

Strategic Investment Sees Blackstone Gain Exposure to Large Canadian Nickel Sulfide Project

Blackstone Minerals Limited ("Blackstone" or the "Company") is pleased to announce it has made a strategic investment in Flying Nickel Mining Corp (Flying Nickel), a subsidiary of Vancouver based Silver Elephant Mining Corp. (TSX: ELEF, OTCQX SILEF) in Canada.

Flying Nickel intends to list on the TSX Ventures Exchange (TSX-V) in early 2022 with its core asset: The Minago Nickel Sulfide Project located southwest of Thompson in Manitoba, Canada (refer Figure 1). Minago is an advanced stage development asset with district scale exploration potential and excellent access to infrastructure including renewable hydro-power. Blackstone's initial investment of C\$2.98m will earn a 6.85% interest in the common equity of Flying Nickel (Equity Investment).

Blackstone and Flying Nickel have also entered a Memorandum of Understanding that will see collaboration on the production of upstream and downstream nickel and cobalt concentrates and chemical products, potential offtake and / or joint ventures to meet demand from the growing electric vehicle battery industry (MoU). The Equity Investment and MoU together represent the "Flying Nickel Transaction."

Highlights of the Flying Nickel Transaction Include:

- Minago is a large undeveloped disseminated nickel sulfide asset poised to benefit and attract significant investment from the structural shift in nickel supply and demand driven by the growth of electric vehicle adoption
- Minago has a NI 43-101 compliant Measured & Indicated resource of 44.23Mt @ 0.74% Ni for **721.6 Mlbs Ni**, and Inferred resource of 19.55Mt @ 0.74% Ni for **318.9 Mlbs Ni** (refer Table 1)¹
- Prior metallurgical test work by SGS has demonstrated that Minago is able to produce one-of the highest nickel concentrate grades in the world (>20%) using conventional technology²
- Blackstone and Flying Nickel will form a *Steering Committee* which will include an ongoing assessment of opportunities to enter into supply, offtake and financing arrangements relating to upstream and downstream nickel and cobalt products produced at Minago
- The MoU includes a legally binding anti-dilutionary clause ensuring Blackstone is able to maintain its equity interest at the time of each potential fundraising event performed by Flying Nickel

¹ Flying Nickel Mining_NI 43-101 Report_2021 MRE_Minago (sedar.com), *Silver Elephant Filing*, 20 August 2021

² Minago Nickel Mine Feasibility Study Rev 02 FINAL.doc (sedar.com), *Victory Nickel Filing*, 5 March 2010

Minago Mineral Resource	Cut-off (Ni%)	Mt	% Ni	Ni (Mlbs)
Open Pit - Measured & Indicated	0.25%	23.94	0.71%	374.3
Open Pit - Inferred		2.07	0.57%	26.0
Underground - Measured & Indicated	0.50%	20.29	0.77%	345.0
Underground - Inferred		17.48	0.76%	292.9
Combined – Measured & Indicated	0.25%/0.50%	44.23	0.74%	721.6
Combined – Inferred		19.55	0.74%	318.9

Table 1 - Minago Project Mineral Resource Estimate (refer Cautionary Note on Foreign Resource Estimate)

Scott Williamson, Blackstone's Managing Director, said:

"The known mineral endowment of the Minago asset in combination with the potential of the Ta Khoa district represents enviable scale, being highly sought after by OEMs, battery and cathode manufacturers. Large, disseminated nickel sulfide deposits of the size and grade of the Minago asset are difficult to find. The ongoing structural evolution of nickel supply chains and increasing demand for downstream nickel chemical products for the lithium-ion battery industry, is driving a unanimous view by analysts and the broader investment community that higher nickel prices are here to stay for longer. This means that large undeveloped opportunities such as Minago are primed to overcome previous barriers, including access to capital"

"The Flying Nickel Transaction provides Blackstone with opportunity to collaborate on the development of Minago, and confidence to inject future equity into the asset as it is progressively de-risked. The Ta Khoa Refinery in Vietnam is a logical home for Minago concentrate. Manitoba, like Northern Vietnam is blessed with access to renewable hydro power. Shipping a high-grade concentrate minimises carbon footprint and is aligned with Blackstone's commitment to best ESG practices and ambition to become a supplier of choice to the electric vehicle battery industry."

Further details on the Flying Nickel Transaction

Silver Elephant Mining Corp (Silver Elephant) wholly owned subsidiary Flying Nickel holds 100% of the Minago asset. Blackstone is participating a private placement which will lead to the Minago asset held by Flying Nickel being spun out of Silver Elephant, with Flying nickel separately listed on the TSX-V. The Flying Nickel Transaction is subject to Silver Elephant Shareholder approval due late December 2021.

The Equity Investment represents an initial investment of C\$2.98m and will result in Blackstone holding 6.85% of Flying Nickel common equity. In addition, Blackstone will be issued 2.12 million warrants converting into common equity in Flying Nickel at a price of C\$1.00/warrant (1 warrant converts to 1 share). Assuming Blackstone decides to convert warrants into shares of Flying Nickel, and further investment of ~C\$2.12m would result in Blackstone holding ~9.50% of Flying Nickel on a fully diluted basis.

Blackstone's Equity Investment (C\$2.98m) will be held in escrow for up to 120 days. In the event that Flying Nickel shares do not successfully list on the TSX-V within the 120-day period, funds held in escrow will be returned to Blackstone.

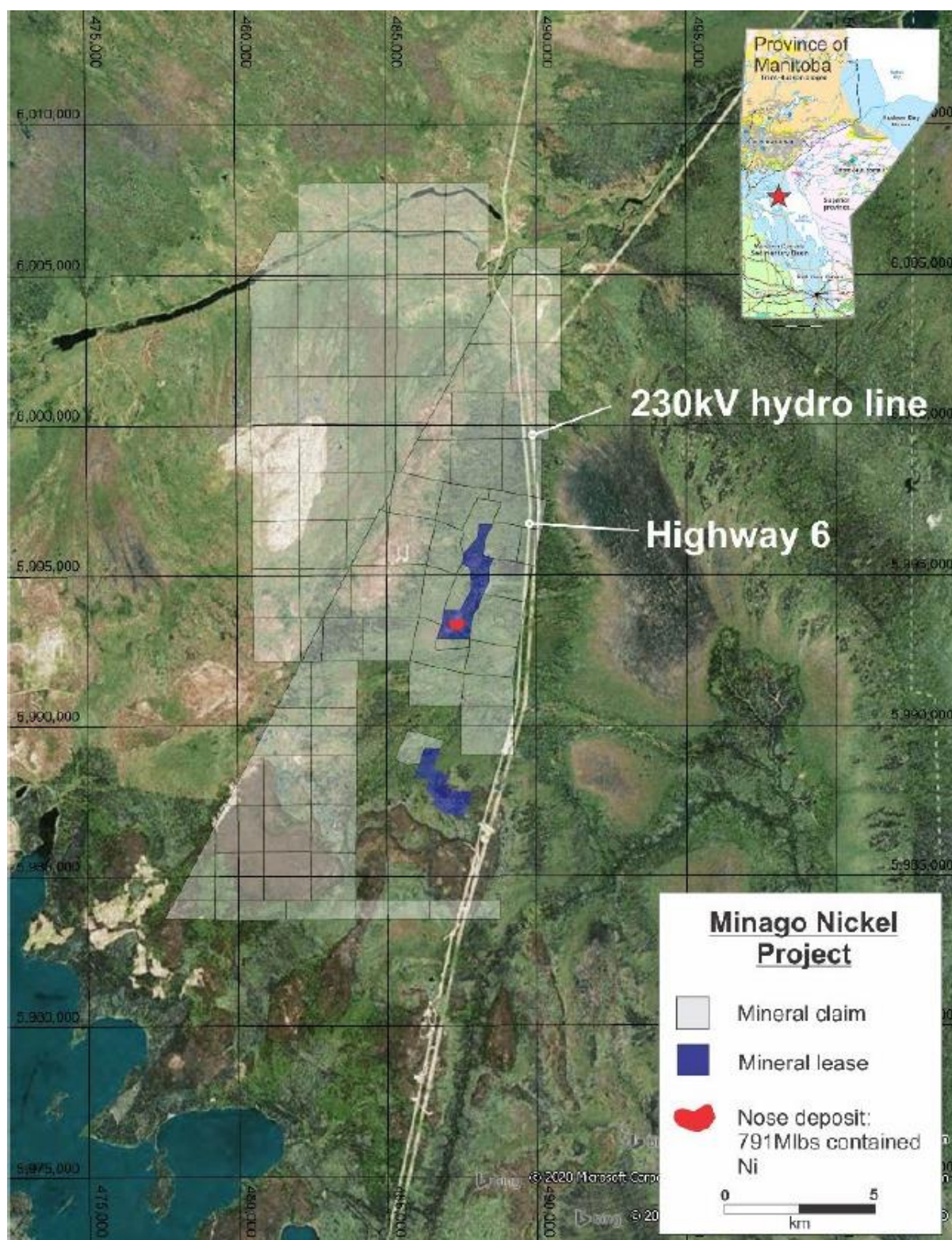


Figure 1 - Minago Project Location

Authorised by the Managing Director on behalf of Blackstone Minerals Limited.

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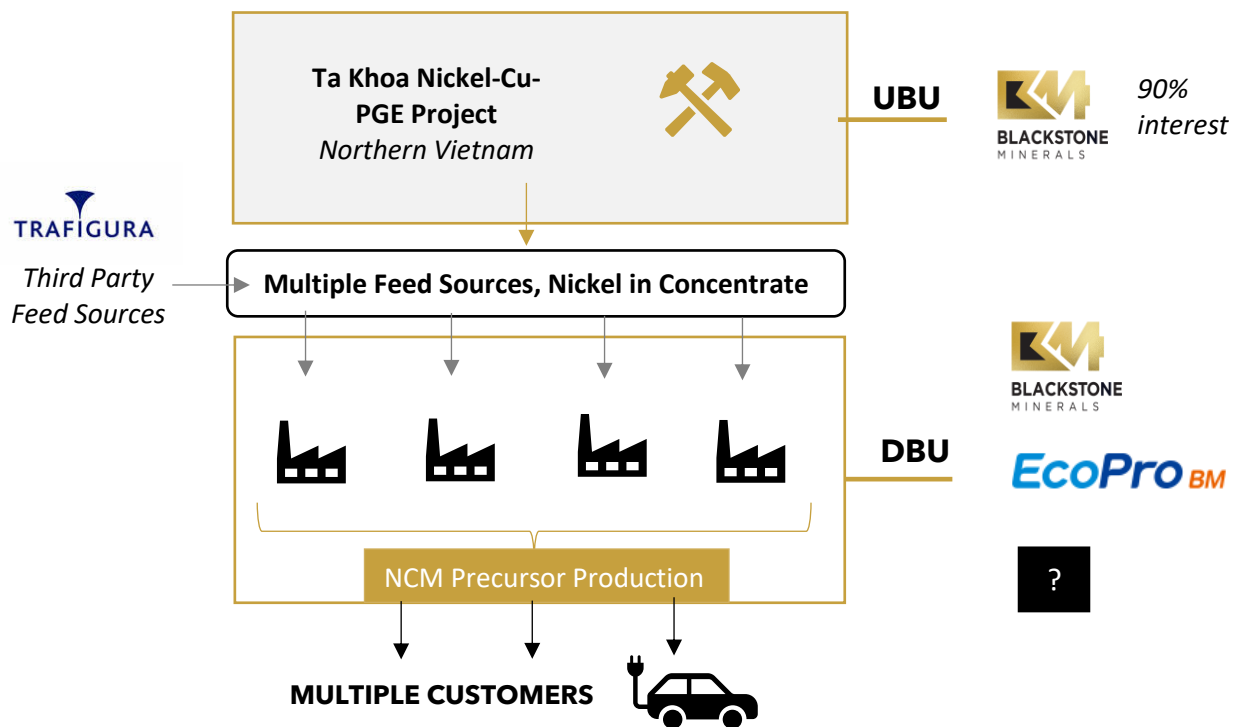
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About Blackstone

Blackstone Minerals Ltd (ASX: BSX / OTCQX: BLSTF / FRA: B9S) is focused on building an integrated upstream and downstream battery metals processing business in Vietnam that produces Nickel: Cobalt: Manganese (NCM) Precursor products for Asia's growing Lithium-ion battery industry (refer Figure 2)

Figure 2 -Ta Khoa Project Snapshot



The Company owns a 90% interest in the Ta Khoa Nickel-Copper-PGE Project. The Ta Khoa Project is located 160km west of Hanoi in the Son La Province of Vietnam and includes an existing modern nickel mine built to Australian standards which is currently under care and maintenance (refer Figure 3). The Ban Phuc nickel mine successfully operated as a mechanised underground nickel mine from 2013 to 2016.

In October 2020, the Company completed a Scoping Study which investigated mining the Ban Phuc Disseminated nickel sulfide ore body (upstream) and the construction of a 200ktpa downstream refinery (refer to ASX announcement of 14 October 2020, including for the full details of the Company's Mineral Resource Estimate at Ban Phuc).

Building on the outcomes of the Scoping Study, the Company has since completed a technically and economically robust Pre-feasibility Study for its Downstream Business Unit (DBU) which sees expanded downstream capacity. This is based on the Ta Khoa refinery being designed to process 400ktpa of nickel concentrate, supplied from the Ta Khoa Nickel - Cu - PGE mine as well as third party concentrate.

The Company is continuing to advance a PFS for the UBU. The UBU PFS will contemplate the option to mine several higher-grade massive sulfide vein (MSV) deposits, which has the potential to reduce initial upfront capital requirements for the UBU by enabling the Company to restart the existing Ban Phuc Concentrator (450ktpa).

By combining the Company's existing mineral inventory (Ban Phuc Disseminated Sulfide - DSS), exploration potential presented by high priority targets such as Ban Chang, King Snake, Ta Cuong and Ban Khoa, and the ability to source third party concentrate, Blackstone will be able to increase the scale of its downstream business to cater to the rising demand for downstream nickel products.



Figure 3. Ta Khoa Nickel-Cu-PGE Project Location

Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Chris Ramsay, Manager, Resource Geology for the Company and a Member of The Australasian Institute of Mining and Metallurgy. Mr Chris Ramsay has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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 Chris Ramsay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource Estimation in respect of the Ta Khoa Nickel Project is based on information compiled by BM Geological Services (BMGS) under the supervision of Andrew Bewsher, a director of BMGS and Member of the Australian Institute of Geoscientists with over 21 years of experience in the mining and exploration industry in Australia and Vietnam in a multitude of commodities including nickel, copper and precious metals. Mr Bewsher has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Bewsher consents to the inclusion of the Mineral Resource Estimate in this report on that information in the form and context in which it appears.

The Company confirms that all material assumptions and parameters underpinning the Mineral Resource Estimates as reported within the Scoping Study in market announcement dated 14 October 2020 continue to apply and have not materially changed, and that it is not aware of any new information or data that materially affects the information that has been included in this announcement.

Cautionary Note for Foreign Resource Estimate

The information in this announcement relating to the Mineral Resource Estimates for the Flying Nickel Project refers to a foreign resource estimate (August 2021) and is not reported in accordance with the JORC code. The foreign resource estimate has been reported under the Canadian code for reporting (Canadian 'National Instrument' 43-101- the report is foot-noted above). A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC code. It is uncertain that following further work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC code.

Forward Looking Statements

This report contains certain forward-looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan", "will" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on

interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Ta Khoa Nickel Project.

The project development schedule assumes the completion for the Downstream Business Unit of a Definitive Feasibility Study (DFS) by mid-2022. A PFS & DFS for the Upstream Business Unit is assumed to be completed in 2021 and 2022 respectively. Development approvals and investment permits will be sought from the relevant Vietnamese authorities concurrent to studies being completed. Delays in any one of these key activities could result in a delay to the commencement of construction (planned for early 2023). This could lead on to a delay to first production, currently planned for 2024. It is expected that the Company's stakeholder and community engagement programs will reduce the risk of project delays. Please note these dates are indicative only.

The JORC-compliant Mineral Resource estimate forms the basis for the Scoping Study in the market announcement dated 14 October 2020. Over the life of mine considered in the Scoping Study, 83% of the processed Mineral Resource originates from Indicated Mineral Resources and 17% from Inferred Mineral Resources; 76% of the processed Mineral Resource during the payback period will be from Indicated Mineral Resources. The viability of the development scenario envisaged in the Scoping Study therefore does not depend on Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Inferred Mineral Resources are not the determining factors in project viability. Please refer to the Cautionary Statement in the Scoping Study market announcement dated 14 October 2020.