

ASX ANNOUNCEMENT

ASX : BSX

31 January 2024

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2023

HIGHLIGHTS

- Blackstone executed an option agreement to acquire 100% of the Wabowden nickel sulphide project located in the world-class Thompson Nickel Belt in Manitoba, Canada, giving the Company the opportunity to remove its need to secure third-party feed to fill its Ta Khoa Refinery in northern Vietnam,
- An update was provided on the Company's Joint Venture Process with significant interest received following the execution of the Wabowden nickel project option agreement,
- Blackstone entered into a Memorandum of Understanding with Limes Renewables Energy S.r.l. to investigate the opportunity for the supply of renewable wind energy to the Company's Ta Khoa Project via a direct power purchase agreement,
- Blackstone entered into a Memorandum of Understanding with Cavico Laos Mining to collaborate on the supply of nickel products for the Company's Ta Khoa Refinery,
- The company entered a three-way Memorandum of Understanding with Phu Minh Vina Environment and Viet Trung Refractory Material Construction for research opportunities to repurpose and trade waste material (or residue) from the Ta Khoa Refinery into construction material products,
- Blackstone launched [InvestorHub](#), a dedicated platform for investors to learn more about Blackstone and our latest activities.

CORPORATE

- End of quarter cash position of \$3.3m,
- Listed investments of \$7.1m at the end of the quarter,
- \$1.1m raised from the At-the-Market Subscription facility with Acuity Capital in October 2023.
- An Accelerated Non-Renounceable Entitlement Offer was launched on 5 of December 2023 with the Institutional component of the offer raising \$3m completed on 7 December 2023.

BLACKSTONE SECURES OPTION TO ACQUIRE MAJOR NICKEL ASSET

Blackstone Minerals Limited (“Blackstone” or the “Company”) entered into an option agreement with CaNickel Mining Limited (TSX.V:CML) (“CaNickel”) where Blackstone will have an exclusive right to acquire the Wabowden nickel project in Manitoba, Canada (“Wabowden”) within a 12-month period.



Figure 1: Wabowden Project - Bucko Mine and Processing Facility

This option agreement adds onto Blackstone’s existing nickel interests and experience in Manitoba via its strategic investments in Corazon (ASX:CZN) (“Corazon” or “Lynn Lake nickel-copper project”) and Flying Nickel (TSXV:FLYN) (“Flying Nickel” or “Minago nickel project”).

The option period provides Blackstone time to further evaluate and consider various development options for Wabowden. In addition, the option period provides Blackstone the ability to optimise funding to complete the acquisition, including joint venture partnerships, government funding as well as strategic royalty, debt and equity funding alternatives.

Blackstone may exercise the option at anytime during the 12-month period.

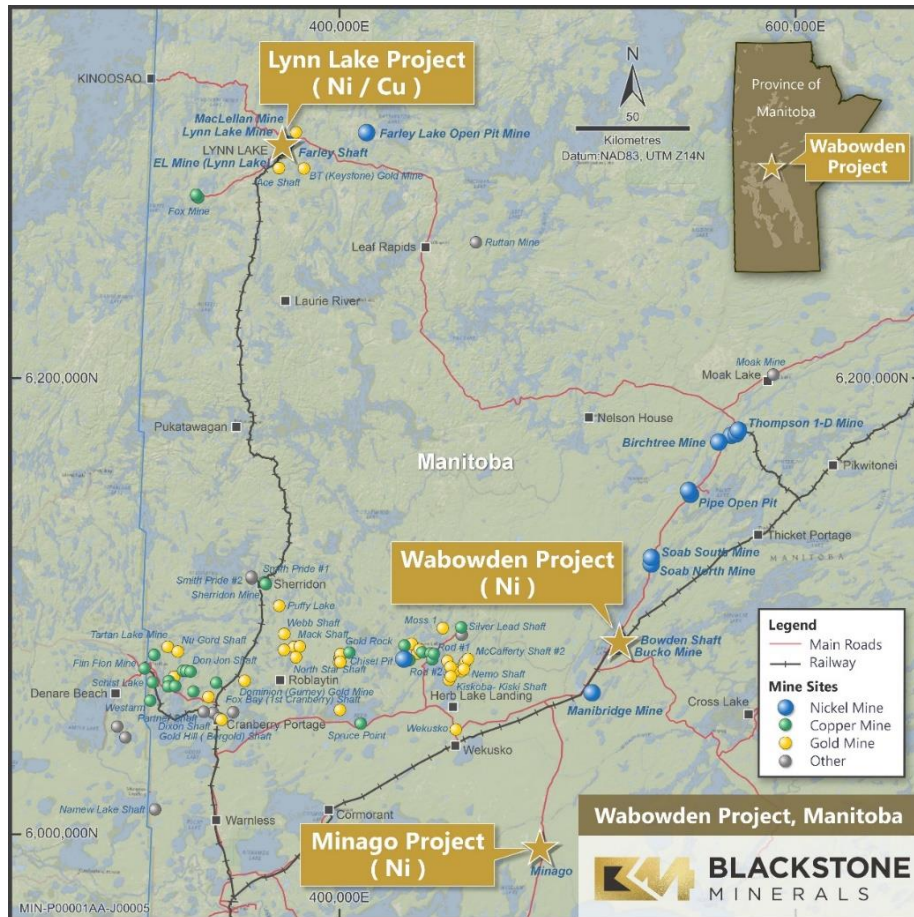


Figure 2: Wabowden Project Location and Blackstone's Strategic Investments in Manitoba

Wabowden Project Overview

Wabowden is favourably located in the centre of the world class Thompson Nickel Belt, which covers more than 300km of strike and has produced more than 2.5 million tonnes of nickel, making it the fifth largest nickel sulphide camp in the world. Locally the project is situated around the town of Wabowden in Manitoba, 106km SSW of Thompson and 650km N of Winnipeg.

Wabowden comprises five deposits (Bucko, Bowden, M11A, Apex and Halfway Lake) and has a combined total resource base of 230Mt at 0.56% nickel for 1.3Mt¹ of contained nickel. All deposits are open at depth, with the Thompson nickel mine, located 100km to the north-east, demonstrating the potential for mineralisation to extend beyond 1,500m.

Bucko is both the most advanced and the highest-grade deposit at Wabowden and was developed as a small scale, high grade underground mining operation. The Bucko mine and processing facility commenced production in 2009 with concentrate shipped to Glencore's Sudbury, Ontario smelter under an off-take agreement which remains in place. Bucko produced 3.3kt of nickel over a four-year period before being placed on care and maintenance in 2012.

¹ The Mineral Resource Estimate is a Foreign Resource Estimate and has been prepared in accordance with the Canadian National Instrument 43-101. A competent person has not done sufficient work to classify the foreign estimate as a mineral resource in accordance with the JORC Code 2012 and is uncertain whether further evaluation and exploration will result in an estimate reportable under the JORC Code 2012.

Since 2012, the focus at Wabowden has been carrying out minimal exploration work and undertaking care and maintenance to safeguard assets.

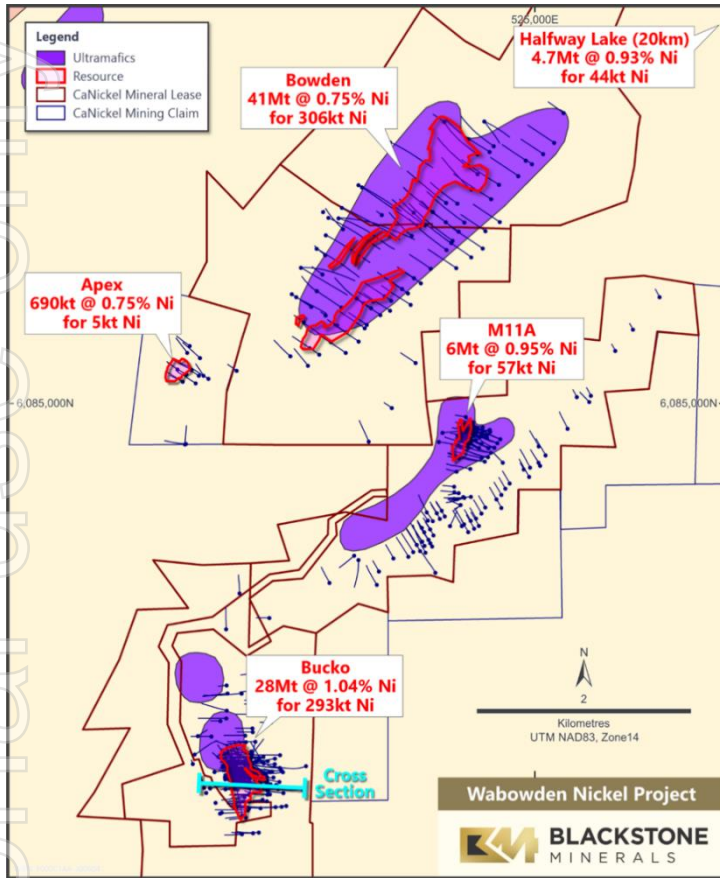


Figure 3: Wabowden Nickel Project Resource Plan View

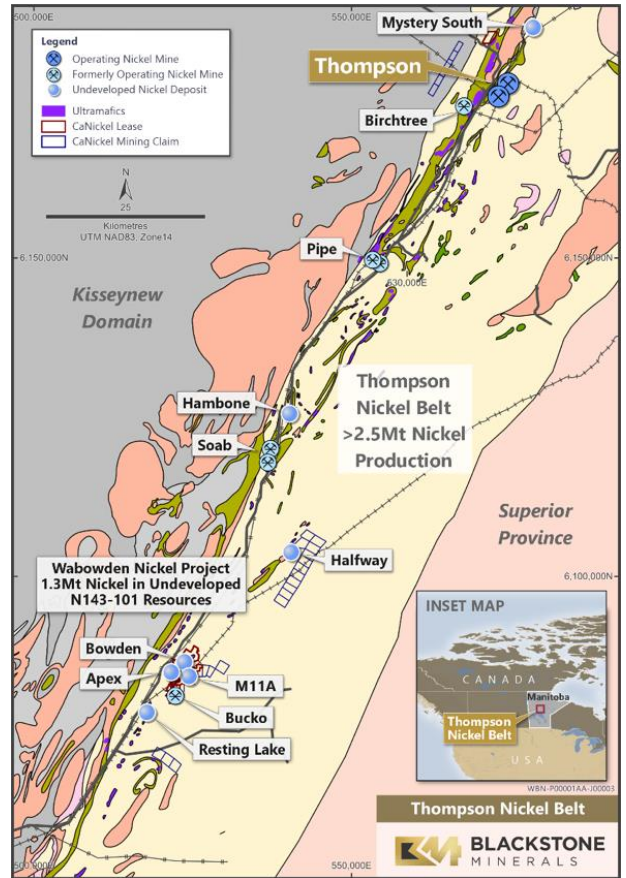


Figure 2: Thompson Nickel Belt in Manitoba, Canada

Blackstone Development Strategy

Blackstone has identified that the Wabowden Project is well suited to being re-developed as a large-scale, low cost, bulk mining operation underpinned by the large-scale Bowden and Bucko deposits.

The Bowden deposit has a strike length of 2.4 km, up to 300m thick, 600m deep and is open in all directions. Bowden has an average of ~1,000 tonnes of nickel per vertical metre. The previously mined Bucko deposit has a strike length of 600m, up to 100m thick, 900m deep and is open at depth with an average of ~600 tonnes of nickel per vertical metre. The extensive strike and width of the Bowden and Bucko orebodies make them highly amenable to large-scale, low cost, bulk mining methods which were not considered by previous operators.

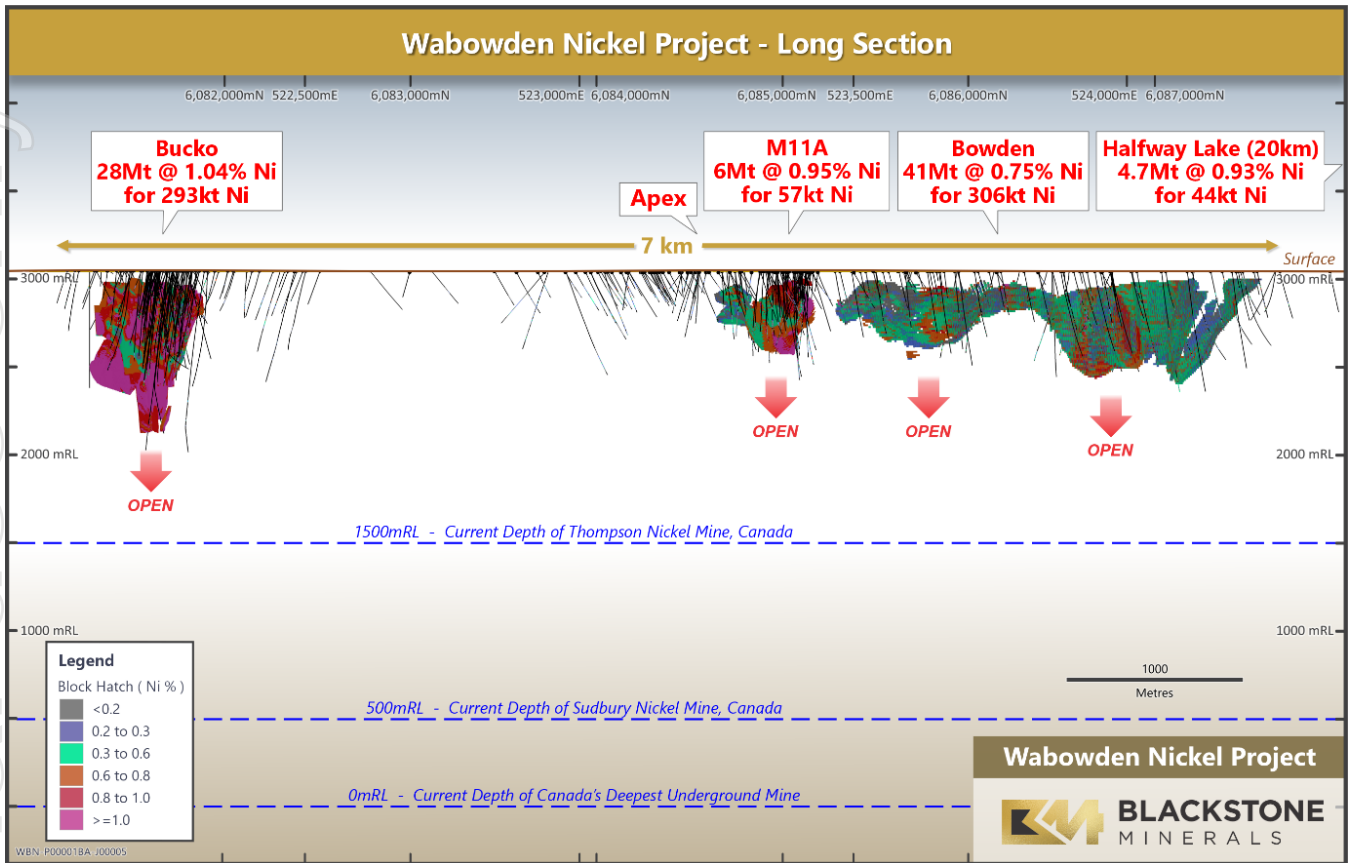


Figure 4: Long section showing deposits at the Wabowden Project

Blackstone considers that large scale development of Wabowden has significant economic and strategic benefits with the potential to fill Blackstone’s Ta Khoa Refinery, removing dependence on third-party feed sources. Supply to Ta Khoa has already been discussed with Glencore, who have been receptive to the proposal. The dependence on third-party feed sources to fill the Ta Khoa Refinery has been a significant issue raised by potential joint venture partners and financiers. The Wabowden Project can satisfy joint venture partner requirements for long term nickel feed security without the need for third-party feed sources to fill the Ta Khoa Refinery.

Blackstone’s initial production scenarios have demonstrated that Wabowden production has the potential to solely fill the Ta Khoa Refinery while also having complementary metallurgical characteristics to blend with Ta Khoa concentrate. In addition, the Wabowden Project presents as a strong standalone operation, which can generate a high-quality nickel concentrate for the conventional LME market, and as such Wabowden is complemented by the Ta Khoa Refinery rather than being dependent upon it.

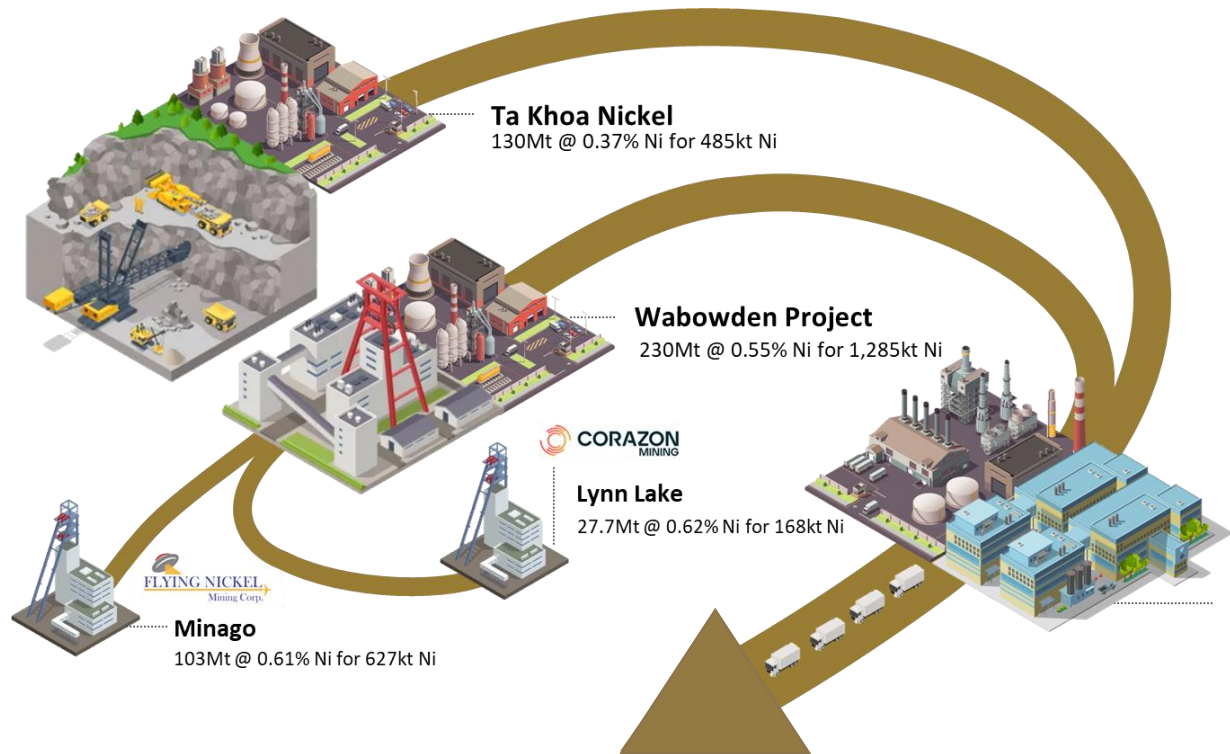


Figure 5: Wabowden Project and Ta Khoa Integration Concept^{2 3 4 5}

Blackstone also considers that Wabowden could become the central hub and key platform to consolidate ownership in the Manitoba province, building on its existing investments in Corazon and Flying Nickel with potential to deliver 30+ years of nickel supply (refer Figure 5).

Low Cost, Renewable Power

Wabowden is favourably connected to the Manitoba Hydropower network, which also supplies power to parts of the USA. Power costs are typically US\$0.025 to US\$0.035/kWh, which is one of the lowest cost power supplies in the world and provides a significant cost advantage for Wabowden and is consistent with Blackstone's strategy to deliver low-cost Green Nickel™ concentrates for the Ta Khoa Refinery.

Supportive Government Policies

Wabowden is well positioned to benefit from supportive government policies including the Manitoba Critical Minerals Strategy, the Canadian Critical Minerals Infrastructure Fund, the US Inflation Reduction Act and the US Defense Production Act.

The Manitoba Critical Minerals Strategy is intended to coordinate the work of government, indigenous people, local communities, and the private sector to capitalise on the province's strategic advantages.

The Canadian Critical Minerals Infrastructure Fund will make C\$1.5 billion available to support clean energy and transportation infrastructure projects, and an additional C\$1.5 billion available through the Strategic Innovation Fund to support advanced manufacturing, processing, and recycling.

² ASX Announcement, 3 Mar 2022, "Strategic Investment in Corazon Adds to Manitoba Footprint"

³ Company Website - Accessed 9 September 2023 "Minago-Nickel", <https://www.flynickel.com/projects/minago-nickel/>

⁴ ASX Announcement 28 Feb 2022, "Blackstone Completes PFS at Ta Khoa Nickel Project"

⁵ ASX Announcement 23 Dec 2021, "Ta Khoa Mineral Resource Increases 73% to 485kt of Nickel"

The US Inflation Reduction Act, is designed to promote clean energy and support a US transition away from fossil fuels, including for transportation and to increase US processing rates of key battery materials and critical minerals.

In addition, the US last year announced US\$250 million in Defense Production Act funding for US and Canadian companies to mine and process critical minerals for electric vehicle and stationary storage batteries.

Permitting

Wabowden has a positive permitting situation and a straightforward re-permitting pathway. An existing Manitoba Environment Act License, issued in September 2011, requires the submission and approval of a Notice of Alteration to restore and upgrade the Bucko mine. Once a Notice of Alteration has been issued for the Bucko mine, then applications for other permits and licenses can be submitted for specific Bucko revitalisation-related activities such as mine dewatering and underground rehabilitation, petroleum storage, and hazardous waste management. The only federal permit or approval required is related to the storage and management of explosives.

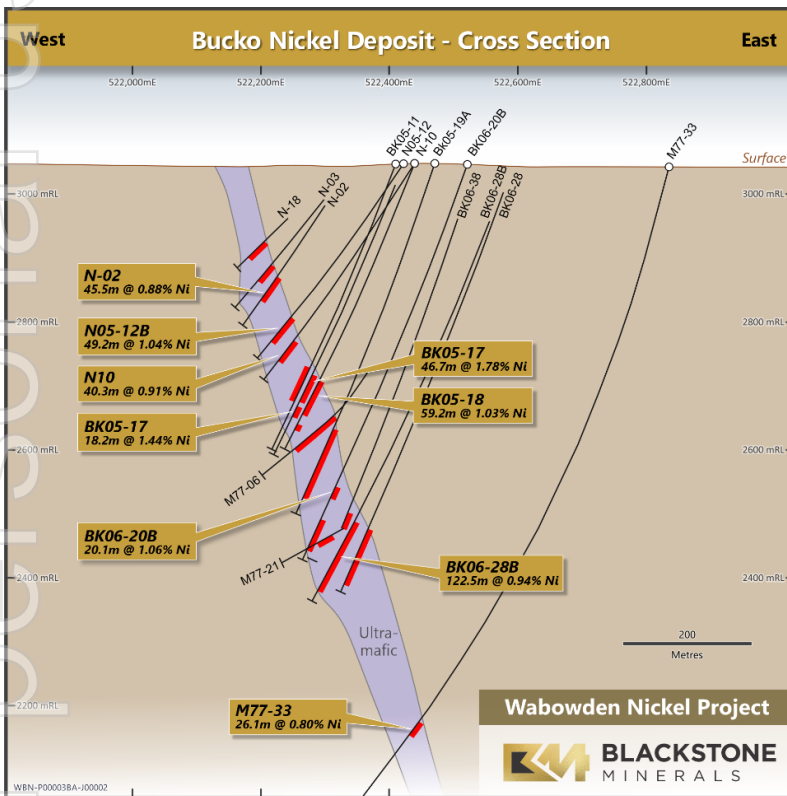


Figure 6: Bucko Nickel Deposit Cross Section

Next Steps

Blackstone intends to use the 12-month option period to continue to evaluate and optimise the acquisition and development of Wabowden. Key activities will include:

1. Development of JORC resources for key deposits, including addition of all available drilling data,
2. Completion of preliminary / scoping level mining studies to identify possible operating scenarios,
3. Progressing of negotiations with Glencore with respect to the off-take and other historical agreements,
4. Engagement with the Manitoban government organisations and local Wabowden community, and
5. Progressing Blackstone's strategic partnership process for its Ta Khoa Refinery as well as other strategic financing alternatives.

BLACKSTONE'S WABOWDEN DEAL SPARKS GLOBAL JV PARTNER INTEREST

During the period, the Company provided an update on the Joint Venture partner process for its Ta Khoa Project in Vietnam following Blackstone's execution of an option agreement to acquire 100% of the Wabowden nickel sulphide project in Manitoba, Canada sparked global interest.

Being the culmination of many years of work conducted by Blackstone to develop strong relationships with prospective partners, the Company will now complete the JV partner process to ensure a

successful partnership that will satisfy financiers requirements to fund the development of the Ta Khoa Project.

The JV partnership process is the first step in the Ta Khoa Project financing strategy. Following completion of the process, Blackstone and the JV partners will progress towards a final investment decision and full project financing.

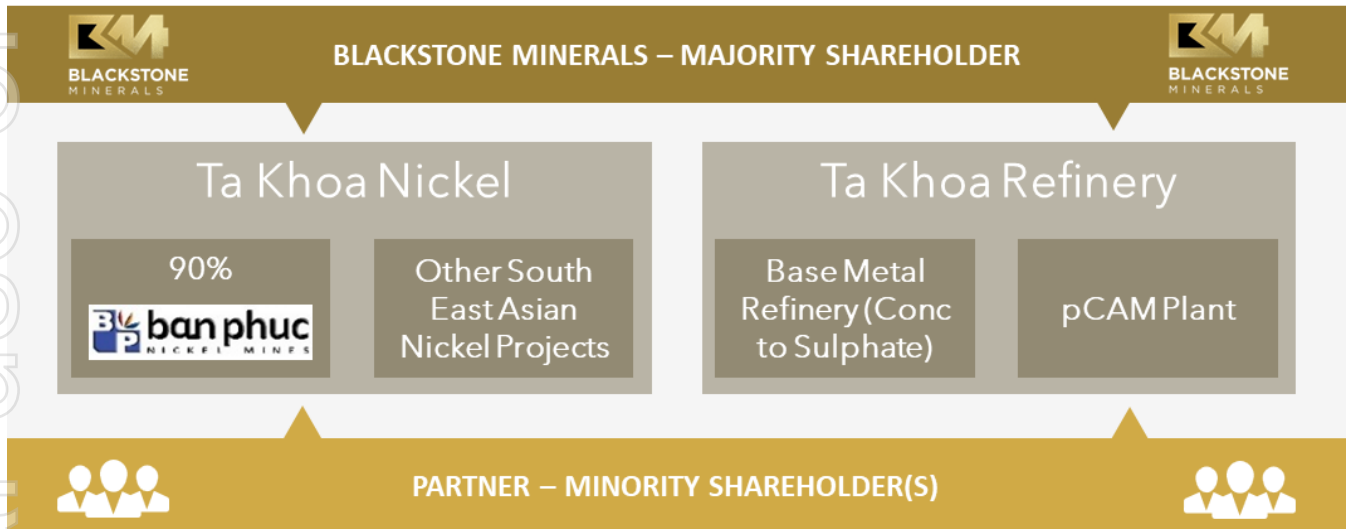


Figure 8: Blackstone's Proposed Ta Khoa Project JV Structure

JOINT VENTURE OVERVIEW

General

Over the last five years, Blackstone's management has developed key relationships with primarily Asian lithium-ion battery material and cathode makers. These relationships have given Blackstone an in depth understanding of the fundamentals of the intermediate product (MHP, and Sulphate), mid-stream (pCAM) and downstream (CAM) products and supply chains.

The Company has hosted site visits for potential partners, many of whom have expressed strong interest in the project. Potential JV partners have asked for a greater level of technical certainty as well as feed stock security for the Ta Khoa Refinery. Both of these key risks have now been addressed through advancing the project studies and Blackstone's recent option to secure the Wabowden Project (230Mt @ 0.56% Ni for 1.3Mt Ni contained⁶) enabling the Company to complete the process to identify and secure the preferred partner for the project.

JV Structure

The preferred Ta Khoa Project JV Structure will be framed around the relevant strengths of each JV party, and as such, allows flexibility in the final structure. Blackstone intends to retain a controlling interest and is open to sell down of up to 49% of the project to the JV partner(s).

The JV businesses will be grouped under an ownership structure reflecting the upstream and downstream aspects of the business. The Ta Khoa Nickel subsidiary will operate the mining and concentrate production facilities, and the Ta Khoa Refinery subsidiary will operate the refining and pCAM production facilities. It is Blackstone's intention to have equal ownership across these two businesses, but due to the different tax structures, they will be separated at a subsidiary level.

⁶ Blackstone Release 5 December 2023, "[Blackstone Secures Option To Acquire Major Nickel Asset](#)"

Attraction to JV Partners

In addition to the potential long term operation of the Ta Khoa Refinery processing secured feedstocks to produce IRA compliant critical mineral products, and pCAM, the key benefits to JV partners include:

1. Low Carbon Footprint and High ESG

The proposed Ta Khoa Project flowsheet has the lowest carbon footprint emissions for pCAM production globally. In September 2022, Blackstone released the outcomes of an independent life cycle assessment (“LCA”) based on pre-feasibility study data, conducted by LCA Practitioners, Minviro (refer ASX announcement 15 September 2022). The LCA study confirmed a result of 9.8 kg CO₂ equivalent (eq.) per kg pCAM which is substantially lower global warming potential than existing production pathways.

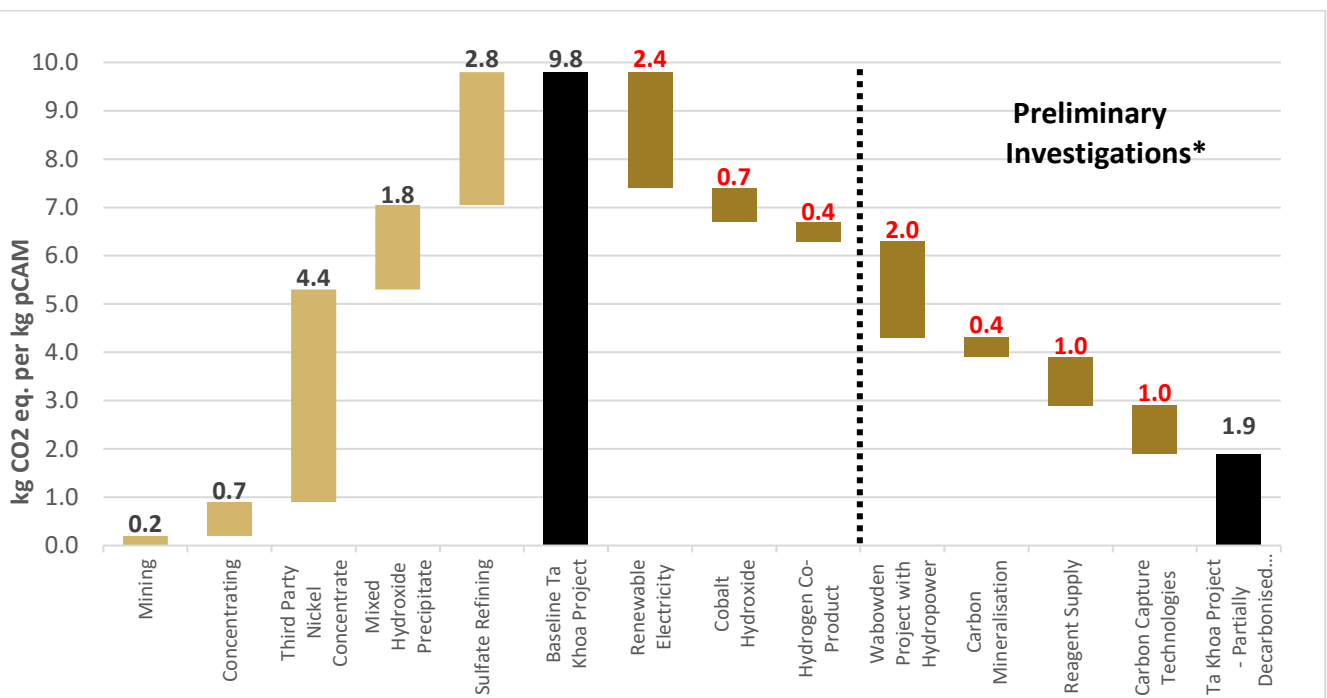


Figure 9: Summary of LCA GWP Results (Scope 1, 2 and 3 Greenhouse Gas Emissions)

* Quoted potential emission estimates will need to be certified by technical developments and updated with reviewed LCA studies

Blackstone is exploring opportunities to further reduce its carbon footprint. A pipeline of opportunities is illustrated above in Figure 9, which will be investigated and implemented where practicable. Key near-term opportunities are to lock in power purchase agreements for renewable energy and to seek supply agreements for nickel sulphide concentrates which meet specific greenhouse gas emissions criteria and ESG credentials.

2. Low Cost pCAM Production

Ta Khoa Refinery’s current estimated operating cost ranks in the lowest cost quartile of nickel sulphate producers, driven by:

- Low labour cost base of US\$2.99 per hour (Source: US trade office, 2022), approximately half that of China,
- Access to low cost, hydroelectric power (US\$0.06 to 0.10 per kWh),
- Streamlined pCAM focused hydromet flowsheet,
- Low cost concentrate from Blackstone mining operations,

- Opportunistic access to low cost, off-spec nickel concentrates,
- Low neutralisation requirements (reagents) compared to other ore types (e.g. nickel laterites),
- Byproduct credits for copper, magnesium sulphate and sodium sulphate,
- Able to source majority of construction materials and reagents within Vietnam. Close proximity to other S.E Asian supply chains.

3. Developing Vietnamese Economy

Vietnam has been a development success story. Economic reforms since the launch of Đổi Mới in 1986, coupled with beneficial global trends, have helped propel Vietnam from being one of the world's poorest nations to a middle-income economy in one generation. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost US\$3,700. Up to the end of October 2023, Vietnam had received US\$25.8B in foreign direct investment, 14.7% higher than the same time last year, and up 6,450% since 2010⁷. Chinese investment has led this growth, but it has been closely followed by Singapore and South Korea. Vietnam is the only country in 2023 that hosted heads of state from both the United States and China, confirming the strategic and opportunistic value that Vietnam currently presents.

4. Ta Khoa Refinery Feed Flexibility

The Ta Khoa Refinery hydromet flowsheet provides an opportunity to process a variety of different nickel feed stocks, enabling Blackstone and its partners to source the lowest cost nickel units available. For example, nickel concentrates sold into the conventional pyrometallurgical stainless industry are heavily penalised for high levels of magnesium contaminants. The Ta Khoa Refinery is not sensitive to this material and can access lower cost nickel concentrates.

Other feed types which can be considered for the Ta Khoa Refinery include:

- MHP: may be fed within the Ta Khoa Refinery flowsheet. The flowsheet can support 100% MHP feedstock, or a blend of MHP and nickel concentrate,
- High copper / cobalt concentrates: which historically have poor recovery and payability in smelting operations would be suitable,
- Nickel matte: may be blended with nickel concentrate feed and provides a significant upgrade in sulphur content which is required for efficient pressure oxidation operation,
- Potential future feedstocks for consideration pending further studies include, but are not limited to, battery recycle products (black mass). These feed stocks will require additional processing steps within the Ta Khoa Refinery flowsheet and require further investigation.

5. Government Support and Permitting

In July 2023⁸, Blackstone received confirmation that the project had been incorporated into the Vietnamese National Mineral Masterplan, a key document, approved by the Prime Minister, Vietnam's mineral development strategy up until 2030, with a vision to 2050. The Project aligns with Vietnam's objective for maximising value creation from their natural resources. Blackstone is pleased that both Ta Khoa Refinery and Ta Khoa Nickel projects were included in the

⁷ <https://www.reuters.com/markets/asia/vietnam-jan-oct-foreign-investment-inflows-up-24-year-on-year-2023-10-27/#:~:text=Since%20the%20start%20of%20the,the%20manufacturing%20and%20processing%20industry.>

approved National Mineral Masterplan, demonstrating that these projects are considered as “significant value” for Vietnam.

This was an important step in the project permitting and licensing process. It will enable Blackstone to be issued the Investment Policy for the project which is required prior to receiving key construction permits and licenses to operate.

Project Financing

Following the successful JV Partner process, Blackstone will work with its advisors to secure the full Ta Khoa Project financing package. The combined package is expected to be made up of a combination of a minimum of 60% debt, which will be sourced from a combination of Export Credit Agencies (ECA's), development banks and commercial banks. Initial discussions with several development banks such as U.S. International Development Finance Corporation (DFC) indicates that the Ta Khoa Project sits in the “sweet spot” for potential funding, for example, Vietnam is a high priority investment jurisdiction and Ta Khoa Project aligns with both their critical mineral and net zero strategies. The remaining funding will be raised by the JV partners, with their contributions commensurate with their ownership proportion.

Wabowden Project Restart Financing

Blackstone is also investigating alternate funding strategies for the Wabowden Project. The Company has identified a low capex restart scenario which could generate meaningful cashflows for the Company. This strategy has received great interest from mining project debt providers, royalty companies and other alternative sources of project finance. The Wabowden project also qualifies for Canadian and US government funding and grants.

BLACKSTONE SIGNS RENEWABLE ENERGY MOU FOR THE TA KHOA PROJECT

During the reporting period Blackstone entered into a Memorandum of Understanding with Limes Renewables Energy S.r.l. ("Limes") to collaborate on the supply of wind renewable energy to the Company's Ta Khoa Project via a direct power purchase agreement ("DPPA").



Figure 70: Limes' Managing Director, Cristiano Spillati & Blackstone Executive Lon Taranaki at the MOU signing ceremony in Hanoi

Limes is an independent power producer with a focus on renewable energy. Limes has a global footprint with a number of solar, wind and battery projects underway. Limes is currently advancing a 200 MW wind farm in the province of Son La, Vietnam, where the Ta Khoa Project is located. The Project was recently included in Vietnam's National Power Master Plan, demonstrating that renewables projects such as this are considered as 'significant value' for Vietnam (refer to ASX announcement 15 June 2023).

Blackstone continues its pursuit to be one of the greenest nickel producers in the world. As an extension to its announcement about investigating the carbon capture potential at the Ta Khoa Project via carbon mineralisation (refer to ASX announcement 29 September 2023), the Company has identified it can significantly reduce its carbon footprint further by securing up to 100% renewable power for the Ta Khoa Project (refer to Figure 11), Securing DPPA's with renewable power suppliers allows for a pathway to net zero mining and positions the Company to meet the growing global demand for low carbon intensity battery raw materials.

The parties have agreed to collaborate on the following initiatives;

- Direct power purchase agreements: when the new legislation is implemented, negotiate and execute a DPPA for the provision of renewable energy,
- Permitting and licensing assistance: both companies are operating in Son La and work with the same authorities. Where possible, the companies will assist each other with the permitting, licensing and promotion of their respective projects,
- Renewable energy optimisation: The parties will work together to develop strategies to allow Blackstone to maximise the use of renewable energy which could include strategies such as energy storage batteries.

The Opportunity

Son La Province, Vietnam, has significant wind potential with a number of large-scale wind projects in preparation that could produce in excess of 1 GW of renewable energy. This coupled with the existing 4.3 GW of hydropower capacity makes Son La a very attractive investment location for projects aiming to be carbon neutral.

The Ta Khoa Project will produce the lowest emission precursor as verified by Minviro and the Nickel Institute. This study was based on the Project sourcing electricity from the Northern Vietnam power grid which has approximately 50% of power supplied from renewable sources.

While the Ta Khoa Project’s nickel products have a low carbon footprint compared to other nickel producers (refer to Figure 12), there are opportunities to reduce this further. As outlined in Figure , the Company has the potential to reduce the climate impact of pCAM product further by utilising additional renewable energy. It is forecast that a ~25% reduction in the Project’s carbon footprint could be achieved if 100% renewable power was sourced.

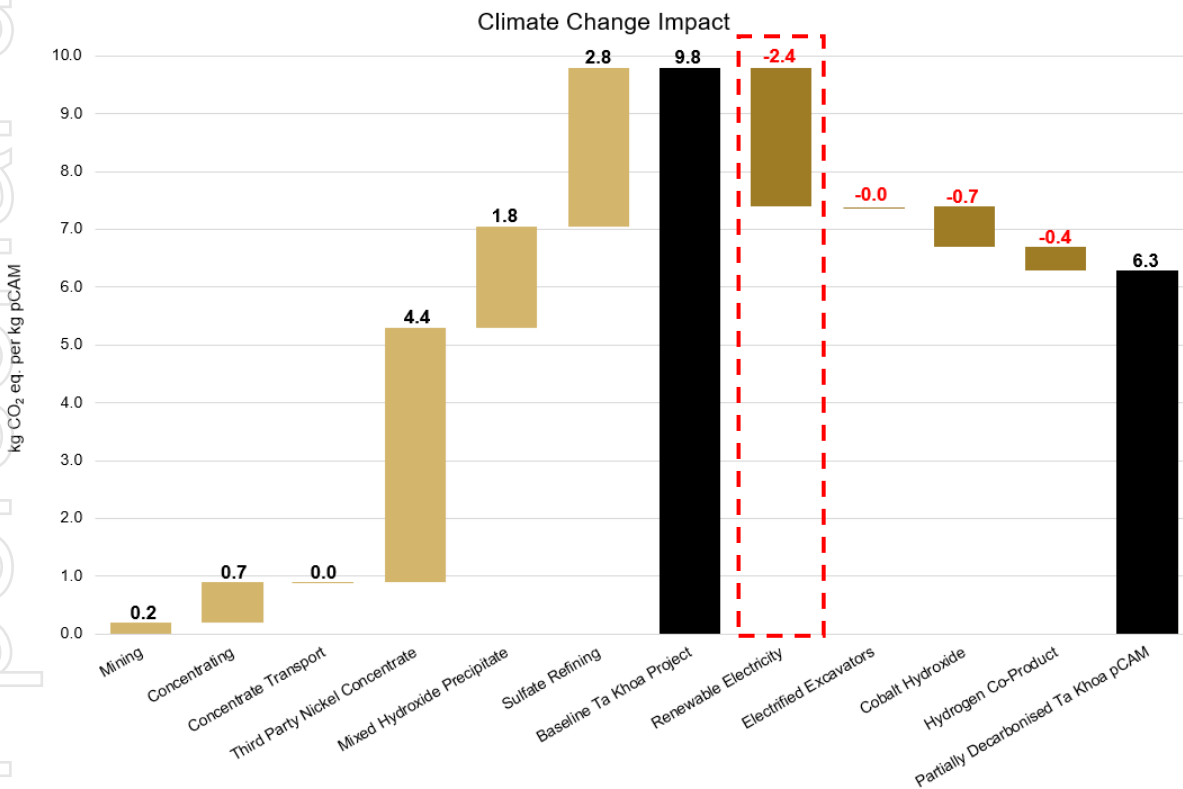


Figure 11: Ta Khoa Project Life-Cycle Assessment developed by Minviro for Scope 1, 2 and 3 emissions.

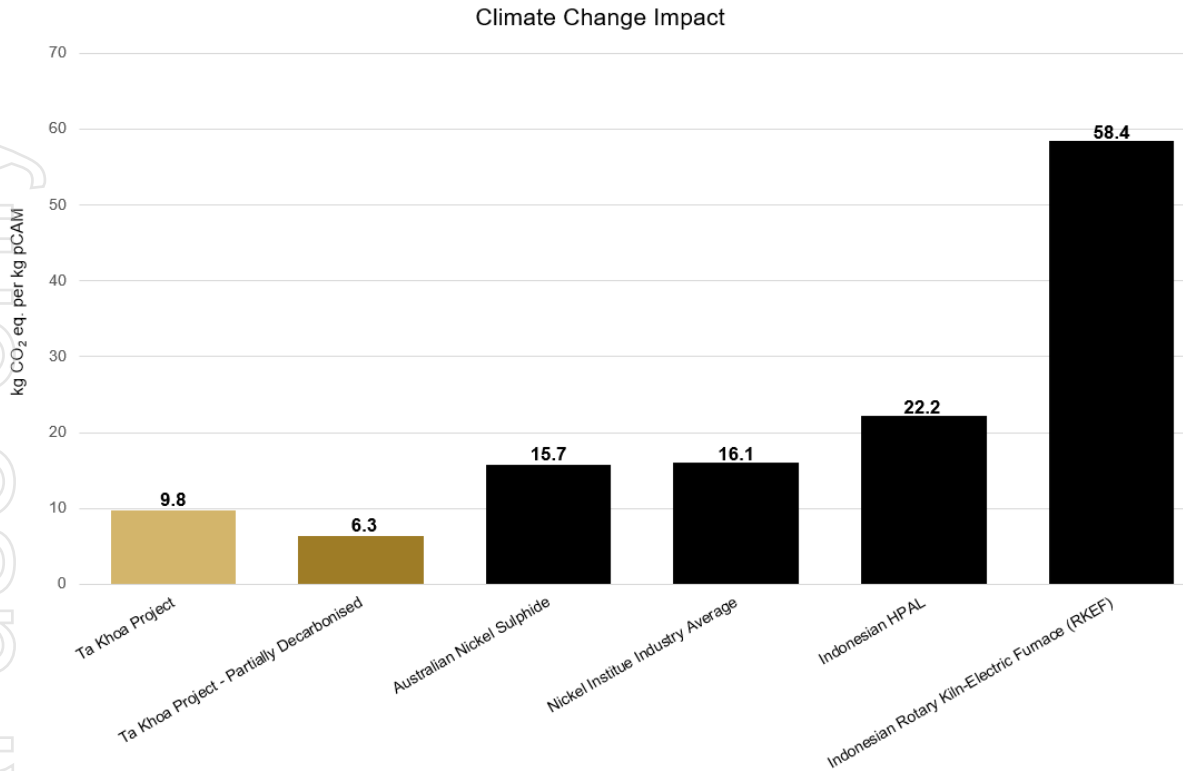


Figure 12: Ta Khoa Project Climate Change Impact Comparison for pCAM from Alternative Nickel Sources for Scope 1, 2 and 3 emissions.

Direct Power Purchase Agreements

The Vietnam government is currently in the process of formulating new legislation to allow power generators to sell directly to end users through DPPA's. The new legislation is currently under review and is expected to be implemented within the next 12-18 months. The DPPA will allow end users to secure direct access to renewable energy which will include access to Son La's existing hydropower network.

BLACKSTONE IDENTIFIES TA KHOA REFINERY NICKEL SUPPLY TARGET

During the period, Blackstone announced that it entered into a Memorandum of Understanding with Cavico Laos Mining ("CLM") to collaborate in a number of areas associated with CLM's nickel mine in Lao People's Democratic Republic ("Laos") and supply of nickel products for Blackstone's Ta Khoa Refinery in Vietnam.

The MOU was executed at the Australian Embassy in Hanoi, Vietnam and was witnessed by His Excellency Andrew Goledzinowski, Australian Ambassador to Vietnam.

CLM own and operate the Ban Bo Mine located in the Province of Bolikhamxay in Laos. Mining activities commenced in 2022 and just recently CLM commissioned a small hydrometallurgical plant to produce MHP, an intermediate product which can be processed at Blackstone's Ta Khoa Refinery. Geologically, the Ban Bo Mine and its surrounds are highly prospective with Iron Ore, Rare Earths, Cobalt, Chromium, Gold and Silver having been discovered.

Under the MOU, the following initiatives will be explored:

1. Negotiate offtake agreements for MHP for Ta Khoa Refinery and to assist with the marketing of MHP in the short to medium term,
2. Blackstone to assist CLM in certifying their resources and reserves to JORC standards,

3. Investigate technological solutions to help improve MHP recovery and quality to allow for its sale to global refineries such as Ta Khoa Refinery,
4. Review CLM's current operation with an ESG lens and develop necessary actions to meet global expectations,
5. Explore investment opportunities that are mutually beneficial for both parties,
6. Investigate opportunities to identify new regional exploration targets in Laos.

CLM and Blackstone are on the same journey to produce nickel chemicals for the electric vehicle battery industry, all be it at different phases of development and scale. Blackstone has always been interested in securing "locally" supplied nickel feed sources for Ta Khoa Refinery and increasing our regional nickel footprint. CLM can benefit from Blackstone's extensive testwork, study development and hydromet processing experience to help CLM climb the value-add curve and participate in the premium end of the nickel chemicals market. In addition to common mining interests, CLM has extensive experience in the construction industry which Blackstone believes could be beneficial for the advancement of the Ta Khoa Project.



Figure 13. Signing of agreement between Cavico Laos Mining & Blackstone at Australian Embassy in Hanoi, Vietnam.

BLACKSTONE SIGNS OFFTAKE MOU FOR REFINERY BYPRODUCT



Figure 84: Bricks made from Ta Khoa Refinery Residue

During the period, Blackstone entered into a Memorandum of Understanding with Phu Minh Vina Environment and Viet Trung Refractory Material Construction to research opportunities to repurpose and trade waste material (or residue) from its Vietnamese Ta Khoa Refinery into construction material products.

The MOU demonstrates that the refinery residue not only holds value but will result in less residue treatment and storage for Blackstone during the life of the operation, significantly improving financial metrics for the project.

Phu Minh owns and operate a waste treatment plant in the Phu Tho Province, which is adjacent to the Son La Province in Vietnam, where Blackstone is building the refinery. Phu Minh commenced in 2007 working in the fields of environmental management and waste treatment.

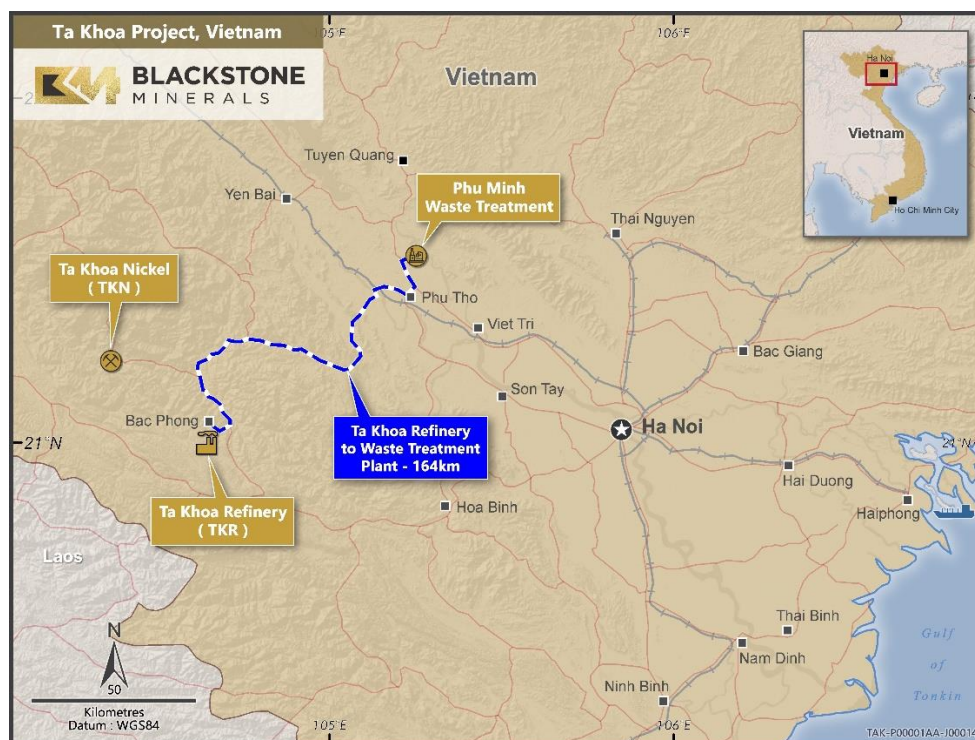


Figure 15: Location of Phu Minh Waste Treatment Plant

Viet Trung own and operate a refractory material company in Hoai Duc, Vietnam. Viet Trung commenced in 2017, licenced to produce construction refractory materials in Vietnam and manage hazardous waste treatment.

Under the MOU, the following initiatives will be explored:

1. Negotiate offtake agreements for Ta Khoa Refinery residue,
2. Research and provide solutions/processes/business for repurposing residue from the refinery, ensuring that any developed construction material meets or exceeds Vietnamese standards,
3. Collaborate on strategic solutions to ensure construction material products meet Son La Provincial People's Committee ("SLPPC") development strategy,
4. Confirm waste treatment capacity, ensuring it can match or exceed Ta Khoa Refinery's maximum waste production volume,
5. Identify technology and equipment to process Ta Khoa Refinery residue for construction material products (such as, but not limited to, bricks, pavers, blocks etc.) or feed material for other plants.

In 2021 Blackstone identified the potential for conversion of refinery residue into building materials. In mid-2023 the Company commenced investigations into the repurposing of its residue into construction material, specifically if the material would be suitable for the manufacturing of residential bricks. Blackstone saw this as a significant opportunity as the repurposing of residue material would:

- Generate additional industry opportunities for the people of Son La Province, Vietnam,
- Reduce the dependency of a residue storage facility, ultimately yielding both capital and operating cost benefits to the Ta Khoa Project,
- Significantly reduce the environmental impact of the project and thus improve permitting timelines,
- Improve social licence to allow Blackstone to operate within Son La Province, Vietnam,
- Generating a new circular economy within Vietnam.

In December 2023, Blackstone attended the monthly permitting working group meeting which includes government organisations such as the Son La Provincial People's Committee, Department of Natural Resources and Environment, Department of Planning and Investment, Department of Industry and Trade, Department of Agriculture and Rural Development, and the Phu Yen District People's Committee, among others. The working group expressed particular interest in examining the residue repurposing project. Notably, members of the working group acknowledged the work done by Blackstone to consider many options to manage site waste and seeing the repurposing of waste as beneficial for the Son La Province.

Blackstone will continue to work closely with Phu Minh, Viet Trung and the SLPPC to progress the development of construction material products and establish a new industry within Son La Province, Vietnam.

Blackstone is in discussions with other Vietnamese companies who are also interested in the Ta Khoa Refinery residue. Blackstone will report on this progress once MOU terms have been agreed.

The refinery will produce a number of different byproducts, these are:

- copper cathode (LME grade),
- magnesium sulphate in the form of epsomite,
- sodium sulphate.

Although copper cathode will be sold on the London Metal Exchange ("LME"), buyers of epsomite and sodium sulphate will need to be identified. Blackstone has engaged several Vietnamese chemical companies who are interested in the purchase of both the epsomite and sodium sulphate byproducts, thus improving project financial metrics.

The engaged companies explained they will use these byproducts to produce products such as fertiliser, detergents, construction materials and other chemical products. These products are then used in Vietnamese and global industries such as, but not limited to, agriculture, construction, industrial cleaning and chemical products, medical, textile, paper and glass manufacture.

Importantly, the engaged companies are capable of taking the full amount produced by the refinery. The companies confirmed the produced amount from the refinery is only a small portion of what is currently being imported into Vietnam, demonstrating offtake security.

The refinery requires a large range of reagents to convert nickel concentrate feed into precursor cathode active material. Blackstone has been investigating the capability of Vietnamese companies to produce/supply these reagents in Vietnam to reduce cost, benefit the Vietnamese economy, reduce supply

risk and logistical risk. This strategy aligns with previous announcements to explore and contract local companies to assist with project development and execution (refer ASX announcement 20 July 2023).

A number of Vietnamese companies have been identified to provide these reagents. Site visits were conducted in December 2023 to investigate the capability of these companies. It was pleasing to see that these companies service both local and international customers, are ISO accredited and were able to demonstrate high quality of operation and safety standards.

Blackstone will continue to investigate reagent supply within Vietnam with the aim to sign MOU's in early 2024.

CORPORATE

Key Corporate matters include:

- \$3,870,000 on exploration activities (refer to Item 1.2(a) of Appendix 5B), relating to ongoing exploration, mine site and refinery activities at its Ta Khoa Nickel-Copper-PGE Project. Full details of exploration activity during the quarter are set out in this report (ASX Listing Rule 5.3.1),
- No substantive costs incurred on mining and development activities during the quarter (ASX Listing Rule 5.3.2), and
- \$181,000 of payments made to related parties or their associates (refer to Item 6.1 of Appendix 5B) including (ASX Listing Rule 5.3.5):
 - Directors' fees, salaries, superannuation, and consulting fees of \$181,000.

Blackstone Receives Funding from Acuity Capital Facility

During the period, the Company announced that it has utilised its At-the-Market Subscription facility (ATM) with Acuity Capital (see announcement 22 March 2022), to raise \$1,100,000 (inclusive of costs) by agreeing to issue 7,600,000 fully paid ordinary BSX shares to Acuity Capital at an issue price of \$0.145 per share.

The 7,600,000 BSX shares will be issued subject to shareholder approval. The settlement of funds occurred in October 2023. The issue price of \$0.145 represented a premium to the 15-trading day VWAP to 27 October 2023 (inclusive).

Blackstone Completes Institutional Component of Entitlement Offer

During the period, the Company announced the successful completion of the institutional component ("Institutional Entitlement Offer") of its accelerated non-renounceable pro rata entitlement offer as announced on 5 December 2023 ("Entitlement Offer").

The Institutional Entitlement Offer opened on Tuesday, 5 December 2023 and closed on Wednesday 6 December 2023 raising approximately \$3m at the offer price \$0.07.

The Institutional Entitlement Offer was strongly supported by existing institutional shareholders of the Company, whilst also receiving demand from new institutional investors.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for four (4) New Shares for every thirteen (13) existing Shares held at an offer price of \$0.07 per share.

All New Shares issued under the Entitlement Offer rank equally with the existing Shares on issue.

Canaccord Genuity and Argonaut Securities Pty Limited have been appointed as joint lead managers and bookrunners to the Entitlement Offer (the "Joint Lead Managers").

Retail Entitlement Offer

Retail shareholders with a registered address in Australia or New Zealand as at 5.00pm (AWST) on Thursday, 7 December 2023 ("Record Date") ("Eligible Retail Shareholders") were invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer.

The Entitlement Offer closed on 29 January 2024 with results with respect to the acceptances published on the ASX on 30 January 2024 and new shares to be issued on 2 February 2024.

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

Ends.

Scott Williamson

Managing Director

+61 8 9425 5217

scott@blackstoneminerals.com.au

Investors are also encouraged to join and engage through the Blackstone Minerals Investor Hub, post questions and feedback through the Q&A function accompanying each piece of content, and [engage directly](#) with the Blackstone team.

How to join the Blackstone Minerals InvestorHub

1. Head to our [Investor Hub](#) or scan the QR code with your smart device
2. Follow the prompts to sign up for an Investor Hub Account
3. Complete your account profile and link your shareholdings if you are a current shareholder.



COMPETENT PERSON DISCLOSURE STATEMENT

Exploration Results, Mineral Resources and Ore Reserves

No new Exploration Results, Minerals Resources or Ore Reserves are included in this report. Information in this report that refers to such items is taken from information previously presented to the public and remains relevant. Where previous information is re-stated or referred to, the original report and report data is referenced.

New Information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings as presented have not been materially modified from the relevant original market announcement.

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 Project.

APPENDIX A: Tenements

Mineral tenements held at the end of December 2023 quarter.

Project	Location	Tenement	Interest at December 2023
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%
	British Columbia, Canada	1052893, 1065892	100%
British Columbia, Canada	1066580, 1066581	100%	
Twilight Ni-Cu	Labrador, Canada	026822M, 025183M,	0% ¹
	Labrador, Canada	025744M, 019447M,	0% ¹
	Labrador, Canada	019456M, 026615M,	0% ¹
	Labrador, Canada	033850M, 033849M,	0% ¹
	Labrador, Canada	033848M, 033851M	0% ¹
	Labrador, Canada	034630M, 034634M	0% ¹
West Voisey	Labrador, Canada	034230M, 034234M	0% ²
Ta Khoa	Vietnam	ML 1211/GPKT- BTNMT	90%
		and 522 G/P	90%

Note 1: held under option agreement with Big Land Exploration Ltd to earn up to 100% interest in the project.

Note 2: held under option agreement with Wayde Guinchard and Myrtle Guinchard to earn up to 100% interest in the project.

Mining tenements acquired and disposed during the December 2023 quarter.

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Twilight Ni-Cu	Labrador, Canada	034630M, 034634M	0%	0% ¹

Note 1: held under option agreement with Big Land Exploration Ltd to earn up to 100% interest in the project.

Beneficial percentage interest in joint venture agreements at end of quarter.

Project	Location	Tenement	Interest at end of Quarter
Nil			

Beneficial percentage interest in farm-in or farm-out agreements acquired or disposed of during the quarter.

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Nil				

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Blackstone Minerals Limited

ABN

96 614 534 226

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,870)	(9,662)
(b) development	-	-
(c) production	-	-
(d) staff costs	(783)	(1,568)
(e) administration and corporate costs	(538)	(1,279)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	37
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) – Corporate restructuring costs	-	-
1.9 Net cash from / (used in) operating activities	(5,170)	(12,472)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(1,250)	(1,250)
(e) investments	(136)	(136)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,386)	(1,386)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,064	4,064
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(256)	(256)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other— R&D Advance net of costs.	-	2,674
3.10	Net cash from / (used in) financing activities	3,808	6,482

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,045	10,654
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,170)	(12,472)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,386)	(1,386)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,808	6,482

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	19
4.6	Cash and cash equivalents at end of period	3,297	3,297

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,297	6,045
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,297*	6,045

*Excludes market value of listed equity investments held at 31 December 2023 of \$7.1m.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	181
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,170)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,250)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(6,420)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,297
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,297
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.51
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, expenditure across the business has decreased on studies, corporate costs and in-country expenditure and the company expects a lower level of net operating cashflow in the next quarter, noting that the \$1.25m Wabowden Option Fee was a one off cost.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The company has recently undertaken an Entitlement Offer (see 5 December 2023 prospectus), raising \$3m in December 2023 from institutional investors and \$0.3m from retail investors in January 2024. Discussion with our major shareholders in relation to the shortfall are ongoing to ensure the company remains suitably funded. The company also has \$7.1m of listed investments available.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, on the basis of reduced expenditure and the potential to place the Entitlement Offer shortfall over the next quarter and the \$7.1m of listed investments available.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 January 2024.....

Jamie Byrde
Chief Financial Officer/Company Secretary

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.