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Emerging gold discovery along strike of +5 Moz Kanowna Belle Gold Mine

Blackstone Minerals Limited (“**Blackstone**” or the “**Company**”), is pleased to announce an emerging gold discovery with significant results from the second phase aircore drilling program at Silver Swan South, located 8 km along strike of the world class Kanowna Belle Gold Mine (+5 Moz gold endowment) near Kalgoorlie, Western Australia (Refer Figure One).

Highlights

- Blackstone’s second phase aircore drilling program at Silver Swan South has intersected gold mineralisation and extensive basement geochemical anomalism at the **Black Eagle** prospect with the following result:
 - **10 m @ 3.2 g/t Au from 68 m** within;
 - **15 m @ 2.2 g/t Au from 64 m to EOH** (Refer Figure Two).
- The above results have significantly upgraded the Black Eagle prospect and when combined with previous reconnaissance results of **3m @ 3.5g/t Au from 60m** sees Black Eagle **elevated to a priority drill target**.
- The Silver Swan South project is located 8 km along strike and encompasses the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine (+5 Moz gold endowment);
- Aircore drilling, due to commence shortly, will also target the **Black Hawk** prospect following up on an initial **3 m @ 2.6 g/t Au from 52 m** intersected in the first phase of drilling at Silver Swan South;
- Following the success of two aircore drill programs Blackstone also plans to commence a maiden diamond drilling program in Q2 2018.

Blackstone’s Managing Director commented; “*We are pleased to announce these significant gold results at such an early stage in our exploration efforts at Silver Swan South. We look forward to the next phase of drilling to identify the primary source of the gold mineralisation at Black Eagle and to identify further gold anomalism at Black Hawk. We are strategically located within trucking distance of many world class gold mines. Our Australian assets continue to complement our flagship very high grade Little Gem Cobalt-Gold project in British Columbia, Canada*”

BLACKSTONE FAST FACTS

Shares on Issue	92.2m
Share Price	\$0.44
Market Cap	\$40m
ASX Code	BSX

BOARD & MANAGEMENT

Non-Exec Chairman
Hamish Halliday

Managing Director
Scott Williamson

Technical Director
Andrew Radonjic

Non-Exec Directors
Bruce McFadzean
Stephen Parsons
Michael Konnert

Joint Company Secretaries
Michael Naylor
Jamie Byrde

ADVANCING THE FOLLOWING PROJECTS

High Grade (3% Cobalt & 20 g/t Gold) Little Gem Project
British Columbia, Canada

Cartier Cobalt-Nickel Project
Quebec, Canada

Gold and Nickel Projects
Western Australia

- Silver Swan South
- Middle Creek
- Red Gate

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Silver Swan South Project

The Silver Swan South Project comprises of one granted exploration licence E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 47.2 km². The Project is along trend of the massive nickel sulphide Silver Swan Deposit (pre-mining ore reserve of 655 kt at 9.5% Nickel) and associated deposits (pre-mining resource of 10.4 Mt at 1.0% Nickel), and only 8 km northeast of the major Kanowna Belle Gold Mine (+5 Moz gold endowment).

Emerging gold discovery from second phase aircore drilling

Blackstone has completed the second phase of aircore drilling at the Silver Swan South project and the new results have highlighted an emerging gold discovery with significant gold mineralisation and extensive basement geochemical anomalism. The basement geochemistry contours at the Black Eagle prospect are similar in size to the footprint of the nearby world class Kanowna Belle deposit (+5 Moz gold endowment). The basement geochemical anomalism at the Black Eagle and Black Hawk prospects are located along the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine.

The best gold intersection of **10 m @ 3.2 g/t gold from 68 m** at the Black Eagle prospect shows a substantial improvement on the previous best result of **3 m @ 3.5 g/t gold from 60 m** at the Black Eagle prospect and **3 m @ 2.6 g/t gold from 52 m** at the Black Hawk prospect. The basement gold geochemical anomalism combined with the significant intersections in early stage aircore drilling suggest an emerging gold discovery at Silver Swan South.

Silver Swan South exploration strategy

Blackstone's drilling at Silver Swan South will continue to target both gold hosted by structural targets along strike from the Kanowna Belle Gold Mine (endowment +5Moz Au), and nickel sulphide mineralisation associated with ultramafic units along strike from the Silver Swan and Black Swan Nickel Mines (endowment 166kt Ni metal). The initial programs have identified significant basement hosted mineralisation using air core drilling and the next phase of drilling will be focussed on better understanding the source of the mineralisation and delineating further gold and nickel anomalism.

The next phase of drilling will focus on the following:

- Further definition of gold targets associated with the interpreted northern extension of the Fitzroy Shear, controlling host structure at the Kanowna Belle Gold deposit which is located 8 km along strike;
- Test priority gold targets with reconnaissance diamond drilling at Black Eagle and aircore drilling at Black Hawk.

The successful first and second phase aircore drilling programs will now be followed up with further aircore drilling at the Black Hawk prospect where the best result to date intersected **3 m @ 2.6 g/t Au from 52 m** within significant basement geochemical anomalism along the interpreted extension of the Fitzroy Shear Zone.

After completing further aircore drilling at Black Hawk, the Company will commence a maiden diamond drilling program to identify the extent and source of the gold mineralisation at Silver Swan South, further testing the extent of the basement geochemical anomalism and follow up drill testing of the best result to date of **10 m @ 3.2 g/t Au from 68 m**.

Figure One | Silver Swan South Gold Prospects

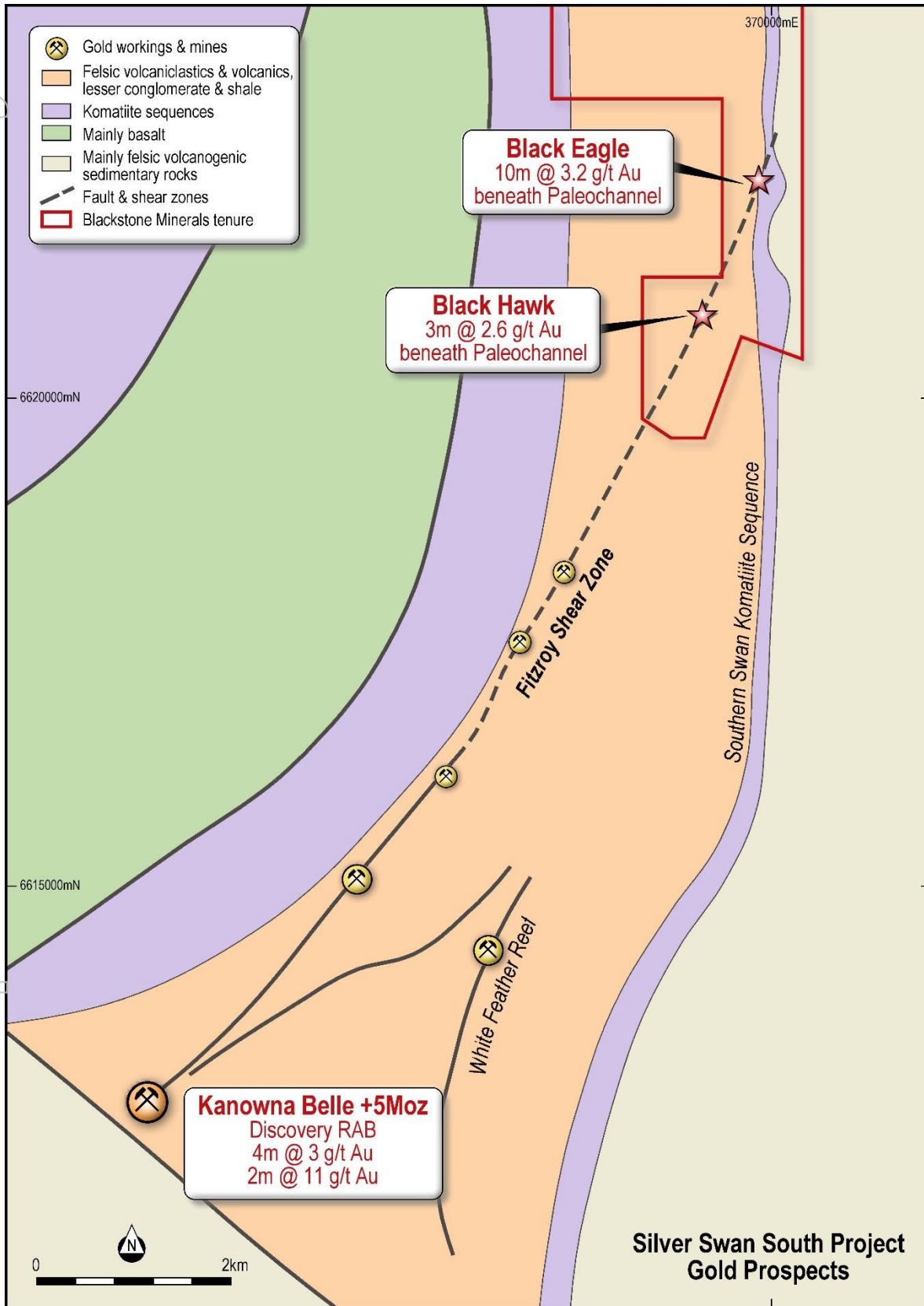
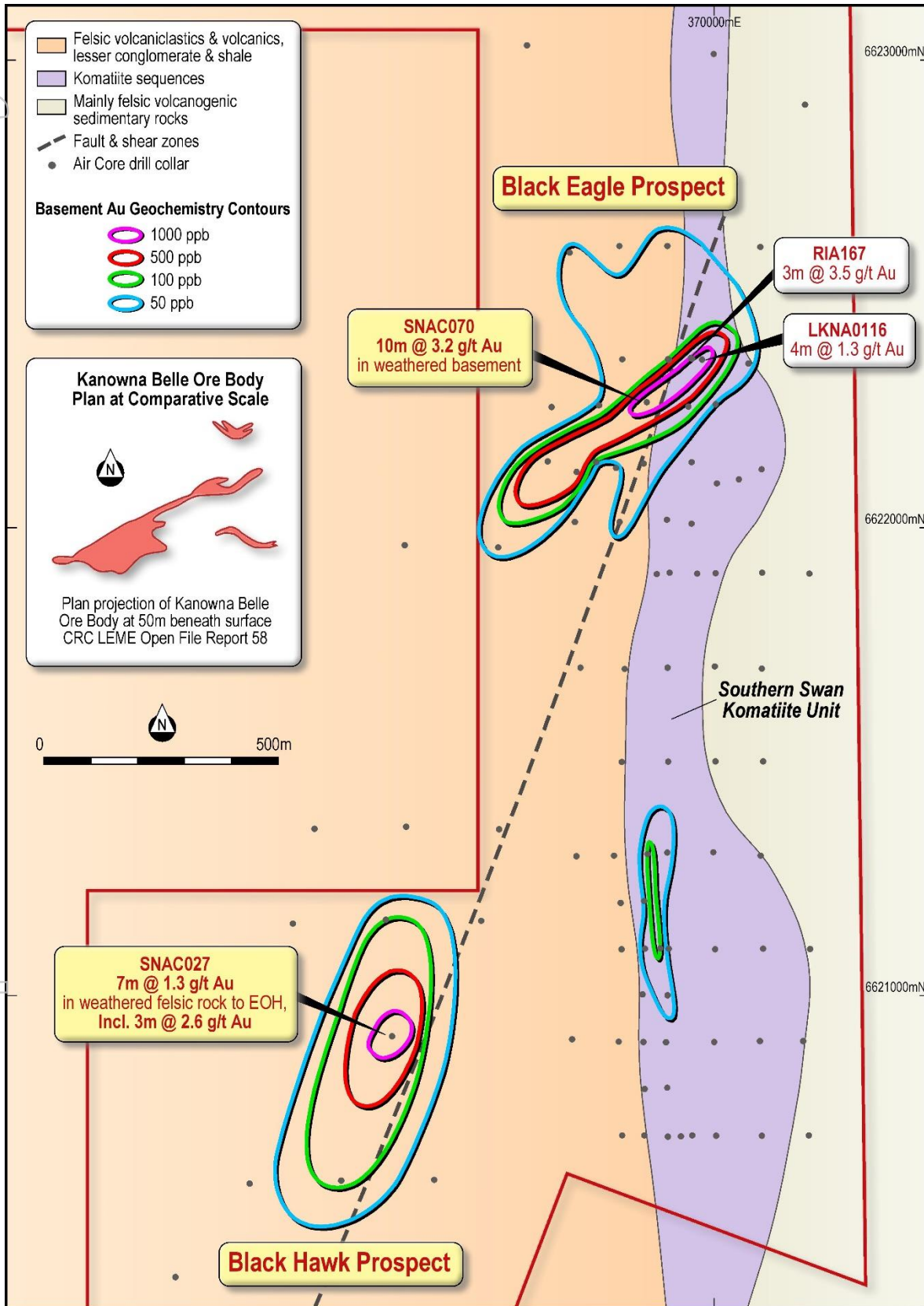


Figure Two | Silver Swan South Gold Prospects with Basement Gold Geochemistry Contours



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Table One | Silver Swan South Gold Prospects – Summary Drill Results

Hole	E_MGA51GDA94	N_MGA51GDA94	Azi_MGA	Plunge	EOH_m	From_m	To_m	Interval_m	Au_g/t
SNAC037	369859	6621300	0	-90	86	40	60	20	0.03
SNAC038	369801	6621197	0	-90	89			0	NSI
SNAC039	369850	6621201	0	-90	42			0	NSI
SNAC040	369851	6621102	0	-90	76	24	28	24	NSI
SNAC041	369849	6621002	0	-90	54			0	NSI
SNAC042	369899	6621000	0	-90	36			0	NSI
SNAC043	369849	6620900	0	-90	54			0	NSI
SNAC044	369900	6620802	0	-90	22	18	22	4	NSI
SNAC045	369851	6620799	0	-90	66			0	NSI
SNAC046	369850	6620701	0	-90	88			0	NSI
SNAC047	369298	6621162	0	-90	85	56	60	4	0.19
SNAC048	369502	6621158	0	-90	70	24	28	4	0.34
SNAC049	369098	6621155	0	-90	54			0	NSI
SNAC050	369301	6620102	0	-90	76			0	NSI
SNAC051	369100	6620103	0	-90	71			0	NSI
SNAC052	368902	6620099	0	-90	47			0	NSI
SNAC053	369254	6620400	0	-90	96			0	NSI
SNAC054	369052	6620400	0	-90	66			0	NSI
SNAC055	368849	6620397	0	-90	52			0	NSI
SNAC056	369403	6620603	0	-90	61			0	NSI
SNAC057	369203	6620601	0	-90	57	56	57	1	0.13
SNAC058	369005	6620597	0	-90	70			0	NSI
SNAC059	370001	6622260	0	-90	108			0	NSI
SNAC060	369950	6622138	0	-90	108	60	64	4	0.3
SNAC061	369848	6622135	0	-90	84				NSI
SNAC062	369748	6622136	0	-90	66				NSI
SNAC063	369949	6622009	0	-90	38				NSI
SNAC064	369951	6622011	0	-90	38				NSI
SNAC065	369899	6622017	0	-90	102				NSI
SNAC066	369798	6622011	0	-90	75	36	44	8	0.22
SNAC067	369701	6622012	0	-90	60				NSI
SNAC068	369642	6622139	0	-90	82	62	64	2	1.44
SNAC069	369944	6622258	0	-90	78	60	64	4	0.14
SNAC070	369855	6622267	0	-90	79	64	79	15	2.22
Includes						68	78	10	3.19
SNAC071	369753	6622259	0	-90	72	56	60	4	0.11
SNAC072	369653	6622257	0	-90	77	24	28	4	0.33
SNAC073	370054	6622102	0	-90	160	56	160		NSI

Yours sincerely



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About Blackstone

Blackstone Minerals Limited (**ASX code: BSX**) is actively exploring the very high grade Little Gem Cobalt-Gold project in British Columbia, Canada. Blackstone is the first company in over 60 years to undertake systematic exploration for Cobalt at Little Gem and within the surrounding district. Blackstone owns a large land holding with 48 km of untested strike potential of highly prospective geology analogous to the world class Bou-Azzer primary Cobalt district in Morocco. Blackstone is actively exploring for nickel and gold in the Eastern Goldfields and gold in the Pilbara region of Western Australia. Blackstone is actively exploring the Silver Swan South project for gold at the Black Eagle and Black Hawk prospects located along strike of the world class Kanowna Belle Gold Mine (+5 Moz gold endowment). Blackstone has a board and management team with a proven track record of mineral discovery and corporate success.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic 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 Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix One

JORC Code, 2012 Edition | 'Table 1' Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Air Core drilling was used to obtain samples representing 1 m downhole intervals. Drilling and sampling was supervised by a suitably qualified Blackstone Minerals geologist. The Air Core spoils were collected in buckets from the drill rig sample cyclone and laid out in 1 m intervals for logging and sampling. Drill spoils were subsampled by a suitably qualified geologist and field technician using a scoop to produce nominal 4 m composite samples for preparation and assay at ALS Geochemistry, Perth. Upon receipt of 4 m composite assay results significantly mineralised intervals were resampled on a 1 m basis from the original 1 m Air Core spoil piles using a sampling scoop. Each sample submitted for assay weighed between 1 kg and 5 kg.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Air Core drilling to blade refusal, 115 mm rod diameter.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Recoveries were logged as visually estimated percentages by a Blackstone Minerals geologist. There is no discernible correlation between Au grades and visually logged recovery (correlation coefficient <0.01) Water injection was used only when necessary to penetrate palaeochannel clay cover to weathered basement.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The Air Core spoils were qualitatively logged by a suitably qualified Blackstone Minerals geologist. All of the 1645 m (37 holes) drilled was logged on a 1 m interval basis. Mineral Resources have not been estimated. The detail of geological logging is considered sufficient for mineral exploration.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	<ul style="list-style-type: none"> The Air Core spoils were collected from the sample cyclone in 1 m intervals. The 1 m interval samples were then subsampled at the drill site by Blackstone Minerals geologist and field assistant using a sampling scoop and composited for assay at ALS Geochemistry, Perth. 96% of the composites produced represented 4 m intervals, <1% of composites represented 5 m intervals, 1% represented 3 m intervals, 2% represented 2 m intervals and 1 % represented 1m intervals. The composite drill samples were submitted to ALS Geochemistry, Perth in their entirety where they were

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>dried, crushed and pulverised to nominally 80% passing 75 microns for assay.</p> <ul style="list-style-type: none"> Upon receipt of the composite assay results all significantly mineralised intervals were resampled on a 1 m basis from the original 1 m Air Core spoil piles using a sampling scoop. The 1 m drill samples were submitted to ALS Geochemistry, Kalgoorlie in their entirety where they were dried, crushed and pulverised to nominally 80% passing 75 microns for assay.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Au was analysed by industry standard 50g charge fire assay with AAS finish to a 0.01 ppm lower limit of detection at ALS Geochemistry, Kalgoorlie and Perth. Commercially certified reference materials were included in ALS batches by the client at a minimum rate of at least one standard per 25 samples. >95% of results for the commercial Au assay standards assays at a +1 ppm Au level are within 10% of the reference values.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> The assay results are compatible with the observed mineralogy. Twinned holes were not used and not considered necessary at this early stage of exploration. Primary data is stored and documented in industry standard ways. Assay data is as reported by the laboratories and has not been adjusted in any way. Remnant assay pulps are held in storage by the assay laboratories.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Drill hole collar locations were determined by handheld GPS considered accurate to ± 5 m. All co-ordinates were recorded in MGA Zone 51 datum GDA94. Topographic control is provided by government 250,000 topographic map sheets and a Digital Terrain Model based on the 30 m Shuttle Radar Topographic Mission data.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The Air Core drilling was of reconnaissance nature conducted on 50 to 200 m spacings along MGA E-W traverses spaced c. 100 to 200 m apart. All drilled intervals were composite sampled and assayed (refer Table One). Significantly mineralised zones were resampled on a 1 m interval basis. Data compositing has not been applied. The reported drill results are not sufficient to establish mineral resources.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The target Archaean basement rocks in the Project area are largely covered by paleochannel sediments up to c.70 m thick, and the Air Core drilling was designed to map the weathered basement geochemistry. The Air Core drill traverses were orientated at a high angle to perpendicular to interpreted basement stratigraphic strike and inferred mineralised faults. The drilling confirms the presence of N to NE striking structures prospective for Au mineralisation. At this reconnaissance stage of geochemical drilling there is insufficient knowledge of potentially economic Au mineralisation orientations to evaluate structural sampling bias.

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Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The chain of custody for samples from collection to dispatch to assay laboratory was managed by Blackstone Minerals personnel. Sample numbers were unique and did not include any locational information useful to non-Blackstone Minerals personnel. The level of security is considered appropriate for such sampling.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The assay results agree well with the observed mineralogy. No further reviews have been carried out at this reconnaissance stage. Further aircore drilling to refine the identified Au targets is proposed.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Silver Swan South exploration targets are all located within granted Prospecting Licences P27/2192, P27/2193, P27/2194, P27/2195 and P27/2196 owned 100% by Black Eagle Pty Ltd which is wholly owned by Blackstone Minerals Ltd. Standard governmental conditions apply to the Prospecting Licences.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Kanowna Mines and Placer Dome Asia Pacific Ltd were the most significant previous explorer of the target area, conducting reconnaissance Air Core drilling that forms the basis of the targets drill tested by Blackstone Minerals. Results of the historic exploration activities are summarised and discussed in Blackstone Minerals' prospectus, released 15 December 2016 and available from http://blackstoneminerals.com.au
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The exploration area is within the Eastern Goldfields, Western Australia which is prospective for gold and base metal deposits.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole down hole length and interception depth; hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All Blackstone Minerals drill hole coordinates, depths, orientations, hole lengths and significant results are given in Table 1.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All drill intersections given in Table 1 are length weighted averages. Upper cuts have not been applied. Any significantly higher grade zones are listed as included intervals in Table 1. Metal equivalent values are not used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> At this reconnaissance stage the geometry of target Au and Ni sulfide mineralisation is not defined. All intersections reported in Table 1 are down hole. True widths of mineralisation are not known at this stage.

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Criteria	Explanation	Commentary
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> An appropriate exploration plan is included in the body of this release.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Any significantly higher grade zones are listed as included intervals in Table 1.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Appropriate reconnaissance exploration plans are included in the body of this release.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Blackstone Minerals proposes to conduct further prospecting, aircore drilling, petrography and geophysical surveys to follow up the identified targets. An appropriate exploration target plan is included in the body of this release.