Securities Exchange ("ASX").

### 8. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- On 26 July 2021, the Company announced that the downstream pre-feasibility study (PFS) confirmed technically and economically robust hydrometallurgical refining process to upgrade nickel sulfide concentrate to produce battery grade Nickel: Cobalt: Manganese (NCM) 811 Precursor for the Lithium-ion battery industry
- On 3 August 2021, the Company announced the Board approval of the first phase of pilot plant work and the Definitive Feasibility Study (DFS) for the Ta Khoa Refinery.
- On 26 August 2021, the Company Announced the appointment of leading independent advisors, Korea Development Bank (KDB) and BurnVair Corporate Finance (BurnVair), to arrange debt financing for the development of the Company's vertically integrated Ta Khoa Nickel-Copper-PGE- Project and Downstream Refinery Project (Ta Khoa Project). The collaboration with Blackstone is to assist to secure an attractive and flexible funding package for the development of the Ta Khoa Project.
- On 27 August 2021, the Company announced the conversion of 1,400,000 unlisted resulting in the issue of 1,400,000 ordinary shares with an issue price of \$0.001 per share.
- On 24 September 2021, the Company announced the issue of 8,000,000 ordinary shares under the Acuity Capital Controlled Placement Agreement with an issue price of \$0.4644 per share.

There are no further subsequent events.

### 9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue its mineral exploration activity at and around its exploration projects in Vietnam and Canada with the object of identifying commercial resources.

Further information on likely developments in the operations of the group and the expected results of operations have not been included in the Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the group.

## DIRECTOR'S REPORT

### 10. INFORMATION ON DIRECTORS AND COMPANY SECRETARIES

#### MR HAMISH HALLIDAY

Independent Non-Executive Chairman *since 30 August 2016*

##### Qualifications

BSc (Geology), MAusIMM

##### Experience

Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday co-founded Blackstone Minerals and was instrumental in the acquisition of its Company's current tenement portfolio. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Adamus Resources Ltd ('Adamus'). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production.

##### Interest in Securities

Fully Paid Ordinary Shares	11,481,383
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##### Other Directorships

Venture Minerals Limited (since 30 January 2008)

Comet Resources Limited (since 16 December 2014)

#### MR SCOTT WILLIAMSON

Managing Director - *appointed 6 November 2017*

##### Qualifications

BEng (Mining) BCom, MAusIMM

##### Experience

Mr Williamson is a mining engineer with a Bachelor of Commerce degree from the West Australian School of Mines (WASM). Mr Williamson has over 10 years' experience in the mining and finance sectors across a variety of technical and corporate roles, recently Investor Relations Manager at Resolute Mining Ltd and a senior Analyst at Hartley's.

##### Interest in Securities

Fully Paid Ordinary Shares	7,200,000
Performance Options	1,000,000

##### Other Directorships

Nil.

#### MR ANDREW RADONJIC

Non Executive Director - *appointed 21 April 2020*

Previously Technical Director - *since 30 August 2016; resigned 21 April 2020*

##### Qualifications

BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM

##### Experience

Mr Radonjic is a geologist and mineral economist with over 30 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 17 years in the Paddington, Mount Pleasant and Lady Bountiful Extended gold operations north of Kalgoorlie, where he has fulfilled a variety of senior roles which gave rise to three gold discoveries, totalling in excess of 3 million ounces in resources and in the development of over 1 million ounces.

##### Interest in Securities

Fully Paid Ordinary Shares	5,780,179
Performance Options	1,500,000



## DIRECTOR'S REPORT

### 10. INFORMATION ON DIRECTORS AND COMPANY SECRETARIES (continued)

#### Other Directorships

Venture Minerals Limited (since 12 May 2006)  
Fin Resources Limited (since 14 May 2018)  
Codrus Minerals Limited (since 1 August 2017)

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#### MR HOIRIM JUNG

Non-Executive Director - *appointed 21 April 2020*

#### Qualifications

Bachelor of Economics, Member of Korean Institute of Certified Public Accountants (KICPA)

#### Experience

Mr Jung has over 10 years financial management experience, specifically in financing and feasibility studies for new projects. He began his career with KPMG Samjong Accounting Corporation, one of Korea's "big four" accounting firms, providing advisory services for various M&A transactions. He then moved to Atinum Partners, where he was involved in investments in the oil and gas industry and managed the invested assets in North America. He joined EcoPro in 2016 where his accomplishments include successfully dealing with the initial public offering of subsidiary EcoPro BM (KOSDAQ: 247540).

#### Interest in Securities

Fully Paid Ordinary Shares Nil

#### Other Directorships

None

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#### MS ALISON GAINES

Non-Executive Director - *appointed 1 April 2021*

#### Qualifications

Doctor of University (hon.causa), Master of Arts (Public Policy), Bachelor of Laws, Bachelor of Arts (Politics), Australian Institute of Company Directors and INSEAD IDP-C and Fellow of the Australian Institute of Company Accountants.

#### Experience

Ms Gaines is a board advisor and Australian non-executive director with strong commercial skills and international experience. She has been an executive for over 20 years and is an active non-executive director and chair on Australian and international boards. She has recently established her own board governance advisory firm after fourteen years with Gerard Daniels, a Perth headquartered international search and board consulting firm where she was recently global Chief Executive Officer, responsible for the Perth, Sydney, London and Houston offices.

#### Interest in Securities

Fully Paid Ordinary Shares Nil

#### Other Directorships

Hiremii Group - Non-Executive Chairperson

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#### JAMIE BYRDE - BCOM, CA.

Company Secretary - *appointed 15 March 2017*

Mr Byrde is a Chartered Accountant with over 17 years' experience in corporate, audit and company secretarial matters. Previously Mr Byrde has held positions providing corporate advisory services, financial accounting/reporting and ASX/ASIC compliance management. Mr Byrde is also currently Company Secretary for Venture Minerals Limited and Codrus Minerals Limited.

#### Other Directorships

Codrus Minerals Limited

**11. COMMITTEE CHAIR LETTER**

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present our Remuneration Report for the financial year 2021 (FY2021), which summarises Blackstone Minerals' remuneration strategy and outcomes for Key Management Personnel, Executives and Non-Executive Directors.

**Our year**

Blackstone delivered strong financial results in FY2021, achieved against stretching targets and in a very volatile pandemic environment. These results would not have been possible without the dedication of all our people and the leadership of our passionate and committed Executive Leadership Team. Our results included:

- MSV & DSS Resource Delineation with an expected PFS complete in H1 of FY22
- Increasing Total Shareholder Return (TSR) by 92%
- \$118 million market cap at 30 June 2021, up from \$44 million at 30 June 2020.

We withstood the ongoing impact of COVID-19 by prioritising the health, safety and wellbeing of all of our people, with a focus driving strong workforce engagement, efficiency and innovation. Key to our success was setting high expectations both for our leaders' performance and their behaviour in line with our purpose and values. We have extremely strict COVID-19 policies at our main operations in Vietnam which has allowed us to continue to explore and develop during the pandemic safely and efficiently without significant interruptions. This has allowed Blackstone to retain its local workforce of approximately 250 local people.

We appreciate the exceptional efforts of our people as they rapidly adapted to the changing external environment and delivered excellent discovery results, strong financial results and improved returns to shareholders in FY21.

**Remuneration Outcomes**

In FY21, there were no grants of STI or LTI awards to KMP.

**Response to strike and the way forward**

The Board of Directors has carefully considered the feedback it received regarding the FY2020 Remuneration Report. Since receiving the second strike, the Board engaged with key stakeholders in order to further understand the concerns raised with the FY2020 remuneration structure and disclosures within the FY2020 report.

The Board has responded by the engagement of BDO Remuneration and Reward Pty Ltd to undertake Board, Executive, Key Management Personnel (KMP) and Employees salary benchmarking against its peers and establishing a structured remuneration framework with an equity incentive plan to reward, incentivise, attract and retain high calibre people to the business.

In addition to this, in FY2021 the Board has established a People, Remuneration, Culture and Diversity Committee as well as a Nomination Committee to provide appropriate Board Governance and oversight.

**KMP Changes**

On 1 April 2021, Peter Plakidis resigned from his position on the Board. On the same day, the Board appointed Ms Alison Gaines. Alison has over 20 years of experience as a director in Australia and internationally. She has experience in the roles of Board Chair and board committee chair, particularly remuneration and nomination and governance committees. We have already enjoyed having Alison on the Board since April, with Alison to Chair the People, Remuneration, Culture and Diversity Committee following her formal election to the Board at the 2021 AGM.

**Our remuneration strategy supports Blackstone's business strategy**

The Board is committed to ensuring the remuneration strategy reflects good governance, consultation with key stakeholders, and is transparent in its design to support the business strategy and drive sustainable outperformance for shareholders over the long-term. It strongly aligns to shareholder's interests by incorporating significant equity components to encourage executives to behave like owners of the business - focused on sustainable, long-term value creation.

On behalf of the Board, we invite you to read the Report and we look forward to receiving your feedback at the Annual General Meeting (AGM).



**Alison Gaines**

*Independent Chair of the People, Remuneration, Culture and Diversity Committee*



## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED)

The Directors of Blackstone Minerals Limited are pleased to present your Company's 2021 remuneration report which sets out remuneration information for the Non-Executive Directors, Executive Directors and other key management personnel ("KMP").

The following sections are included with this report:

- A. Directors and key management personnel disclosed in this report
- B. Response to Strike
- C. Remuneration governance
- D. FY2021 Snapshot and Company Performance
- E. FY2022 Remuneration Framework
- F. FY2021 Executive Remuneration Policy and Framework
- G. Non-Executive Director Remuneration
- H. Details of Remuneration
- I. Details of Share Based Payments and Bonuses
- J. Equity instruments held by key management personnel
- K. Loans to key management personnel
- L. Other transactions with key management personnel

#### A. Directors and key management personnel disclosed in this report

##### Non-Executive Directors

Mr H Halliday	Non-Executive Chairman
Mr S Parsons	Non-Executive Director (Resigned 24 December 2020)
Mr A Radonjic	Non-Executive Director
Mr H Jung	Non-Executive Director
Mr Plakidis	Non-Executive Director (Appointed 24 December 2020) (Resigned 1 April 2021)
Ms A Gaines	Non-Executive Director (Appointed 1 April 2021)

##### Executive Directors

Mr S Williamson	Managing Director
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##### Other key management personnel

Mr J Byrde	CFO/Company Secretary
Mr A Strickland	Head of Project Development (Appointed 9 November 2020)

All of the key management personnel held their positions during the year ended 30 June 2021 and up to the date of this report unless otherwise disclosed.

#### B. Response to Strike

The Company, at the 2020 AGM, received votes against its Remuneration Report representing greater than 25% of the votes cast by persons entitled to vote. This resulted in Blackstone Minerals Limited receiving a "Second Strike". Throughout FY21, the Board has communicated with key stakeholders in order to better understand, acknowledge and respond to concerns raised with regards to the Remuneration Framework in place.

In summary, the feedback from the received highlighted key concerns around the structure of previously issued incentive awards and the perceived poor level of disclosure within the remuneration report as a whole. Whilst the Board believed and continues to believe that the hurdles set at the time of these incentive awards were in the best interest of shareholders, the Board in FY2021 has undertaken a comprehensive review of the remuneration framework and remuneration report disclosures. The Board has engaged external advisors to ensure that the review produced a remuneration framework moving forward that is best aligned with shareholder value creation, whilst the remuneration report has been further enhanced to mitigate any concerns around disclosure and transparency.

**12. REMUNERATION REPORT (AUDITED) (continued)**

**B. Response to Strike (continued)**

Specific actions taken since the second strike include:

- No further performance options or incentives have been issued to Directors since 11 October 2019.
- The Board, together with its advisors, will engage with key shareholders and advisors when continuing to amend any future Short-term and Long-Term Incentive Plans in the future. The Board understands the importance of having a remuneration framework that is fit for purpose and is aligned with shareholder interests.
- The board will also continue to ensure future incentives and remuneration policy frameworks are in accordance with the 4th Edition of the Corporate Governance Principles, Principle 8, Remunerate fairly and responsibly.
- In FY21, the Board has established three new Board committees, including a People, Remuneration, Culture and Diversity Committee. This committee has commenced work in FY2022, and will enhance the Board's oversight of specific remuneration matters.

**C. Remuneration governance**

The Board has formed a People, Remuneration, Culture and Diversity Committee, which will work together with Executive KMP and Management to apply our Remuneration Governance Framework (see below) and ensure our strategy supports sustainable shareholder value. Our remuneration framework moving forward has been designed to support our Purpose, Principles, Strategy and our long-term approach to creating value for our shareholders, customers and the community.

Membership of the Committee from 1 July 2021 comprised of the following and chaired by an independent NED as follows :

Alison Gaines	Independent Non-Executive Committee Chair
Andrew Radonjic	Non-Executive, Committee Member
Scott Williamson	Managing Director, Committee Member*

\*Note as the Committee includes other terms of reference and scope including People, Culture and Diversity the Managing Director as a Committee Member is deemed appropriate. The Managing Director abstains to any discussions or recommendations regarding personal remuneration.

The Committee's Charter allows the Committee access to specialist external advice about remuneration structure and levels and is utilised periodically to support the remuneration decision making process.

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## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### C. Remuneration governance (continued)

The Remuneration Governance Framework is summarised through the diagram below.

##### Blackstone Board

- Overall Responsibility for the remuneration strategy and outcomes for executives and non-executive directors
- Reviews and approves recommendations from the Nomination and Remuneration Committee
- Approves the the appointment of non-executive directors

##### Nomination Committee

- (a) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
- (b) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

##### People, Remuneration, Culture and Diversity Committee

- The independent Chair of the Committee, non-executive and managing director, make recommendations to the Board on remuneration strategy, governance and policy for Executive KMP and Non-Executive Directors
- Key responsibilities of the Committee are as follows:

- (a) in respect of its remuneration role

The primary purpose of the Committee (in relation to its remuneration role) is to support and advise the Board in fulfilling its responsibilities to shareholders by:

- (a) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring that the executive remuneration policy demonstrates a clear relationship between key director performance and remuneration;
- (c) recommending to the Board the remuneration of executive and nonexecutive Directors;
- (d) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- (e) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
- (f) reviewing and approving the remuneration of Director reports to the Managing Director, and as appropriate other senior executives; and
- (g) reviewing and approving any equity based plans and other incentive schemes. The Remuneration Policy will guide the People, Remuneration, Culture and Diversity recommendations and the Board's adoption of those recommendations.

##### Managing Director and Human Resources Manager

Provides information to the People and Remuneration Committee for the Committee to recommend:

1. Incentive targets and outcomes
2. Remuneration Policy
3. Short and Long-term incentive participation eligibility
4. Individual remuneration and contractual arrangements for executives

##### Independent External Advisors

- Provide external independent advice, information and recommendations relevant to remuneration decisions where required.
- Throughout the year, the Board received benchmarking data on executive remuneration from external providers.
- During the year, advisors did not provide a remuneration recommendation as defined in Section 9B of the Corporations Act 2001.

**12. REMUNERATION REPORT (AUDITED) (continued)**

**D. FY2021 Snapshot and Company Performance**

The remuneration framework moving forward has been tailored to increase goal congruence between shareholders, directors and executives. This has previously been achieved by the issue of performance options to directors, executives and other key management personnel, at the discretion of the Board of Directors. The performance options issued under the Employee Incentive Scheme have been based on a mixture of short, medium and long-term incentive options. This structure rewarded executives for both short-term and long-term shareholder wealth development. The Company's performance in FY2021 is summarised below:

	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Profit or Loss attributable to owners of Blackstone	(865,159)	(8,438,991)	(4,182,260)	(7,894,306)	(14,459,103)
Group Profit or (Loss)	(865,159)	(8,438,991)	(4,182,260)	(7,969,580)	(18,709,126)
Share Price (\$)	\$0.190	\$0.175	\$0.083	\$0.185	\$0.355
Market Capitalisation	\$6,802,001	\$16,835,834	\$23,347,156	\$46,577,231	\$117,800,427

FY21 Remuneration Outcomes

There were no short or long-term incentive awards granted in FY21.

KMP were awarded their Total Fixed Remuneration (TFR), however there were some previously granted variable remuneration awards that vested in FY2021.

The Managing Director, Scott Williamson had 750,000 performance options issued on 24 October 2017 vest during the year upon achieving a market capital of A\$50m for a consecutive 30-day period. Mr Williamson also had 3,000,000 performance options issued on 11 October 2019 vest during year upon achieving a 5% strategic partner and substantial shareholder of 5% or more and achieving a 10 day VWAP of \$0.20 after the date of issue. Further information on the value of these exercised awards can be found in the share based payments section (see Note 26).

Mr Halliday and Mr Radonjic had 2,000,000 and 1,500,000 performance options respectively which were previously issued on 11 October 2019, which vested during the year on the same terms as the managing directors'. Following this issue, Non-Executive Directors options are no longer entitled to performance based options, and none have been issued since.

It is worth noting that in the FY2022 remuneration framework and moving forward, the STI and LTI awards to KMP will be structured in a manner that importantly consists of explicit performance measures, as well as a service condition.

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## DIRECTOR'S REPORT

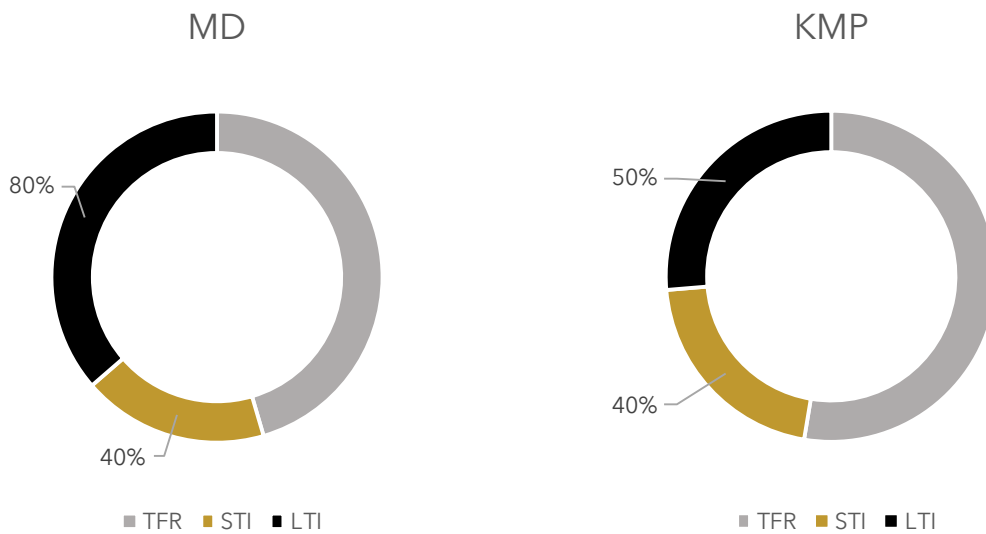
### 12. REMUNERATION REPORT (AUDITED) (continued)

#### E. FY2022 Remuneration Framework

The Board has reviewed and updated the remuneration framework for FY2022. The Board has sought to ensure that the framework is best fit for purpose and aligns with shareholder value creation. It is the Board's intention that this new remuneration framework will set the platform for the remuneration moving forward, with the Board committed to continuing to review and improve the framework on an annual basis. The FY2022 remuneration framework will feature the following:

##### Remuneration Mix

The percentages provided here are presented as a percentage of Total Fixed Remuneration (TFR).



##### FY2022 Incentive award features

###### Short-Term Incentive (STI)

- Annual Grant
- Award provided 100% in equity through Zero Exercise Priced Options (Performance Rights)
- 12-month performance period
- 100% of award deferred for 12-months
- Balanced scorecard with financial and non-financial measures, as well as a mixture between corporate and individual KPIs.
- There will be a performance gateway, with no award payouts being realised in situations where there is a fatality, a major environmental incident, unsatisfactory individual performance reviews or any misconduct.

###### Long-Term Incentive (LTI)

- Annual Grant
- Award provided 100% in equity through Zero Exercise Priced Options (Performance Rights)
- 3-year performance period
- Performance measures will be disclosed in the 2021 Notice of Meeting, with these yet to be formally finalised at the time of writing this report.
- There will be a performance gateway being a requirement for there to be zero workplace fatalities at the Company's premises or operational sites.
- Key provisions and further details will be provided in the 2021 Notice of Meeting.

12. REMUNERATION REPORT (AUDITED) (continued)

F. FY2021 Executive Remuneration Policy and Framework

The remuneration policy of Blackstone Minerals Limited has always been designed to best align executives' objectives with shareholder and business objectives by providing both fixed and variable remuneration components which are assessed on an annual basis. By providing components of remuneration that are indirectly linked to share price appreciation (in the form of options and rights), executive, business and shareholder objectives have been strongly aligned. In FY2021 there were no grants of STI or LTI awards to executives.

The board of Blackstone Minerals Limited believes the remuneration framework in place for FY2021 acted appropriately and effectively in its ability to attract, motivate and retain key talent to run and manage the Company, as well as create alignment between Company and shareholder value creation.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally. Independent, external benchmarking data is used as one of a number of factors such as the surrounding market conditions and sentiment, the trajectory of the company's growth, strategic objectives, competency and skillset of individuals, scarcity of talent, changes in role complexities and geographical spread of the company to ensure that the company's remuneration levels are competitive amongst market peers. These ongoing reviews are performed to confirm that the executive remuneration framework is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board also ensures that the mix of executive compensation between fixed and variable, long-term awards is appropriate as well as cash versus equity levels. The Company endeavours to reduce cash expenditure by providing a greater proportion of compensation in the form of equity instruments. This allows cash-flows to be directed towards exploration programs with a view to improving the quality of our projects.

Total Fixed Remuneration (TFR)

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the People, Remuneration, Culture and Diversity Committee on behalf of the Board. This is based on individual responsibility and contribution, the overall performance of the consolidated entity and comparable market remuneration taking into account the scale of the Blackstone's business and responsibilities. Executives may receive their fixed remuneration in the form of cash and other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to Blackstone and provides additional value to the Executive.

Increases in TFR in FY2021 are in response to, but not limited to, the growth of the Company, increase in role complexity and responsibilities, as well as needing to be competitively positioned to ensure Blackstone is in a place to attract, motivate and retain key staff.

Incumbent	Position	FY2021 TFR <sup>A</sup>	% Change in TFR from FY2020 to FY2021
S Williamson	Managing Director	\$313,500	20%
J Byrde	Chief Financial Officer / Company Secretary	\$146,667 <sup>B</sup>	49%
A Strickland (appointed 29 October 2020)	Head of Project Development	\$220,000	N/A

A Includes superannuation of 10%, which was effective from 1 July 2021 (previously 9.5%)

B Mr Byrde's agreement increased from \$197,100 to \$220,000 including superannuation on 9 November 2020. From 1 July 2020 the split of Mr Byrde's agreement is 0.7 FTE in Blackstone Minerals Limited and 0.3 FTE in a related entity (Previously 0.33 FTE in Blackstone Minerals Limited and 0.67 FTE in related entities).

During the year, there were no LTI awards granted to Executives. In FY2022, a new LTI award will be granted to KMP, with the details of this to be provided in the FY2021 Notice of Annual General Meeting.

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## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### F. FY2021 Executive Remuneration Policy and Framework (continued)

There was, however, a one-off retention based award granted to Andrew Strickland, Head of Projects upon commencement of employment with the Company. This award's details are provided below:

<b>How is the award delivered?</b>	The award is delivered through the issue of performance options under the Employee Performance Rights and Option Plan.
<b>How often are awards made and was an award made in FY21?</b>	At the Boards discretion or within six months of commencement of a new employee. A new plan is currently being finalised which will involve annual grants of STI and LTI's for key management personnel.
<b>What is the quantum of the award and what allocation methodology is used?</b>	1,000,000 unlisted options with an exercise price of \$0.001, expiring on 20 August 2025.
<b>What are the performance conditions?</b>	50% -Continuous employment as Head of Project Development of the Company for a minimum period of 18 months. 50% - completion of a Bankable Feasibility, approved by the Board and achieving funding to allow a decision to mine for the Ban Phuc Nickel project.
<b>Why were the performance conditions selected?</b>	Retention award and alignment of strategic objectives with that of the company.
<b>What is the performance period?</b>	18 months from commencement date of 9 November 2020
<b>What happens to Performance Rights granted under the LTI Plan when an Executive ceases employment?</b>	Where a participant ceases employment defined by the Group as resignation or termination for cause, any unvested Options are forfeited, unless otherwise determined by the Board. Where a participant ceases employment for any other reason, unvested Options will continue "on-foot" and will vest at the end of the original vesting period. Note that the Plan Rules provide the Board with discretion to determine that a different treatment should apply at the time of cessation, if applicable.
<b>Malus/Clawback provisions</b>	In the event of fraud, dishonest conduct or breach of duty or obligation owed to the Company by the participant, the Board has the discretion to lapse all unvested Options.
<b>What happens in the event of a change in control?</b>	A change of control occurs where, as a result of any event or transaction, a new person or entity becomes entitled to a significant percentage of shares in the Group. <ul style="list-style-type: none"> <li>In the event of a 50% change of control of the Group, all unvested Options will vest in full, and Options will be exercisable until the end of the original exercise period, subject to the Board determining that an alternative treatment should apply.</li> <li>Where a transaction or event occurs, other than a 50% Change of Control, that in the opinion of the Board should be treated as a change of control for the purposes of the Plan, the Board can determine the appropriate treatment of unvested Options.</li> </ul> With respect to vested options these would convert into shares of the acquiring company.

**12. REMUNERATION REPORT (AUDITED) (continued)**

**F. FY2021 Executive Remuneration Policy and Framework (continued)**

Service Agreements

Executive KMP	Position	Contract duration	Notice Period	Termination payments applicable
S Williamson	Managing Director	Unlimited	3 months	Up to 3 months fully paid
J Byrde	Chief Financial Officer / Company Secretary	Unlimited	3 months	Up to 3 months fully paid
A Strickland	Head of Project Development	Unlimited	3 months	Up to 3 months fully paid

**G. Non-Executive Director Remuneration**

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the group.

In determining competitive remuneration rates, the Board review local and international trends among comparative companies and industry generally.

Typically, Blackstone will compare Non-Executive Remuneration to companies with similar market capitalizations in the exploration and resource development business group. These ongoing reviews are performed to confirm that non-executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

Further to ongoing reviews, the maximum aggregate amount of fees that can be paid to non-executive directors is \$500,000. There are no planned changes to this limit requiring approval by shareholders at the Annual General Meeting.

Board fees for FY2021 are as below (inclusive of superannuation):

Board fees	FY21	FY22
Chairman	\$125,000 (no additional committee fees)	\$140,000 (no additional committee fees)
Non-Executive Director	\$43,800	\$77,000

Committee fees		FY21	FY22
Audit, Risk and Environment, Social and Governance Committee	Chair	N/A	16,000
	Member	N/A	6,000
People, Remuneration, Culture and Diversity Committee	Chair	N/A	12,000
	Member	N/A	8,000
Nomination Committee	Chair	N/A	-
	Member	N/A	8,000

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## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### H. Details of Remuneration

Details of the remuneration of the Directors and key management personnel of the group of Blackstone Minerals Limited are set out in the following table for the year ending 30 June 2021. There have been no changes to the below named key management personnel since the end of the reporting year unless otherwise noted.

	Cash Salary & Fees \$	Short Term Benefits Incentives \$	Consulting Fees \$	Other Amounts \$	Super-annuation \$	Non-Cash Long Term Incentives <sup>E</sup> \$	Total \$
<b>2021</b>							
<b>Blackstone Minerals Limited</b>							
<i>Non-Executive Directors</i>							
Mr H Halliday	25,000	-	99,996	2,350	-	-	127,346
Mr S Parsons <sup>A</sup>	20,000	-	-	2,350	1,900	-	24,250
Mr A Radonjic	54,231	-	37,115	2,350	5,152	-	98,848
Mr H Jung	40,000	-	-	2,350	-	-	42,350
Mr P Plakidis <sup>B</sup>	13,462	-	-	2,350	1,279	-	17,091
Ms A Gaines <sup>C</sup>	18,462	-	-	2,350	1,754	-	22,566
<i>Executive Directors</i>							
Mr S Williamson	285,000	-	-	2,350	27,075	67,719	382,144
<i>Other key management personnel</i>							
Mr J Byrde	118,472	-	-	2,350	11,255	33,766	165,843
Mr A Strickland <sup>D</sup>	125,385	-	-	-	11,912	69,638	206,935
<b>Total Blackstone Remuneration</b>	<b>700,012</b>	<b>-</b>	<b>137,111</b>	<b>18,800</b>	<b>60,327</b>	<b>171,123</b>	<b>1,087,373</b>
<b>Remuneration received as Board members of Codrus Minerals Limited<sup>F</sup></b>							
<i>Non-Executive Directors</i>							
Mr A Radonjic	1,538	-	-	5,950	146	178,032	185,666
Mr J Byrde	2,308	-	-	5,950	219	178,032	186,509
<b>Total Codrus Remuneration</b>	<b>3,846</b>	<b>-</b>	<b>-</b>	<b>11,900</b>	<b>365</b>	<b>356,064</b>	<b>372,175</b>
<b>Total Remuneration</b>	<b>703,858</b>	<b>-</b>	<b>137,111</b>	<b>30,700</b>	<b>60,692</b>	<b>527,187</b>	<b>1,459,548</b>

A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

D Mr Strickland was appointed on 9 November 2020.

E The fair value of the options is calculated at the date of grant using a Black-Scholes model. Refer to Note 26 for further details of options issued during the June 2021 financial year.

F Represents remuneration received by Blackstone Board members in the capacity of being a board member of subsidiary, Codrus Minerals Limited (ASX: CDR)

## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### H Details of Remuneration (continued)

	Cash Salary & Fees \$	Short Term Benefits Incentives \$	Consulting Fees \$	Other Amounts \$	Super- annuation \$	Non-Cash Long Term Incentives <sup>B</sup> \$	Total \$
<b>2020</b>							
<i>Non-Executive Directors</i>							
Mr H Halliday	25,000	-	59,615	2,607	-	472,796	560,018
Mr S Parsons	40,000	-	-	2,607	3,800	177,298	223,705
Mr A Radonjic	137,533	-	-	2,607	13,066	177,298	330,504
Mr H Jung <sup>A</sup>	8,359	-	-	2,607	-	-	10,966
<i>Executive Directors</i>							
Mr S Williamson	236,539	-	-	2,607	22,471	384,219	645,836
<i>Other key management personnel</i>							
Mr J Byrde	60,000	-	-	2,607	5,700	37,396	105,703
<b>Total Remuneration</b>	<b>507,431</b>	<b>-</b>	<b>59,615</b>	<b>15,642</b>	<b>45,037</b>	<b>1,249,007</b>	<b>1,876,732</b>

A Mr Jung was appointed on 21 April 2020.

B The fair value of the options is calculated at the date of grant using a Black-Scholes model.

#### I. Details of Share Based Payments and Bonuses

There were no bonuses issued or paid during the year.

Options are issued to directors, executives and other key management personnel of Blackstone Minerals Limited as part of their remuneration. The options are issued based on performance criteria set by the Board to increase goal congruence between executives, directors, other key management personnel and shareholders.

Further details of options issued to Directors and key management personnel are as follows:

## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### I. Details of Share Based Payments and Bonuses (continued)

	Granted No.	Options and Performance Shares Granted as Part of Remuneration <sup>J</sup> \$	Total Remuneration Represented by Options and Performance Shares	Exercised No.	Other changes No.	Lapsed No.
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#### 2021

##### Blackstone Minerals Limited

##### Non-Executive Directors

Mr H Halliday	-	-	-	(2,000,000)	-	-
Mr S Parsons <sup>A</sup>	-	-	-	(1,500,000)	-	-
Mr A Radonjic	-	-	-	-	-	-
Mr H Jung	-	-	-	-	-	-
Mr P Plakidis <sup>B</sup>	-	-	-	-	-	-
Ms A Gaines <sup>C</sup>	-	-	-	-	-	-

##### Executive Director

Mr S Williamson	-	67,719 <sup>H</sup>	17.7%	(3,750,000)	-	-
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##### Other Key Management Personnel

Mr J Byrde	-	33,766 <sup>H</sup>	20.4%	(550,000)	-	-
Mr A Strickland <sup>D</sup>	1,000,000	69,638	33.7%	-	-	-

##### Share based payments and Bonuses as Board members of Codrus Minerals Limited<sup>I</sup>

Mr A Radonjic	2,000,000	178,032	99.1%	-	-	-
Mr J Byrde	2,000,000	178,032	98.6%	-	-	-

#### 2020

##### Non-Executive Directors

Mr H Halliday <sup>E</sup>	4,000,000	472,796	84.4%	(2,000,000)	-	-
Mr S Parsons	1,500,000	177,298	79.3%	-	-	-
Mr A Radonjic <sup>F</sup>	1,500,000	177,298	53.6%	-	-	-
Mr H Jung <sup>G</sup>	-	-	-	-	-	-

##### Executive Director

Mr S Williamson	4,000,000	384,219	59.5%	(750,000)	-	-
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##### Other Key Management Personnel

Mr J Byrde	600,000	37,396	35.4%	-	-	-
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A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

D Mr Strickland was appointed on 9 November 2020.

E The options exercised on 5 June 2020 had a market value of \$320,000 for Mr Halliday.

F Mr Radonjic, was formerly Technical Director until 21 April 2020, at which time he stepped down to become Non-Executive Director.

G Mr Jung was appointed on 21 April 2020.

H Remuneration represented by options and performance shares relates to option and performance shares granted in prior year.

I Represents share based payments and bonuses received by Blackstone Board members in the capacity of being a board member of subsidiary, Codrus Minerals Limited (ASX: CDR)

J The fair value of the options is calculated at the date of grant using a Black-Scholes model. Refer to Note 26 for further details of options issued during the June 2021 financial year.



## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### J. Equity instruments held by key management personnel

The tables below show the number of:

- (i) options and performance shares over ordinary shares in the Company, and
- (ii) shares held in the Company that were held during the year by key management personnel of the group, including their close family members and entities related to them.

There were no shares granted during the reporting year as compensation.

- (iii) Option holdings

	Balance at start of the year	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
<b>30 June 2021</b>						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	2,000,000	-	(2,000,000)	-	-	-
Mr S Williamson	4,750,000	-	(3,750,000)	-	1,000,000	-
Mr A Radonjic	1,500,000	-	-	-	1,500,000	1,500,000
Mr S Parsons <sup>A</sup>	1,500,000	-	(1,500,000)	-	-	-
Mr H Jung	-	-	-	-	-	-
Mr P Plakidis <sup>B</sup>	-	-	-	-	-	-
Ms A Gaines <sup>C</sup>	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	850,000	-	(550,000)	-	300,000	300,000
Mr A Strickland <sup>D</sup>	-	1,000,000	-	-	1,000,000	-
<i>Equity instruments held by key management personal as Board members of Codrus Minerals Limited<sup>F</sup></i>						
Mr A Radonjic	-	2,000,000	-	-	2,000,000	-
Mr J Byrde	-	2,000,000	-	-	2,000,000	-
<b>30 June 2020</b>						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	-	4,000,000	(2,000,000)	-	2,000,000	-
Mr S Williamson	1,500,000	4,000,000	(750,000)	-	4,750,000	1,000,000
Mr A Radonjic	-	1,500,000	-	-	1,500,000	750,000
Mr S Parsons	-	1,500,000	-	-	1,500,000	750,000
Mr H Jung <sup>E</sup>	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	250,000	600,000	-	-	850,000	-

A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

D Mr Strickland was appointed on 9 November 2020.

E Mr H Jung was appointed on 21 April 2020.

F Represents subsidiary equity instruments held by Blackstone Board members in subsidiaries in their capacity of being a board member of Codrus Minerals Limited (ASX: CDR)

## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### J. Equity instruments held by key management personnel (continued)

(iv) Performance Shares

	Balance at start of the year or on appointment	Granted as remuneration	Exercised	Other changes	Balance at end of the year	Vested and exercisable
<b>30 June 2021</b>						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	-	-	-	-	-	-
Mr S Williamson	-	-	-	-	-	-
Mr A Radonjic	-	-	-	-	-	-
Mr S Parsons <sup>A</sup>	-	-	-	-	-	-
Mr H Jung	-	-	-	-	-	-
Mr P Plakidis <sup>B</sup>	-	-	-	-	-	-
Ms A Gaines <sup>C</sup>	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	-	-	-	-	-	-
Mr A Strickland <sup>D</sup>	-	-	-	-	-	-
<b>30 June 2020</b>						
<i>Directors of Blackstone Minerals Limited</i>						
Mr H Halliday	-	-	-	-	-	-
Mr S Williamson	-	-	-	-	-	-
Mr A Radonjic	-	-	-	-	-	-
Mr S Parsons	-	-	-	-	-	-
Mr H Jung <sup>E</sup>	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr J Byrde	-	-	-	-	-	-

A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

D Mr Strickland was appointed on 9 November 2020.

E Mr H Jung was appointed on 21 April 2020.

(v) Share holdings

The number of shares in the Company held during the financial year by each Director of Blackstone Minerals Limited and other key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### J. Equity instruments held by key management personnel (continued)

(v) Share holdings (continued)

	Balance at the start of the year or on appointment	Received on exercise of options and performance shares	Other changes	Balance at the end of the year
<b>30 June 2021</b>				
<i>Directors of Blackstone Minerals Limited</i>				
Mr H Halliday	9,481,383	2,000,000	-	11,481,383
Mr S Williamson	3,250,000	3,750,000	200,000	7,200,000
Mr A Radonjic	6,308,751	-	(528,572)	5,780,179
Mr S Parsons <sup>A</sup>	8,622,421	1,500,000	(10,122,421) <sup>A</sup>	-
Mr H Jung <sup>E</sup>	-	-	-	-
Mr P Plakidis <sup>B</sup>	2,388,343	-	(2,388,343) <sup>B</sup>	-
Ms A Gaines <sup>C</sup>	-	-	-	-
<i>Other key management personnel</i>				
Mr J Byrde	150,000	550,000	(300,000)	400,000
Mr A Strickland <sup>D</sup>	2,800	-	-	2,800
<i>Equity instruments held by key management personal as Board members of Codrus Minerals Limited<sup>F</sup></i>				
Mr A Radonjic	-	-	250,000	250,000
Mr J Byrde	-	-	100,000	100,000
<b>30 June 2020</b>				
<i>Directors of Blackstone Minerals Limited</i>				
Mr H Halliday	7,081,383	2,000,000	400,000	9,481,383
Mr S Williamson	900,000	750,000	1,600,000	3,250,000
Mr A Radonjic	6,158,751	-	150,000	6,308,751
Mr S Parsons	7,447,421	-	1,175,000	8,622,421
Mr H Jung <sup>E</sup>	-	-	-	-
<i>Other key management personnel</i>				
Mr J Byrde	150,000	-	-	150,000

A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

D Mr Strickland was appointed on 9 November 2020.

E Mr H Jung was appointed on 21 April 2020.

F Represents subsidiary equity instruments held by Blackstone Board members in subsidiaries in their capacity of being a board member of Codrus Minerals Limited (ASX: CDR)

#### K. Loans to key management personnel

There were no loans made to Directors and other key management personnel of the group, including their close family members.



## DIRECTOR'S REPORT

### 12. REMUNERATION REPORT (AUDITED) (continued)

#### L. Other transactions with key management personnel

Mr Radonjic is a Director of Venture Minerals Limited which shares office and administration service costs on normal commercial terms and conditions. Mr Radonjic, is a Director of Onedin Enterprises which provides geological mapping services on normal commercial terms and conditions. Mr Radonjic is a Non-Executive Director of Codrus Minerals Limited, which shares either office and administration service costs on normal commercial terms and conditions.

Mr Halliday is a Non-Executive Director of Venture Minerals Limited which shares either office and administration service costs on normal commercial terms and conditions.

Mr Parsons is a Director of Bellevue Gold Limited and formerly a director of African Gold Limited which shares office costs on normal commercial terms and conditions.

Aggregate amounts of each of the above types of other transactions with key management personnel of Blackstone minerals Limited:

	2021 \$	2020 \$
(i) Recharges to KMP related entities		
<i>Recharge of rent and shared office costs</i>		
Recharges to Venture Minerals Limited	281,798	303,385
Recharges to Alicanto Minerals Limited	10,762	113,272
Recharges to Bellevue Gold Limited	-	127,273
Recharges to African Gold Limited	-	28,156
Recharges to Codrus Minerals Limited	160,359	-
(ii) <i>Purchases from KMP related entities</i>		
Shared office costs and other supplier services on arms' length terms:		
Payments to Venture Minerals Limited	163,939	124,746
Payments to Onedin Enterprises	-	766

#### End of remuneration report

### 13. SHARES UNDER OPTION

Unissued ordinary shares of Blackstone Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry Date	Exercise Price	Number under Option
Various*	20 August 2025	\$0.001	3,850,000
21 February 2020/ 16 October 2020	20 February 2025	\$0.001	900,000
9 October 2019	30 September 2024	\$0.001	2,500,000
12 June 2020	12 June 2022	\$0.20	1,000,000
11 December 2020	11 December 2021	\$0.60	4,000,000

\*Options issued under this option class have been issued on the following dates: 21 August 2020, 16 October 2020, 11 November 2020 and 28 May 2021.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

### 14. INSURANCE OF OFFICERS

During the financial year, Blackstone Minerals Limited paid a premium of \$18,800 (2020: \$15,642) to insure the Directors and Secretary of the Company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities

## DIRECTOR'S REPORT

### 14. INSURANCE OF OFFICERS (continued)

that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

### 15. MEETINGS OF DIRECTORS

The number of Directors' meetings (including committees) held during the year that each Director who held office during the financial year were eligible to attend and the number of meetings attended by each Director are:

Mr H Halliday	7	7
Mr S Williamson	7	7
Mr A Radonjic	7	7
Mr S Parsons <sup>A</sup>	3	3
Mr H Jung	7	5
Mr P Plakidis <sup>B</sup>	2	2
Ms A Gaines <sup>C</sup>	2	2

A Mr Parsons resigned on 24 December 2020.

B Mr Plakidis was appointed on 24 December 2020 and resigned on 1 April 2021.

C Ms Gaines was appointed on 1 April 2021.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

### 16. AUDITOR'S INDEPENDENCE DECLARATION & NON-ASSURANCE SERVICES

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 40 of the Directors' report.

The Company engaged Stantons Corporate Finance Pty Ltd a related practice to provide an indicative valuation for options issued at a fee of \$770 (2020: \$850). The Board of Directors has considered the position and are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The Auditor's audit remuneration is disclosed in Note 5.

Signed in accordance with a resolution of the Board of Directors.



**Scott Williamson**  
**Managing Director**

Perth, Western Australia, 30 September 2021

#### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Radonjic, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr Radonjic is a Non-Executive Director and Technical Consultant for the company. Mr Radonjic has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken 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 Radonjic consents to their inclusion in the report of the matters based on his information in the form and context in which it appears.

#### No New Information or Data

This annual report contains references to Exploration Results and Exploration Targets, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially effects the information in the said announcement. In the case of estimates of Mineral Resources all assumptions and technical parameters underpinning the estimates have not materially changed.

## AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BLACKSTONE MINERALS LIMITED



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Australia

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[www.stantons.com.au](http://www.stantons.com.au)

30 September 2021

The Directors  
Blackstone Minerals Limited  
Level 3, 24 Outram Street  
West Perth, WA 6005

Dear Directors

### RE: BLACKSTONE MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Blackstone Minerals Limited.

As the Audit Director for the audit of the financial statements of Blackstone Minerals Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Authorised Audit Company)

**Martin Michalik**  
Director

*Liability limited by a scheme approved under Professional Standards Legislation.*



Stantons is a member of the Russell Bedford International network of firms



FINANCIAL STATEMENTS

For personal use only



## FINANCIAL STATEMENTS

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These financial statements cover Blackstone Minerals Limited as a Group consisting of Blackstone Minerals Limited and the entities it controlled from time to time during the year ('group' or 'consolidated entity'). The financial statements are presented in the Australian currency.

Blackstone Minerals Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Blackstone Minerals Limited  
Suite 3, Level 3, 24 Outram Street  
West Perth WA 6005

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities on pages 6 to 20 in the Directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 September 2021. The Company has the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: [www.blackstoneminerals.com.au](http://www.blackstoneminerals.com.au).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



For the Year Ended 30 June 2021	Notes	Consolidated	
		30 June 2021 \$	30 June 2020 \$
Revenue from continuing operations	3(a)	77,247	46,333
Other income	3(b)	744,202	539,699
Administrative costs		(2,905,051)	(1,338,551)
Consultancy expenses		(1,139,531)	(700,464)
Employee benefits expense	4(a)	(1,246,116)	(677,666)
Share based payment expenses	26	(2,570,248)	(1,752,605)
Occupancy expenses	4(b)	(63,515)	(46,104)
Compliance and regulatory expenses		(187,400)	(103,068)
Insurance expenses		(49,684)	(36,990)
Exploration expenditure	10	(8,934,772)	(2,635,304)
Depreciation expense	4(c),9	(725,197)	(100,908)
Depreciation on rights of use assets	4(c),11	(121,300)	(126,468)
Interest expense on lease liabilities	4(d) 11	(17,626)	(23,810)
Finance and Interest Costs	4(d)	(82,575)	(8,990)
Write-off/Impairment of Exploration and Evaluation Assets	10	(1,600,000)	(2,727,010)
Gain from bargain purchase	28	-	1,722,326
<b>(Loss) before income tax</b>		<b>(18,821,566)</b>	<b>(7,969,580)</b>
Income tax (expense)/benefit	6	112,440	-
<b>(Loss) for the year</b>		<b>(18,709,126)</b>	<b>(7,969,580)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Effect of changes in foreign exchange rates on translation of foreign operations		353,430	(389,748)
<i>Total - Items that may be reclassified to profit or loss</i>		353,430	(389,748)
<i>Items that will not be classified to profit or loss</i>		-	-
<b>Total comprehensive (loss)</b>		<b>(18,355,696)</b>	<b>(8,359,328)</b>
<b>Loss for the year attributable to:</b>			
Non-controlling interests		(4,250,023)	(75,274)
Owners of Blackstone Minerals Limited		(14,459,103)	(7,894,306)
		<b>(18,709,126)</b>	<b>(7,969,580)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Non-controlling interest		(4,217,068)	(111,585)
Owners of Blackstone Minerals Limited		(14,138,628)	(8,247,743)
		<b>(18,355,696)</b>	<b>(8,359,328)</b>
<b>Earnings per share for loss attributable to the owners</b>			
Basic and Diluted (loss) per share (cents per share)	20	(4.7)	(4.1)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021	Notes	2021 \$	Consolidated 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	21,800,914	6,786,541
Trade and other receivables	8	1,050,318	2,226,050
<b>Total Current Assets</b>		<b>22,851,232</b>	<b>9,012,591</b>
<b>Non-Current Assets</b>			
Other financial assets	8	575,169	114,840
Property, plant and equipment	9	11,096,604	11,512,910
Exploration and evaluation expenditure	10	5,800,000	7,931,498
Right-of-Use assets	11	278,640	386,179
<b>Total Non-Current Assets</b>		<b>17,750,413</b>	<b>19,945,427</b>
<b>Total Assets</b>		<b>40,601,645</b>	<b>28,958,018</b>
<b>Current Liabilities</b>			
Trade and other payables	12	4,381,517	6,823,462
Provisions	13	390,195	901,713
Lease liabilities	14	158,245	136,722
<b>Total Current Liabilities</b>		<b>4,929,957</b>	<b>7,861,897</b>
<b>Non-Current Liabilities</b>			
Provisions	13	425,378	465,980
Lease liabilities	14	138,025	258,804
Deferred tax liabilities	6	2,225,478	2,337,918
		<b>2,788,881</b>	<b>3,062,702</b>
<b>Total Liabilities</b>		<b>7,718,838</b>	<b>10,924,599</b>
<b>Net Assets</b>		<b>32,882,807</b>	<b>18,033,419</b>
<b>Equity</b>			
Issued capital	15	61,360,348	38,171,741
Reserves	17	4,244,702	1,353,979
Accumulated losses		(35,839,819)	(21,380,716)
Equity attributable to the owners		<b>29,765,231</b>	<b>18,145,004</b>
Non-controlling interest	18	3,117,576	(111,585)
<b>Total Equity</b>		<b>32,882,807</b>	<b>18,033,419</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<b>For the Year Ended 30 June 2021</b>	Contributed Equity \$	Accumulated Losses \$	Foreign Currency Reserve \$	Option Reserve \$	Attributable to Parent Entity \$	Non-controlling interest \$	Total \$
Balance at 1 July 2019	23,377,083	(13,486,410)	42,286	571,401	10,504,360	-	10,504,360
Total comprehensive income for the year:							
Loss for the year	-	(7,894,306)	-	-	(7,894,306)	(75,274)	(7,969,580)
Foreign Exchange Differences	-	-	(353,437)	-	(353,437)	(36,311)	(389,748)
	-	(7,894,306)	(353,437)	-	(8,247,743)	(111,585)	(8,359,328)
Transactions with owners in their capacity as owners:							
Contributions of equity (net of transaction costs)	14,023,028	-	-	-	14,023,028	-	14,023,028
Equity settled share based payment transactions	-	-	-	1,865,359	1,865,359	-	1,865,359
Conversion of share based payments	771,630	-	-	(771,630)	-	-	-
<b>Balance at 30 June 2020</b>	<b>38,171,741</b>	<b>(21,380,716)</b>	<b>(311,151)</b>	<b>1,665,130</b>	<b>18,145,004</b>	<b>(111,585)</b>	<b>18,033,419</b>
Balance at 1 July 2020	38,171,741	(21,380,716)	(311,151)	1,665,130	18,145,004	(111,585)	18,033,419
Total comprehensive income for the year:							
Loss for the year	-	(14,459,103)	-	-	(14,459,103)	(4,250,023)	(18,709,126)
Foreign Exchange Differences	-	-	320,475	-	320,475	32,955	353,430
	-	(14,459,103)	320,475	-	(14,138,628)	(4,217,068)	(18,355,696)
Transactions with owners in their capacity as owners:							
Contributions of equity (net of transaction costs)	23,188,607	-	-	-	23,188,607	-	23,188,607
Equity settled share based payment transactions	-	-	-	2,570,248	2,570,248	-	2,570,248
Issue of Shares to NCI in Subsidiary	-	-	-	-	-	7,446,229	7,446,229
<b>Balance at 30 June 2021</b>	<b>61,360,348</b>	<b>(35,839,819)</b>	<b>9,324</b>	<b>4,235,378</b>	<b>29,765,231</b>	<b>3,117,576</b>	<b>32,882,807</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021	Notes	Consolidated	
		30 June 2021 \$	30 June 2020 \$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(3,673,293)	(2,502,024)
Interest received		77,515	46,852
Cashflow Boost		50,000	-
Other income		634,061	441,744
Payments for exploration and evaluation		(12,086,339)	(4,473,601)
<b>Net cash (outflow) from operating activities</b>	21	<b>(14,998,056)</b>	<b>(6,487,029)</b>
<b>Cash Flows from Investing Activities</b>			
Cash acquired on acquisition of subsidiary	28	-	183,627
Purchase of property, plant and equipment		(312,260)	(353,372)
Security deposits paid		-	-
<b>Net cash (outflow) from investing activities</b>		<b>(312,260)</b>	<b>(169,745)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and other equity securities		23,119,128	13,809,630
Proceeds from issue of initial public offer shares by Codrus Minerals Limited		8,000,000	-
Proceeds from exercise of options		1,011,275	-
Share issue transaction costs		(1,652,541)	(673,847)
Payments for lease liabilities		(130,544)	-
<b>Net cash inflow from financing activities</b>		<b>30,347,318</b>	<b>13,135,783</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>15,037,002</b>	<b>6,479,009</b>
Cash and cash equivalents at the start of the year		6,786,541	307,532
Effect of exchange rate		(22,629)	-
<b>Cash and cash equivalents at the end of the year</b>	7	<b>21,800,914</b>	<b>6,786,541</b>

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

### Non-cash Financing and Investing Activities

During the 30 June 2021 financial year, there were no non-cash financing and investing activities. During 30 June 2020 financial year, 8,600,000 ordinary shares at \$0.1163 per share were issued to Ta Khoa Nickel Limited on acquisition of AMR Nickel Limited.



## 1. Summary of Significant Accounting Policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to the financial year presented, unless otherwise stated. The financial statements cover Blackstone Minerals Limited as a Group consisting of Blackstone Minerals Limited and its subsidiaries ('group' or Group').

### (a) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001.

#### (i) Compliance with IFRS

The consolidated financial statements of Blackstone Minerals Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets.

#### (iii) Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

At 30 June 2021, the Group comprising the Company and its subsidiaries has incurred a loss for the year attributable to the owners of Blackstone amounting to \$14,459,103 (2020: \$7,894,306). The Group has a net working capital surplus of \$17,921,275 (2020: \$1,150,694) and cash and cash equivalents of \$21,800,914 (2020: \$6,786,541).

### (b) Principles of Consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the Group as at 30 June 2021 and the results of the parent and all subsidiaries for the year then ended.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss, statement of changes in equity and balance sheet respectively.

A list of controlled entities is contained in Note 29 to the financial statements. All controlled entities have a 30 June financial year-end.

#### (ii) Joint operations

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Blackstone Minerals Limited has joint operations.

Blackstone Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 1. Summary of Significant Accounting Policies (continued)

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

#### (d) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Blackstone Minerals Limited's and its subsidiaries functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

##### (iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Contributed equity, accumulated losses and retained earnings are translated at historical rates.
- Income and expenses for the statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

#### (e) Revenue recognition

Revenue is recognised where performance obligations are satisfied being when control upon good or services underlying the performance obligations is transferred to the customer.

##### (i) Interest income

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

##### (ii) Other income

Revenue from other income, rendering goods and services is measured at the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities when control of the asset is transferred to the customer or services rendered.

##### (iii) Grant income

Grant income received from Governments is recognised on a cash basis upon receipt. This include grants received from the ATO from the Cashflow Boost during 2020.

1. **Summary of Significant Accounting Policies (continued)**

(f) **Income tax**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) **Leases**

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) **Impairment of assets**

At each reporting date, the group assesses whether there is any indication that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date or more frequently if events or changes in circumstances indicate that they might be impaired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 1. Summary of Significant Accounting Policies (continued)

#### (i) Cash and cash equivalents

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other shortterm, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### (j) Trade and other receivables

Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### (k) Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs. Acquired Mineral Rights comprise exploration and evaluation assets which are acquired as part of asset acquisitions recognised at cost. These costs are assessed for recoverability in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.

#### (l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on assets is calculated using the diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment - production	5.0%
Plant and equipment - office	40.0%
Furniture and equipment - office	20.0%
Plant and equipment - field	40.0%
Motor vehicles	40.0%
Leasehold improvements	25.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

#### (m) Financial Instruments

##### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.



1. **Summary of Significant Accounting Policies (continued)**

(m) **Financial Instruments (continued)**

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and subsequent measurement**

**Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

**Financial assets at amortised cost**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

**Financial assets at fair value through other comprehensive income (Equity instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 1. Summary of Significant Accounting Policies (continued)

#### (m) Financial Instruments (continued)

##### Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

##### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

##### Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### (n) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (o) Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (p) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including nonmonetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as other payables.

1. **Summary of Significant Accounting Policies (continued)**

(p) **Employee benefits (continued)**

(ii) **Other long-term employee benefit obligations**

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) **Share-based payments**

The company provides benefits to employees (including directors) of the group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an Employee Incentive Scheme (IOS), which provides benefits to directors and senior executives. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Blackstone Minerals Limited ('market conditions'). The number of shares expected to vest is estimated based on the non-market vesting conditions and the probability the option will be exercised.

(q) **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) **Earnings per share**

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 1. Summary of Significant Accounting Policies (continued)

#### (s) Goods and services tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

#### (t) Business combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.



1. **Summary of Significant Accounting Policies (continued)**

(u) **New accounting standards and interpretations adopted by the Group**

**Changes in Accounting Policies**

The Group (or the Company) has considered the implications of all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these standards do not have material effect on the amount disclosed in the financial statements for the current period, and are not expected to significantly impact future periods.

**Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards - Definition of a Business**

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

**Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards - Definition of Material**

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

**Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards - Interest Rate Benchmark**

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

**Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards - References to the Conceptual Framework**

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) Capitalisation of acquisition costs on exploration projects

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The decision as to whether costs are recoverable or to be impaired are based on management's judgement.

#### (ii) Deferred Tax Assets

Deferred tax assets for unrealised losses have not been recognised on the Statement of Financial Position as the Company has considered it not probable at balance sheet date there to be future taxable profits.

#### (ii) Deferred Tax Liabilities

Deferred tax liabilities recognised on a business combination based on the fair value of assets and liabilities acquired. The deferred tax liabilities have been recognised to the extent that future taxable profit will be higher than future accounting profit as a result of the recognition and fair value of assets acquired through a business combination.

#### (iii) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include

the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

#### (iv) Rehabilitation

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

#### (v) Determination and measurement method of non-controlling interest (NCI)

On initial recognition of NCI in a business combination where the group acquires less than 100% of the issued capital, the Board have to choose where to apply the fair value method or the proportionate interest method. For the acquisition of AMRN Nickel Limited the Board have chosen the fair value method.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



		Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>3.</b>	<b>Revenue</b>		
(a)	Revenue from continuing operations		
	Interest received	77,247	46,333
	Total revenue from continuing operations	77,247	46,333
(b)	Other Income		
	Rent Income	54,147	97,996
	Exploration Tax Incentive Refund - Canada	-	391,703
	ATO Cashflow Boost	50,000	50,000
	R&D Rebate	634,061	-
	Other income	5,994	-
	Total Other Income	744,202	539,699
<b>4.</b>	<b>Expenses</b>		
	Profit before income tax includes the following specific expenses:		
(a)	Employee benefits expense		
	Salary and wages expense	867,763	494,382
	Defined contribution superannuation expense	122,488	89,611
	Other employee costs	255,865	93,673
	Total employee benefits expense	1,246,116	677,666
(b)	Occupancy expense		
	Operating lease expense	-	-
	Other occupancy costs	63,515	46,104
	Total occupancy expense	63,515	46,104
(c)	Depreciation of non-current assets		
	Right-of-use assets	121,300	126,468
	Plant and equipment - office	158,567	93,718
	Plant and equipment - Plant	562,199	-
	Leasehold Improvements	4,431	7,190
	Total depreciation of non-current assets	846,497	227,376
(d)	Finance costs in respect of finance leases		
	Other bank and finance charges	82,575	8,990
	Interest expense on lease liabilities	17,626	23,810
	Total finance costs in respect of finance leases	100,201	32,800
<b>5.</b>	<b>Auditor's Remuneration</b>		
	Payable to the auditor of the group - Stantons		
	Auditing or reviewing the financial statements - Stantons	75,386	57,820
	Auditing or reviewing the financial statements - other group auditors	12,500	-
	Other non-assurance services	10,700	850
	Total auditor remuneration	98,586	58,670

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

		Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>6.</b>	<b>Income Tax (Expense)/Benefit</b>		
(a)	Income tax expense		
	Current tax	-	-
	Deferred tax	112,440	-
	Total income tax (expense)/benefit	112,440	-
	Deferred income tax expense included in income tax expense comprises:		
	(Increase) in deferred tax assets (Note 6(c))	-	-
	Decrease in deferred tax liabilities (Note 6(d))	112,440	-
		112,440	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable		
	Loss from continuing operations before income tax expense	(18,821,566)	(7,969,580)
	Tax (tax benefit) at the tax rate of 26% (2020: 27.5%)	(4,893,607)	(2,191,635)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Share based payments	668,264	481,966
	Other non-deductible amounts	1,958,810	1,291,334
	Prior year adjustments	169,610	134,538
	Non-assessable income	(176,816)	(595,108)
	Unrecognised tax losses	2,273,739	878,905
	Income tax expense	-	-
(c)	Deferred tax assets		
	Tax losses	-	-
	Employee benefits	-	-
	Other accruals	-	-
	Total deferred tax assets	-	-
	Set-off deferred tax liabilities (Note 6(d))	-	-
	Net deferred tax assets	-	-
(d)	Deferred tax liabilities		
	Fair Value of Assets recognised on Business Combination	2,337,918	2,337,918
	Reversal of DTL due to depreciation of related asset	(112,440)	-
	Total deferred tax liabilities	2,225,478	2,337,918
	Set-off deferred tax assets (Note 6(c))	-	-
	Net deferred tax liabilities	2,225,478	2,337,918
(e)	Tax losses		
	Unused tax losses for which no DTA has been recognized	16,600,887	7,855,742
	Potential tax benefit at 25% (2020: 26%)	4,150,222	2,042,493
(f)	Unrecognised temporary differences		
	Unrecognised deferred tax asset relating to capital raising costs	1,327,820	822,912
	Potential tax benefit at 25% (2020: 26%)	331,955	213,957



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



		Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>7.</b>	<b>Cash &amp; Cash Equivalents</b>		
(a)	Cash & cash equivalents		
	Cash at bank and in hand	14,360,135	6,786,541
	Cash at bank and in hand - Codrus Minerals Limited	7,440,779	-
	Deposits at call	-	-
	Total cash and cash equivalents	21,800,914	6,786,541
(b)	Cash at bank and on hand		
	Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.00% and 0.41% (2020: 0.00% and 0.45%)		
(c)	Deposits at call		
	Deposits at call are bearing interest rates of nil. (2020: Nil)		
<b>8.</b>	<b>Trade and Other Receivables &amp; Other Financial Assets</b>		
	<b>Current - Other Financial Assets</b>		
	Other receivables	1,049,010	388,875
	Tax and other receivables from foreign authorities	1,308	1,837,175
		1,050,318	2,226,050
	<b>Non-Current - Other Financial Assets</b>		
	Deposits <sup>1</sup>	114,964	114,840
	Transfer from Exploration and Evaluation <sup>2</sup> (Note 10 (a))	460,205	-
	Total trade and other receivables	575,169	114,840

<sup>1</sup> Deposits include cash of \$114,964 (2020: \$114,840) as security deposits of which \$84,964 is required as security by the relevant authority for the granted exploration and mining licences and \$30,000 held as security against a credit card facility.

<sup>2</sup> Transfer of mine closure and rehabilitation provision in Vietnam from exploration to trade and other receivables of \$460,205

Past due and impaired receivables

As at 30 June 2021, there were no other receivables that were past due or impaired. (2020: Nil)

Effective interest rates and credit risk

Information concerning effective interest rates and credit risk of both current and non-current trade and other receivables is set out in Note 19.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

Consolidated	Plant & Equipment \$	Leasehold Improvements \$	Mining Property \$	Total \$
<b>9. Property, Plant &amp; Equipment</b>				
30 June 2020				
Opening net book amount	12,742	3,730	-	16,472
Additions	343,267	10,105	-	353,372
Additions through business combination (Note 28) <sup>1</sup>	-	-	11,243,974	11,243,974
Depreciation charge	(93,718)	(7,190)	-	(100,908)
Closing net book amount	262,291	6,645	11,243,974	11,512,910
At 30 June 2020				
Cost or fair value	369,968	37,720	11,243,974	11,651,662
Accumulated depreciation	(107,677)	(31,075)	-	(138,752)
Net book amount	262,291	6,645	11,243,974	11,512,910
30 June 2021				
Opening net book amount	262,291	6,645	11,243,974	11,512,910
Additions	242,516	-	69,744	312,260
Depreciation charge	(158,567)	(4,431)	(562,199)	(725,197)
Disposal	(3,513)	-	-	(3,513)
Reversal of depreciation on disposal	144	-	-	144
Closing net book amount	342,871	2,214	10,751,519	11,096,604
At 30 June 2021				
Cost or fair value	608,971	37,720	11,313,718	11,960,409
Accumulated depreciation	(266,100)	(35,506)	(562,199)	(863,805)
Net book amount	342,871	2,214	10,751,519	11,096,604

<sup>1</sup>Note assets acquired through Business Combinations have been impacted by Foreign Currency translations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



		Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>10.</b>	<b>Exploration &amp; Evaluation Expenditure</b>		
(a)	Non-current		
	Opening balance	7,931,498	10,204,152
	Acquisition/(write off) of assets	-	471,147
	Impairment of Exploration and Evaluation Assets	-	(2,727,010)
	Transferred to Other Financial Assets (Note 8)	(460,205)	-
	Exploration and acquisition expenditure at cost	8,934,772	2,618,513
	Exploration assets expensed to profit and loss	(8,934,772)	-
	Write-off Exploration Acquisition Asset	(1,600,000)	(2,635,304)
	Effect of Exchange Rates	(71,293)	-
	Total non-current exploration and evaluation expenditure	5,800,000	7,931,498

- (b) The value of the group's interest in exploration expenditure is dependent upon:
- the continuance of the group's rights to tenure of the areas of interest;
  - the results of future exploration; and
  - the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people for Australian Assets and First Nations People for its Canadian Assets. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

**Acquisition of Exploration Assets - 30 June 2021**

There were no acquisition of exploration assets during the 30 June 2021 financial year.

**Acquisition of Exploration Assets - 30 June 2020**

The assets capitalised to exploration assets represents the Mine Rehabilitation Asset recognised on acquisition of AMR Nickel Limited. For further details refer to Note 28 Business Combination.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<b>11. Right-Of-Use Assets</b>		
<b>Right of Use Assets - At Cost</b>		
At 1 July 2020		
Opening Balance	512,647	-
On initial recognition	-	483,730
Additions through business combination (Note 28)	-	28,917
Other Additions	15,756	-
Effect of exchange rates	(1,995)	-
At 30 June 2021	526,408	512,647
At 1 July 2020		
Opening Balance	(126,468)	-
Depreciation for the year	(121,300)	(126,468)
At 30 June 2021	(247,768)	(126,468)
<b>Net carrying amount</b>	278,640	386,179
<b>Amounts recognised in profit and loss</b>		
Other income - Recharges	54,147	97,996
Depreciation expense on right of use assets	(121,300)	(126,468)
Interest expense on lease liabilities	(17,626)	(23,810)
Low value asset leases expenses	(3,074)	(3,042)
Payments of lease liabilities	130,544	135,819

The Group has a lease over the premises at Level 3, 24 Outram Street, West Perth with an average estimated life of 2.0 years remaining. The Group holds the lease and recharges other occupants of the premises recognised as other income.

The discount rate used in calculating the present value of the Right of Use Assets is 5.5% per annum, representing the cost of borrowings.

The maturity analysis of the lease liabilities is shown in Note 14.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



	Consolidated	
	30 June 2021	30 June 2020
	\$	\$

**12. Trade & Other Payables**

Current		
Trade Payables	1,242,425	1,509,092
Other Payables	723,184	270,610
Taxes Payables to foreign authorities <sup>1</sup>	2,415,908	5,043,760
Total current trade & other payables	4,381,517	6,823,462

<sup>1</sup>The tax payable to foreign authorities are past due and payable to and are past due. These payables represent historical tax liabilities associated with previous mining activities.

**13. Provisions**

Current		
Employee entitlements	164,716	89,406
Other provisions	225,479	812,307
Total current provisions	390,195	901,713
Non Current		
Mine Rehabilitation <sup>2</sup>	425,378	465,980
Total non current provisions	425,378	465,980

<sup>2</sup>The rehabilitation provision represents the present value of rehabilitation costs relating to the Ban Phuc mine site, which is expected to be incurred when mining operations cease. These provisions were acquired as part of the business combination (refer to Note 28). Assumptions based on the current economic environment were made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates shall reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when mining operations cease and the extent of further environmental responsibilities in restoring the site under Vietnamese regulations.

**14. Lease Liabilities**

Year 1	158,245	136,722
Year 2	153,233	134,809
Year 3	-	149,391
At 30 June 2021	311,478	420,922
Less: Accrued interest	(15,208)	(25,396)
Total liabilities	296,270	395,526

The lease liabilities split between current and non-current are as follows:

Current	158,245	136,722
Non-current	138,025	258,804
Total lease liabilities	296,270	395,526

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

	Consolidated		Consolidated	
	2021 Shares	2021 \$	2020 Shares	2020 \$
<b>15. Contributed Equity</b>				
(a) Issued and unissued share capital				
Ordinary shares - fully paid	331,832,190	61,360,348	251,768,816	38,171,741
<b>Total issued and unissued share capital</b>	<b>331,832,190</b>	<b>61,360,348</b>	<b>251,768,816</b>	<b>38,171,741</b>

(b) Ordinary Shares  
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

(c) Options  
Information relating to options including details of options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in Note 16.

	Date	Number of Shares	Issue Price \$	Total \$
(d) Movements in issued capital				
<b>Opening Balance 1 July 2019</b>		<b>122,204,766</b>		<b>23,377,083</b>
Fund received in prior year				(33,750)
Exercise of options	5 July 2019	750,000	0.001	750
Issue of shares - Tranche 2	5 July 2019	30,000,000	0.05	1,500,000
Issue of shares - Collateral	16 Aug 2019	8,000,000	0.10	800,000
Issue of shares	27 Sept 2019	30,000,035	0.15	4,500,005
Share Purchase Plan	11 Oct 2019	776,666	0.15	116,500
Conversion of options	21 Feb 2020	725,000	0.001	725
Issue of shares	21 Apr 2020	38,100,000	0.17	6,477,000
Issue of shares	5 June 2020	1,900,000	0.17	323,000
Issue of shares	5 June 2020	8,600,000	0.116	1,000,000
Conversion of Performance Options	5 June 2020	2,000,000	0.001	2,000
Issue of shares	12 June 2020	712,349	0.089	63,400
Issue of shares	12 June 2020	8,000,000	0.108	860,000
Reversal of Controlled Placement Agreement with Acuity	30 June 2020	-	-	(800,000)
Transfer from reserve to share capital		-	-	771,630
Less: Transaction costs				(786,602)
<b>Closing Balance at 30 June 2020</b>		<b>251,768,816</b>		<b>38,171,741</b>
<b>Opening Balance 1 July 2020</b>		<b>251,768,816</b>		<b>38,171,741</b>
Conversion of Directors Performance Options	24 July 2020	1,750,000	0.001	1,750
Issue of share - Acuity	21 Aug 2020	8,000,000	0.2875	2,300,000
Conversion of Performance Options	28 Aug 2020	6,175,000	0.001	6,178
Issue of share - Consultants	28 Aug 2020	419,162	0.334	140,000
Issue of shares - Placement	17 Sep 2020	42,426,356	0.420	17,819,070
Issue of shares - Share Purchase Plan	12 Oct 2020	7,142,856	0.420	3,000,055
Conversion of Employee Performance Options	16 Oct 2020	2,650,000	0.001	2,650
Conversion of Unquoted Performance Options	24 Dec 2020	1,500,000	0.001	1,500
Conversion of Advisor Options	5 Mar 2021	5,000,000	0.100	500,000
Conversion of Advisor Options	9 Apr 2021	5,000,000	0.100	500,000
Less: Transaction costs				(1,082,596)
<b>Closing Balance at 30 June 2021</b>		<b>331,832,190</b>		<b>61,360,348</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



Expiry date	Exercise price	Balance at start of year	Granted during the year	Issued/ (Exercised) during the year	Forfeited/ lapsed during the year	Balance at end of the year
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**16. Issued Share Options and Performance Shares**

2021 unlisted share option details

20 Aug 2025	0.1 cents	-	5,900,000	(750,000)	(1,000,000)	4,150,000
20 Feb 2025	0.1 cents	3,400,000	200,000	(1,400,000)	(200,000)	2,000,000
30 Sep 2024	0.1 cents	9,000,000	-	(6,500,000)	-	2,500,000
26 Mar 2023	0.1 cents	975,000	-	(925,000)	(50,000)	-
12 Jun 2022	0.1 cents	1,750,000	-	(1,750,000)	-	-
12 Jun 2022	20 cents	1,000,000	-	-	-	1,000,000
11 Dec 2021	0.6 cents	-	4,000,000	-	-	4,000,000
17 May 2021	10 cents	10,000,000	-	(10,000,000)	-	-
6 Nov 2020	0.1 cents	750,000	-	(750,000)	-	-
		26,875,000	10,100,000	(22,075,000)	(1,250,000)	13,650,000

2020 unlisted share option details

20 Feb 2025	0.1 cents	-	3,400,000	-	-	3,400,000
30 Sep 2024	0.1 cents	-	11,000,000	(2,000,000)	-	9,000,000
26 Mar 2023	0.1 cents	1,700,000	-	(725,000)	-	975,000
12 Jun 2022	0.1 cents	-	1,750,000	-	-	1,750,000
12 Jun 2022	20 cents	-	1,000,000	-	-	1,000,000
17 May 2021	10 cents	-	10,000,000	-	-	10,000,000
6 Nov 2020	0.1 cents	1,500,000	-	(750,000)	-	750,000
12 Jan 2020	20 cents	2,000,000	-	-	(2,000,000)	-
		5,200,000	27,150,000	(3,475,000)	(2,000,000)	26,875,000

2021

Consolidated

2020

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

		Consolidated	
		30 June 2021	30 June 2020
		\$	\$
<b>17.</b>	<b>Reserves</b>		
(a)	Unlisted option reserve		
	Opening balance	1,665,130	571,401
	Share based payments expense - Profit and Loss	2,570,248	1,752,605
	Share based payments expense - Capital raising costs	-	112,754
	Exercise of options	-	(771,630)
	Total unlisted option reserve	4,235,378	1,665,130
	The unlisted option reserve records items recognised on valuation of director, employee and contractor share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 16.		
(b)	Total Option Premium Reserve		
	Unlisted Option Reserve	4,235,378	1,665,130
	Performance Shares Reserve	-	-
	Closing Balance	4,235,378	1,665,130
(c)	Foreign Currency Translation Reserve		
	Opening balance	(311,151)	42,286
	Exchange differences arising on translation of foreign operations attributable to parent entity.	320,475	(353,437)
	Closing Balance	9,324	(311,151)
(d)	Total reserves		
	Option Premium Reserve	4,235,378	1,665,130
	Foreign Currency Translation Reserve	9,324	(311,151)
	Closing Balance	4,244,702	1,353,979
<b>18.</b>	<b>Non-Controlling Interest</b>		Consolidated
	Opening Balance	(111,585)	-
	Loss for the year attributable to non-controlling interest	(4,250,023)	(75,274)
	Funds raised through capital raising in listed subsidiary	7,446,229	-
	Share of foreign currency translation loss on translation of foreign operations	32,955	(36,311)
	Total Non-Controlling Interest	3,117,576	(111,585)



**19. Financial Instruments, Risk Management Objectives and Policies**

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Group also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) **Interest Rate Risk**

The group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest \$	Non-interest bearing \$	Total \$
<b>2020</b>					
Financial Assets					
Cash and cash equivalents	0.45%	105,775	-	6,680,766	6,786,541
Trade & other receivables - current	0.00%	-	-	2,226,050	2,226,050
Other financial assets - non-current	2.51%	-	114,840	-	114,840
		105,775	114,840	8,906,816	9,127,431
Financial Liabilities					
Trade & other payables - current	0.00%	-	-	6,823,462	6,823,462
Lease Liabilities	5.50%	-	395,526	-	395,526
		-	395,526	6,823,462	7,218,988
<b>2021</b>					
Financial Assets					
Cash and cash equivalents	0.41%	12,537,416	-	9,263,498	21,800,914
Trade & other receivables - current	0.00%	-	-	976,090	976,090
Other financial assets - non-current	0.22%	-	114,964	-	114,964
		12,537,416	114,964	10,239,588	22,891,968
Financial Liabilities					
Trade & other payables - current	0.00%	-	-	4,381,517	4,381,517
Lease liabilities	5.5%	-	296,270	-	296,270
		-	296,270	4,381,517	4,677,787

The maturity date for all cash, current receivables and trade and other payable financial instruments included in the above tables is one year or less from balance date other than \$138,025 (2020: \$258,804) of lease liabilities which are payable over a period greater than one year. The maturity for the non-current trade and other receivables is between 1 and 2 years from balance date.

(b) **Group sensitivity analysis**

The entity's main interest rate risk arises from cash and cash equivalents with variable and fixed interest rates. At 30 June 2021, the group had \$21,800,914 of cash and cash equivalents and any exposure to changes in interest rate risk is unlikely considered to be material.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

**19. Financial Instruments, Risk Management Objectives and Policies (continued)**

(c) **Liquidity risk**

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

(d) **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

(e) **Foreign currency risk**

The Group is exposed to currency risk arising from exchange rate fluctuations on purchases that are denominated in currency other than the respective functional currencies of the Group entities, primarily the Australian Dollar (AUD), United States Dollar (USD) and the Canadian (CAD). The currencies in which these transactions are primarily denominated in are AUD, USD and CAD.

The Group's investments in its Vietnam and Canadian subsidiaries are denominated in AUD and are not hedged as those currency positions are considered long term in nature. The Group does not have a hedging policy in place.

At 30 June 2021, the group had the following financial assets and financial liabilities domiciled in both Canadian and USD as follows:

	Canada - CAD	Vietnam - USD
Currency	AUD Equivalent	AUD Equivalent
Financial Assets	63,421	1,270,856
Financial Liabilities	50,187	2,960,570
Net Financial Assets/(liabilities)	13,234	(1,689,714)
Impacts plus/minus 5% change in Foreign Currency on Profit or loss	\$662 AUD	\$84,486
Impacts plus/minus 10% change in Foreign Currency on Profit or loss	\$1,323 AUD	\$168,971

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19. Financial Instruments, Risk Management Objectives and Policies (continued)

(f) Net fair value

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2020 Carrying Amount \$	Net fair Value \$
Financial assets		
Cash and cash equivalents	6,786,541	6,786,541
Trade & other receivables - current	2,226,050	2,226,050
Other financial assets - non-current	114,840	114,840
	9,127,431	9,127,431
Financial Liabilities		
Trade and other payables - current	6,823,462	6,823,462
Lease Liabilities - current	136,722	136,722
Lease Liabilities - non-current	258,804	258,804
	7,218,988	7,218,988

	2021 Carrying Amount \$	Net fair Value \$
Financial assets		
Cash and cash equivalents	21,800,914	21,800,914
Trade & other receivables - current	976,090	976,090
Other financial assets - non-current	114,964	114,964
	22,891,968	22,891,968
Financial Liabilities		
Trade and other payables - current	4,381,517	4,381,517
Lease Liabilities - current	158,245	158,245
Lease Liabilities - non current	138,025	138,025
	4,677,787	4,677,787

	Consolidated	
	30 June 2021 \$	30 June 2020 \$

20. Earnings per Share

(a)	Loss		
	Loss used in the calculation of basic EPS	(14,459,103)	(7,894,306)
(b)	Weighted average number of ordinary shares ('WANOS')		
	WANOS used in the calculation of basic earnings per share:	308,845,672	191,787,218
(c)	Loss per share (in cents)	(4.7)	(4.1)
(d)	Diluted loss per share is considered to be the same as the basic loss per share, as the potential ordinary shares on issue are anti-dilutive and have not been applied in calculating dilutive loss per share.		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$

**21. Cash Flow Information**

(a) Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:		
(Loss) from ordinary activities after income tax	(18,709,126)	(7,969,580)
Depreciation	846,497	227,376
Interest on right of use asset	17,626	23,810
Write-off of exploration and evaluation assets	1,600,000	-
Share based payments	2,570,248	1,752,605
Impairment of exploration and evaluation assets	-	2,727,010
Non-cash exploration costs	140,000	-
Foreign currency differences	(41,222)	(102,483)
Gain on Bargain Purchase	-	(1,722,326)
Pre-acquisition loan write-downs- Vietnam	-	(2,737,165)
Changes in assets and liabilities:		
Decrease in operating receivables & prepayments	1,075,426	33,930
Increase /(Decrease) Increase in operating trade and other payables	(2,572,815)	1,279,794
Increase in employee provisions	75,310	-
Net cash (used in) Operating Activities	(14,998,056)	(6,487,029)

(b) Non-cash investing and financing

During the 30 June 2021 financial year, there were no non-cash financing and investing activities. During the 30 June 2020 financial year, the acquisition of Ta Khoa Nickel Limited was completed through for the issue of 8,600,000 ordinary shares at 11.63 cents for \$1,000,000.

**22. Commitments**

(a) Exploration commitments

Not longer than one year	852,454	829,911
Longer than one year, but not longer than five years	2,981,858	3,760,462
Longer than five years	-	-
	3,834,312	4,590,373

In order to maintain rights of tenure to mining tenements subject to these agreements, the group would have the above discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable per the above maturities. If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Lease commitments: group as lessee

The company, as either joint or sole tenant, has entered into a non-cancellable operating lease for the head office. The option was exercised to extend the lease from 10 July 2020 for a further 3 years as requested the company as lessee.

The Lease commitments have been accounted for as a right of use assets as at 30 June 2021 and the corresponding lease liability accounted for under AASB 16 Leases.



**22. Commitments (continued)**

**North America**

**Gold Bridge**

The Company has the following contingent liabilities and commitments as part of the consideration payable for the acquisition of the Gold Bridge Project (Little Gem Gold-Cobalt) Project, the Company will be required to pay the following royalties upon commencement of mining:

- i. in respect of the first 10,000 tonnes of ore mined from the Project, a 20% net profits interest and a 1% Net Smelter Return (NSR) royalty shall be payable to the current owner of the Little Gem Gold-Cobalt Project; and
- ii. an NSR royalty equal to 2.5% thereafter (over 10,000 tonnes) shall be payable to the current owner of the Little Gem Gold-Cobalt Project.

Under the Cartier Option Agreement acquired as part of Cobalt One Energy Corp acquisition is a Net Smelter Royalty of 2% and Net Smelter Returns Royalty on the Mineral Claims.

**Oregon, United States**

**Record Mine**

On 29th of January 2019, the company entered into an agreement to acquire tenements in Oregon, United States known as the Record Mine, for an option fee of US\$20,000 payable on agreement, with an option fee payable annually on 1 February each year for four years for US\$25,000 per year (included in exploration commitments per 22 (a)). After the fourth year the purchase price is contingent upon the option being exercised for a total payment of US\$1 million dollars. The holding of the record mine was transferred to Codrus Minerals Limited as part of the spin-out from Blackstone along with all commitments.

Owners shall retain Net Smelter Royalty (NSR) equal to 1.5% and shall be payable to the current owner of the Record mine in Oregon USA.

There are no further commitments or contingent liabilities.

**23. Events Occurring After Balance Date**

- On 26 July 2021, the Company announced that the downstream pre-feasibility study (PFS) confirmed technically and economically robust hydrometallurgical refining process to upgrade nickel sulfide concentrate to produce battery grade Nickel: Cobalt: Manganese (NCM) 811 Precursor for the Lithium-ion battery industry
- On 3 August 2021, the Company announced the Board approval of the first phase of pilot plant work and the Definitive Feasibility Study (DFS) for the Ta Khoa Refinery.
- On 26 August 2021, the Company Announced the appointment of leading independent advisors, Korea Development Bank (KDB) and BurnVair Corporate Finance (BurnVair), to arrange debt financing for the development of the Company's vertically integrated Ta Khoa Nickel-Copper-PGE- Project and Downstream Refinery Project (Ta Khoa Project). The collaboration with Blackstone is to assist to secure an attractive and flexible funding package for the development of the Ta Khoa Project.
- On 27 August 2021, the Company announced the conversion of 1,400,000 unlisted resulting in the issue of 1,400,000 ordinary shares with an issue price of \$0.001 per share.
- On 24 September 2021, the Company announced the issue of 8,000,000 ordinary shares under the Acuity Capital Controlled Placement Agreement with an issue price of \$0.4644 per share.

There are no further post balance date events.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 24. Segment Information

#### (a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The amounts provided to the board of directors with respect to total assets and profit or loss is measured in a manner consistent with that of the financial statements. Assets are allocated to a segment based on the operations of the segment and the physical location of the asset.

The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Australia, North America and the corporate/head office function.

#### (b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments is as follows:

	North America \$	Vietnam \$	Australia \$	Corporate \$	Total \$
<b>2021</b>					
Total segment revenue and other income	-	32,000	-	789,449	821,449
Interest revenue	-	25,072	-	52,175	77,247
Other income	-	6,928	-	737,274	744,202
Depreciation and amortisation expense	-	-	-	(846,497)	(846,497)
Total segment loss before income tax	(228,339)	(7,258,801)	(392,863)	(10,941,563)	(18,821,566)
Total segment assets	5,999,284	12,621,716	-	21,980,645	40,601,645
Total segment liabilities	(50,187)	(3,648,893)	-	(4,019,758)	(7,718,838)
<b>2020</b>					
Total segment revenue and other income	391,703	44,420	-	149,909	586,032
Interest revenue	-	44,420	-	1,913	46,333
Other income	391,703	-	-	147,996	539,699
Depreciation and amortisation expense	-	-	-	(227,376)	(227,376)
Total segment loss before income tax	(3,279,533)	(534,467)	(1,804,539)	(2,351,041)	(7,969,580)
Total segment assets	5,577,142	14,007,348	1,600,000	7,773,528	28,958,018
Total segment liabilities	(11,912)	(6,788,961)	(926,860)	(3,196,866)	(10,924,599)

#### (c) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

#### (d) Segment revenue

No inter-segment sales occurred during the current period. The entity is domiciled in Australia. No revenue was derived from external customers in countries other than the country of domicile. Revenues of \$52,175 (2020: \$1,913) were derived from one Australian financial institution during the year. These revenues are attributable to the corporate segment.

#### (e) Reconciliation of segment information

Total segment revenue, total segment profit/(loss) before income tax, total segment assets and total segment liabilities as presented in part (b) above, equal total entity revenue, total entity profit/(loss) before income tax, total entity assets and total entity liabilities respectively, as reported within the financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



**25. Related Party Transactions**

(a) **Parent entity**

The ultimate parent entity within the group is Blackstone Minerals Limited.

(b) **Subsidiaries**

Interests in subsidiaries are set out in Note 29.

(c) **Key management personnel compensations**

	Consolidated	
	30 June 2021 \$	30 June 2020 \$
Key Management Personnel Compensation		
Blackstone Minerals Limited		
Short-term employee benefits	855,923	582,688
Post-employment benefits	60,327	45,037
Share-based payments	171,123	1,249,007
	<u>1,087,373</u>	<u>1,876,732</u>
Remuneration received as Board Members of Codrus Minerals Limited		
Short-term employee benefits	15,746	-
Post-employment benefits	365	-
Share-based payments	356,064	-
	<u>372,175</u>	<u>-</u>
Total key management personnel compensation	<u>1,459,548</u>	<u>1,876,732</u>

(d) **Transactions with other related parties**

The following transactions occurred with related parties:

(i) Recharges to KMP related entities

Recharge of rent and shared office costs

Recharges to Venture Minerals Limited

Recharges to Alicanto Minerals Limited

Recharges to Bellevue Gold Limited

Recharges to African Gold Limited

Recharges to Codrus Minerals Limited

(ii) Purchases from KMP related entities

Rent of office building and shared office costs

Payments to Venture Minerals Limited

Payments to Onedin Enterprises

	Consolidated	
Recharges to Venture Minerals Limited	281,798	303,385
Recharges to Alicanto Minerals Limited	10,762	113,272
Recharges to Bellevue Gold Limited	-	127,273
Recharges to African Gold Limited	-	28,156
Recharges to Codrus Minerals Limited	160,359	-
Payments to Venture Minerals Limited	163,939	124,746
Payments to Onedin Enterprises	-	766

Details of remuneration disclosures are included in the Remuneration Report on pages 24 to 38.

(e) **Terms and conditions of related party transactions**

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

**26. Share Based Payments**

(a) **Fair value of listed options granted**

There are no listed options on issue.

(b) **Fair value of unlisted options granted to Employees**

During the year, the Company issued 5,300,000 options to employees with the following vesting conditions, of which 1,000,000 options were forfeited during the year:

Milestones	Description of milestones	Number issued	Grant Date	Exercise Price	Underlying Share Price on Grant Date	Total Fair Value	Share based payment recognised during the year
				\$	\$	\$	\$
Tranche 1	Vest on the employee or contractor continue to be employed by the Company for 18 months from the date of issue.	1,000,000	21 Aug 2020	0.001	0.43	429,026	245,046
		1,200,000**	11 Dec 2020	0.001	0.38	454,827	97,493
Tranche 2	Vest upon achieving a share price of 40c (or a suitable share price for new starters) for a period of 30 days	350,000	21 Aug 2020	0.001	0.43	150,159	150,159
Tranche 3	Vest upon a Decision to Mine following completion of a JORC compliant Definitive Feasibility Study	850,000	21 Aug 2020	0.001	0.43	364,672	-*
		1,000,000**	11 Dec 2020	0.001	0.38	379,023	-*
Tranche 4	Vest upon after a new Substantial Shareholder of 5% or more	400,000	21 Aug 2020	0.001	0.43	171,610	171,610
Tranche 5	Vest after 6 months of continued services	150,000	21 Aug 2020	0.001	0.43	64,354	64,354
Tranche 6	Vest after 12 months of continued services	150,000	21 Aug 2020	0.001	0.43	64,354	64,354
Tranche 7	Initiation of coverage for four (4) new sell side analysts for the Company	200,000	11 Dec 2020	0.001	0.38	75,805	-*
		<b>5,300,000</b>				<b>2,153,830</b>	<b>793,016</b>

\* As at reporting date, no value was expensed as the probability of achieving the milestone was assessed to be less than 50%.

\*\* Includes 500,000 options which were forfeited during the year



**26. Share Based Payments (continued)**

(b) **Fair value of unlisted options granted to Employees (continued)**

An additional 200,000 options were issued to an employee vesting 18 months after date of issue and shares trading at \$0.40 over 30-day period (1 month).

The fair value of the options was \$84,803.86, of which \$62,325 was recognised during the year. The fair value at grant date is determined using Black Scholes Model.

The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs.

- Weighted average exercise price of \$0.001;
- Weighted average life of the option (years) of 4.35;
- Weighted average underlying share price of \$0.43;
- Expected share price volatility of 85%;
- Weighted average risk-free interest rate between 0.40%.
- Fair value per option: \$0.4240

Volatility is calculated based on historical share price history of the company and used as the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is agreed upon by the Board to ensure long term goal congruence between Directors, Management and Shareholders.

An additional 600,000 options were issued to an employee, with 50% vesting 18 months from commencement of employment and 50% vesting after completion of a definitive feasibility Study and Downstream Pilot Plant.

The fair value of the options was \$212,880, of which \$23,460 was recognised during the year. The fair value at grant date is determined using Black Scholes Model.

The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs.

- Weighted average exercise price of \$0.001;
- Weighted average life of the option (years) of 4;
- Weighted average underlying share price of \$0.355;
- Expected share price volatility of 85%;
- Weighted average risk-free interest rate between 0.405%.
- Fair value per option: \$0.3548

Volatility is calculated based on historical share price history of the company and used as the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is agreed upon by the Board to ensure long term goal congruence between Directors, Management and Shareholders.

(c) **Fair value of unlisted options granted to Corporate Advisors**

During the period, the Company issued 4,000,000 unlisted options to Corporate Advisors with an exercise price of \$0.60 expiring 11 December 2021. The value of services received was \$290,379 for 12 months of corporate advisory services.

(d) **Fair value of unlisted options granted to Codrus Directors and Employees by Codrus Minerals Limited**

During the period, Blackstone's controlled related party, Codrus Minerals Limited, issued 6,000,000 options to its own Directors and Employees of the Company as part of the initial public offering, with an exercise price of \$0.30 expiring 23 June 2024. The fair value at grant date was \$534,095 was recognised during the year in Codrus, and has been consolidated into the Blackstone Group as at 30 June 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**

**26. Share Based Payments (continued)**

(e) **Fair value of performance rights granted to Codrus Employees by Codrus Minerals Limited**

During the period, Blackstone's controlled related party, Codrus Minerals Limited, issued 5,000,000 performance rights to an employee, consisting of three tranches. The value of the rights recognised during the year in Codrus was \$36,986, and has been consolidated into the Blackstone Group as at 30 June 2021.

(f) **Fair value of unlisted options granted to Codrus Corporate Advisors by Codrus Minerals Limited**

During the period, Blackstone's controlled related party, Codrus Minerals Limited, issued 6,000,000 unlisted options to its own Corporate Advisors as part of the initial public offering, with an exercise price of \$0.30 expiring 17 June 2023. The value of services received was \$412,020 for 12 months of corporate advisory services which has been recognised in Codrus, and has been consolidated into the Blackstone Group as at 30 June 2021

Total share-based payment transactions recognised during the year are set out below.

	30 June 2021 \$	30 June 2020 \$
<b>Share based payments expense</b>		
Options issued to Blackstone directors, employees and consultants <sup>1</sup>	1,296,768	1,476,689
Options/Rights issued to Codrus directors, employees and consultants	571,081	-
Options issued to Blackstone Corporate Advisors	290,379	275,916
Options issued to Codrus Corporate Advisors	412,020	-
<b>Total Share based payments expense</b>	<b>2,570,248</b>	<b>1,752,605</b>

A portion of the share based payments expenses for both 30 June 2021 and 30 June 2020, represent the expense related to the options issued in prior years that relate to current period of service for employees, directors and consultants.

<sup>1</sup> Expenses relating to Options issued during FY2021: \$878,801 ; Expenses relating to Options issued in prior period: \$417,967

**27. Contingent Liabilities**

There are no contingent liabilities outstanding at the end of the year.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2021**



**28. Business Combination**

On 15 April 2020, the Group has exercised the option to acquire a 90% interest in the Ta Khoa Nickel-PGE Project in northern Vietnam ("Term Sheet"). The Group had executed the binding option agreement to purchase AMR Nickel Limited's 90% interest in the project (Refer to ASX announcement dated 8 May 2019).

Under the Term Sheet, the Group is required to issued 8,600,000 shares to Ta Khoa Mining Limited, being shares to the value of \$1,000,000, based on a 30 day volume weighted average price of the shares upon exercise of the option, subject to shareholder approval on 2 June 2020. The shares were issued on 5 June 2020 at \$0.1163 (Refer to ASX announcement on 5 June 2020).

**Details of the acquisitions are as follows:** 30 June 2020 Fair Value

30 June 2020	Fair Value \$
<b>Current Assets</b>	
Cash and cash equivalents	183,627
Trade and other receivables	2,257,812
<b>Non Current Assets</b>	
Trade and other receivables	384,735
Plant and Equipment	12,000,000
Right-of-Use Assets	28,917
<b>Current Liabilities</b>	
Trade and other payables	(5,671,730)
Provisions	(868,073)
<b>Non Current Liabilities</b>	
Provisions	(488,962)
Lease Liabilities	(28,917)
Non Controlling Interest at fair value	-
Net assets acquired	7,797,409
Derecognition of pre-acquisition loan with Parent Entity	(2,737,165)
Deferred Tax Liability Recognised on Fair Value of Assets and Liabilities	(2,337,918)
Acquisition-date fair value of the total consideration transferred - Shares	(1,000,000)
Gain on bargain purchase	1,722,326
<b>Cash used to acquire business, net of cash acquired:</b>	
Acquisition-date fair value of the total consideration transferred	-
Less: Cash and cash equivalents	(183,627)
Net cash acquired on business combination	(183,627)

Expenses incurred since acquisition on 14 April to 30 June 2020 amounted to \$534,467.

**Loans receivable/payable to Non-Controlling Interest - right of set off**

As at acquisition date of 14 April 2020, loan receivable and payable to the 10% Joint Venture Partner in relation to the Ban Phuc Nickel Mines Limited of \$14,232,357 were effectively set off between the parties under a Participant Loan Agreement and Right of Set Off as follows:

AMR Nickel Limited (wholly owned subsidiary) receivable from JV Partner	\$14,232,357
JV Partner receivable from Ban Phuc Nickel Mines Limited (90% subsidiary)	(\$14,232,357)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

### 29. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of Shares	Equity Holding <sup>A</sup>	
			2021 %	2020 %
Codrus Minerals Limited (Black Eagle (WA) Pty Ltd) <sup>B</sup>	Australia	Ordinary	46	100
Blackstone Minerals (Canada) Pty Ltd	Australia	Ordinary	100	100
Black Eagle (US) LLC <sup>B</sup>	United States	Ordinary	46	100
Cobalt One Energy Corp	Canada	Ordinary	100	100
AMR Nickel Limited	Cook Islands	Ordinary	100	100
Ban Phuc Nickel Mines Limited	Vietnam	Ordinary	90	90

<sup>A</sup> The proportion of ownership interest is equal to the proportion of voting power held.

<sup>B</sup> Black Eagle (US) LLC is a wholly owned subsidiary of Codrus Minerals Limited.

		Consolidated	
		30 June 2021	30 June 2020
		\$	\$

### 30. Parent Entity Information

(a)	Assets		
	Current assets	14,466,228	6,629,289
	Non-current assets	13,482,766	12,520,119
	Total assets	27,948,994	19,149,408
(b)	Liabilities		
	Current liabilities	1,257,448	1,550,808
	Non-current liabilities	258,804	235,000
	Total liabilities	1,516,252	1,785,808
(c)	Equity		
	Contributed equity	61,360,347	38,171,741
	Reserves	3,252,277	1,665,130
	Accumulated losses	(38,179,882)	(22,473,271)
	Total equity	26,432,742	17,363,600
(d)	Total Comprehensive loss for the year		
	Loss for the period after income tax	(15,706,611)	(9,023,657)
	Other comprehensive income for the year	-	-
	Total comprehensive loss for the year	(15,706,611)	(9,023,657)

(e) The parent entity has not guaranteed any loans for any entity during the year.

(f) The parent entity has no contingent liabilities at the end of the financial year.

## DIRECTOR'S DECLARATION

### In the Directors' opinion

- (a) the financial statements and notes set out on pages 43 to 78 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the period ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) the audited remuneration disclosures set out on pages 24 to 38 of the directors' report comply with section 300A of the *Corporations Act 2001*; and
- (d) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.



**Scott Williamson**  
**Managing Director**

Perth, Western Australia, 30 September 2021





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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
BLACKSTONE MINERALS LIMITED**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Blackstone Minerals Limited ("the Company") and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

We have defined the following matters to be the key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

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**Key Audit Matters**
**How the matter was addressed in the audit**
**Share based payments**

*(refer to Note 17 and Note 26 of the financial statements)*

As referred to in Note 26 to the consolidated financial statements, the Company awarded 10,100,000 share options to directors, employees and consultants. During the year, the Company's subsidiary (Codrus Minerals Ltd) completed an IPO, and issued 12 million share options to directors, management, and service providers and 5 million performance rights. The total fair value recognised as share-based payments amounted to \$2,570,248.

The Company accounted for these options and in accordance with the accounting standard AASB 2: Share-based Payment.

Measurement of share-based payments was a key audit matter due to the complex and judgmental estimates used in determining the fair value of the share-based payments.

Inter alia, our audit procedures included the following:

- i. Verifying the inputs and examining the assumptions used in the Group's valuation of share options and performance rights, being the share price of the underlying equity, time to maturity (expected life), volatility, and grant date;
- ii. Challenging management's assumptions in relation to the likelihood of achieving the performance conditions;
- iii. Assessing the fair value of the calculation through re-performance using appropriate inputs; and
- iv. Assessing the accuracy of the share-based payments expense and the adequacy of disclosures made by the Group in the financial report.

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**Key Audit Matters**

**How the matter was addressed in the audit**

**Carrying Value of Capitalised Exploration and Evaluation Expenditure**

As at 30 June 2021, Capitalised Exploration and Evaluation expenditure totals \$5,800,000 (refer to Note 10 to the financial report).

The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:

- The significance of the total balance (14% of total assets);
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure. During the year management transferred \$1,600,000 of mineral rights to the Group's subsidiary which was subsequently written off to profit or loss.

Inter alia, our audit procedures included the following:

- i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation;
- ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6 and AASB 136 *Impairment of Assets*;
- iii. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest and corroborated with enquiries of management. Inter alia, the documents we evaluated included:
  - Minutes of meetings of the board and management;
  - Announcements made by the Group to the Australian Securities Exchange; and
  - Cash flow forecasts; and
- iv. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## INDEPENDENT AUDITOR'S REPORT



The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on the Remuneration Report

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 24 to 38 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Blackstone Minerals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD (Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*

**Martin Michalik**  
Director

West Perth, Western Australia  
30 September 2021



## ADDITIONAL SHAREHOLDER INFORMATION

### Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the company's Corporate Governance Statement can be found on the company's website, refer to <http://blackstoneminerals.com.au/corporate/>

### Distribution of equity securities

Analysis of numbers of equity security holders by size of holding as at 20 September 2021 were as follows:

Holding	Number of Shareholders Fully Paid Ordinary Shares
1- 1,000	128
1,001 - 5,000	916
5,001 - 10,000	494
10,001 - 100,000	1,121
100,001 and over	256
	2,915

Holders of less than a marketable parcel: 137

### Substantial Shareholders

The names of the substantial shareholders as at 20 September 2021:

Shareholder	Number
CITICORP NOMINEES PTY LIMITED	69,145,326
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	24,610,736
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,375,583
DEUTSCHE BALATON AKTIENGESELLSCHAFT	19,045,391

### Voting Rights - Ordinary Shares

In accordance with the holding company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

### Unquoted Securities

	Exercise price	Vesting conditions	Expiry date	Number of options	Number of holders
Employee Options	\$0.001	2,000,000 vesting over 18 months service, 1,350,000 vesting on decision to mine, 200,000 vesting coverage of four new sell side analysts, 300,000 vesting on Completion of DFS and Downstream Pilot Plant	20 August 2025	3,850,000	7
Director Options	\$0.001	2,500,000 vested. 1,500,000 subject to 18 months tenure.	30 Sept 2024	2,500,000	2
Employee Options	\$0.001	Tranche 2 - 50% to vest upon 18 months service and 50% vested.	20 February 2025	900,000	2
Advisor Options	\$0.20	Nil	12 June 2022	1,000,000	1
Broker Options	\$0.60	Nil	11 December 2021	4,000,000	3

## ADDITIONAL SHAREHOLDER INFORMATION

### Equity security holders

The names of the twenty largest ordinary fully paid shareholders as at 20 September 2021 are as follows:

Shareholder	Number	% Held of Issued Ordinary Capital
CITICORP NOMINEES PTY LIMITED	69,145,326	20.75%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	24,610,736	7.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,375,583	7.31%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	19,045,391	5.72%
TA KHOA MINING LIMITED	8,600,000	2.58%
BNP PARIBAS NOMINEES PTY LTD	8,592,850	2.58%
BNP PARIBAS NOMS PTY LTD	8,414,780	2.53%
SPARTA AG	7,200,000	2.16%
MR HAMISH PETER HALLIDAY	6,547,632	1.96%
MRS CANDICE MARIE WILLIAMSON	6,000,000	1.80%
SPARTA AG	5,500,000	1.65%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,132,623	1.24%
MR HAMISH PETER HALLIDAY	4,000,000	1.20%
MRS LENORE THERESA RADONJIC	3,500,001	1.05%
MS KIRI MARGUERITE DORJI	2,850,001	0.86%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	2,572,751	0.77%
MR STEPHEN ANDREW PARSONS	2,250,001	0.68%
MRS LENORE THERESA RADONJIC	2,246,428	0.67%
DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	2,169,780	0.65%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,086,247	0.63%
	213,840,130	64.17%

## SCHEDULE OF TENEMENTS

As at 20 September 2021

Project	Location	Tenement	Interest
Gold Bridge	British Columbia, Canada	501174, 502808	100%
	British Columbia, Canada	503409, 564599	100%
	British Columbia, Canada	573344, 796483	100%
	British Columbia, Canada	844114, 1020030	100%
	British Columbia, Canada	1047915, 1055449	100%
	British Columbia, Canada	1046246, 1046253	100%
	British Columbia, Canada	1050797, 1052563	100%
	British Columbia, Canada	1052564, 1052989	100%
	British Columbia, Canada	1052990, 1052991	100%
	British Columbia, Canada	1052992, 1052993	100%
	British Columbia, Canada	1055836, 1055837	100%
	British Columbia, Canada	1055838, 1055839	100%
	British Columbia, Canada	1055840, 1055859	100%
	British Columbia, Canada	1055860, 1055861	100%
	British Columbia, Canada	1055862, 1055863	100%
	British Columbia, Canada	1055864, 1052630	100%
	Ta Khoa	Vietnam	1052893, 1065892
1066580, 1066581			
Cartier	Quebec, Canada	ML 1211/GPKT-BTNMT and 522 G/P	100%
	Quebec, Canada	2459824, 2459825	
	Quebec, Canada	2459826, 2459827	
	Quebec, Canada	2459828, 2459829	
	Quebec, Canada	2463107, 2463108	
	Quebec, Canada	2463109, 2463110	
	Quebec, Canada	2463111, 2463112	
	Quebec, Canada	2463113, 2463114	
Quebec, Canada	2463115,		

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