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**BLACKSTONE**  
M I N E R A L S

**Interim Financial Report**  
**31 December 2020**

ABN 96 614 534 226



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## Corporate Directory

### **Non-Executive Chairman**

Hamish Halliday

### **Managing Director**

Scott Williamson

### **Non-Executive Directors**

Andrew Radonjic

Peter Plakidis

Hoirim Jung

### **Company Secretary**

Jamie Byrde

### **Principal & Registered Office**

Level 3, 24 Outram Street

West Perth WA 6005.

Telephone: (08) 9425 5217

Facsimile: (08) 6500 9982

### **Stock Exchange Listing**

Australian Securities Exchange

(Home Exchange: Perth, Western Australia)

Code: BSX

### **Website Address**

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

### **Share Registry**

Automic Pty Ltd

Level 2,

267 St Georges Terrace

PERTH WA 6000

### **Auditors**

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

### **Bankers**

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

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**BLACKSTONE**  
MINERALS

Your directors present their report on the consolidated entity consisting of Blackstone Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

**1. Directors**

The following persons were directors of Blackstone Minerals Limited during the half-year and up to the date of this report except where otherwise noted:

Hamish Halliday  
Scott Williamson  
Andrew Radonjic  
Hoirim Jung  
Steve Parsons (Resigned on 24 December 2020)  
Peter Plakidis (Appointed on 24 December 2020)

**2. Review of Operations**

Blackstone Minerals Limited, has a net operation loss after tax for the half year ended 31 December 2020 was \$6,964,477 (2019: \$4,195,859). The loss for the period includes \$3,488,121 (2019: \$1,949,934) in exploration and evaluation expenditure and share based payment expenses of \$1,171,869 (2019: \$1,300,697) were also recognised during the half year.

**Corporate**

- On 21 August 2020, the Company issued 8,000,000 shares to Acuity Capital under the Controlled Placement Agreement (CPA) with an issue price of \$0.2875 per share.
- On 28 August 2020, the Company announced Acuity Capital has agreed to increase the CPA facility to \$15 million to better reflect the higher market capitalisation following recent share price appreciation. There is no requirement for the Company to utilise the CPA and there were no fees or costs associated with the interest in the CPA limit. Following the increase to the new CPA limit of \$15 million, the remaining standby equity capital that is currently available under the CPA is \$11.84 million with an expiry date of 31 July 2021.
- On 17 September 2020, the Company completed a placement issuing 42,426,356 ordinary shares at \$0.42 for \$17,819,070 before share issue costs.
- On 18 September 2020, the Company announced eligible shareholders will have the opportunity to participate in the Share Purchase Plan up to the value of \$30,000 at the same price of the placement of \$0.42 per share. The company completed the share purchase plan on 7 October 2020 raising \$3 million.
- During the period, 12,075,000 options were converted at \$0.001 each, raising approximately \$12,075.

**Ta Khoa Project (90% interest)**

Blackstone Minerals Ltd (ASX: BSX / OTCQB: BLSTF / FRA: B9S) owns a 90% interest in the Ta Khoa Nickel-Cu-PGE Project. The Ta Khoa Project is located 160km west of Hanoi in the Son La Province of Vietnam (refer to Figure 1) and includes an existing modern nickel mine built to Australian standards, which is currently under care and maintenance. The Ban Phuc nickel mine successfully operated as a mechanised underground nickel mine from 2013 to 2016.

## 2. Review of Operations (continued)



*Figure 1: Ta Khoa Nickel-Cu-PGE Project location*

### Scoping Study

During the period, Blackstone released a Scoping Study for the development and restart of its flagship Ta Khoa Project (refer ASX announcement 14 October 2020). The Scoping Study features an 8.5 year project life underpinned by the Ban Phuc disseminated sulfide (DSS) deposit, and integrates upstream and downstream processing to produce precursor Nickel:Cobalt:Manganese (NCM) product for the Lithium-ion battery industry.

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**BLACKSTONE**  
MINERALS**2. Review of Operations (continued)**

Blackstone's downstream precursor NCM product significantly improves the payability of nickel, from ~70-80% to ~125-135% of London Metal Exchange (LME) metal prices and supports robust economics for the Project as highlighted in the Company's Scoping Study:

- Maiden Ban Phuc DSS Indicated Resource of 44.3Mt @ 0.52% Ni for 229Kt;
- Annual production of ~12.7ktpa Ni over an 8.5 year project life;
- Gross revenue of ~US\$3.3 billion;
- Pre-tax cash flow of ~US\$176mpa;
- Pre-tax NPV<sub>8%</sub> of ~US\$665m and ~45% IRR;
- Pre-production capital cost of ~US\$314m; and
- Capital payback period of ~2.5 years.

The Company is now advancing the Ta Khoa Project through to a Pre-Feasibility Study, which will contemplate the option to mine higher grade MSV deposits within the Ta Khoa district. The discovery of higher grade MSV deposits have the potential to reduce upfront capital requirements by enabling the Company to restart the existing Ban Phuc concentrator (450kt).

**Geology - Exploration & Resource Definition**

Blackstone is continuing its aggressive geology program with ten active drill rigs. Drilling during the period was primarily focussed on increasing the confidence of the Ban Phuc DSS deposit as well as targeting higher grade MSV deposits, with a view to delineate additional resources and mining inventory for ongoing studies. The areas drilled during the period are shaded yellow in Figure 2 below.

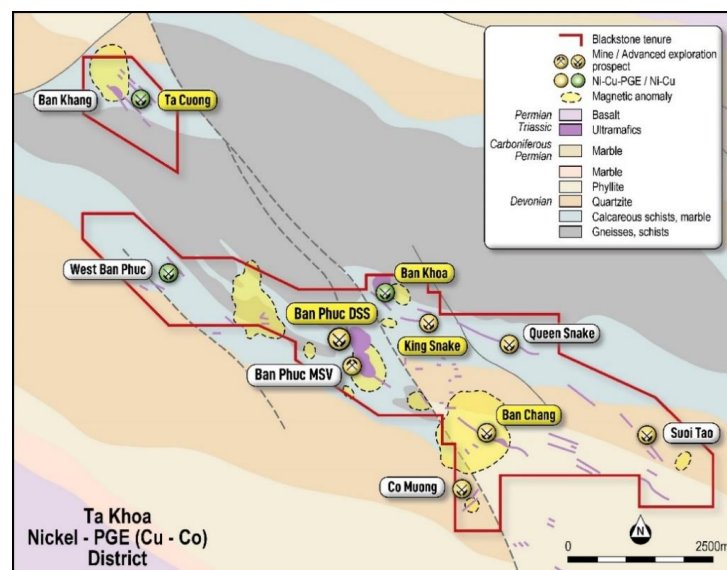


Figure 2: Ta Khoa Nickel-PGE (Cu-Co) district

## 2. Review of Operations (continued)

Significant intercepts for the period:

BP20-30	127.2m @ 0.38% Ni, 0.03% Cu, 0.01% Co & 0.09g/t PGE1 from 20.65m
incl.	14.45m @ 0.77% Ni, 0.15% Cu, 0.02% Co & 0.18g/t PGE from 122.7m
BP20-31	21.3m @ 0.71% Ni, 0.09% Cu, 0.01% Co & 0.18g/t PGE from 48.7m
incl.	11m @ 0.95% Ni, 0.13% Cu, 0.01% Co & 0.24g/t PGE from 59m
BP20-32	149.2m @ 0.42% Ni, 0.06% Cu, 0.01% Co & 0.08g/t PGE from 3m
BP20-34	<b>127.6m @ 1.17% Ni, 0.22% Cu, 0.02% Co &amp; 0.24g/t PGE from 14m</b>
incl.	85m @ 1.36% Ni, 0.27% Cu, 0.03% Co & 0.25g/t PGE from 22m
BP20-35	<b>96.1m @ 0.83% Ni, 0.17% Cu, 0.02% Co &amp; 0.26g/t PGE from 18.4m</b>
incl.	50.2m @ 1.05% Ni, 0.2% Cu, 0.02% Co & 0.4g/t PGE from 45m
BP20-39	<b>166.1m @ 0.75% Ni, 0.16% Cu, 0.01% Co &amp; 0.29g/t PGE from 6.3m</b>
incl.	79.8m @ 1.12% Ni, 0.27% Cu, 0.02% Co & 0.45g/t PGE from 10.5m

1 Platinum (Pt) + Palladium (Pd) + Gold (Au)

### Ban Phuc (DSS)

Blackstone has been successful with additional infill drilling at Ban Phuc and extensional drilling within the King Cobra Zone (KCZ). The results delivered during the period were some of the best intercepts to date (refer to Figure 3).

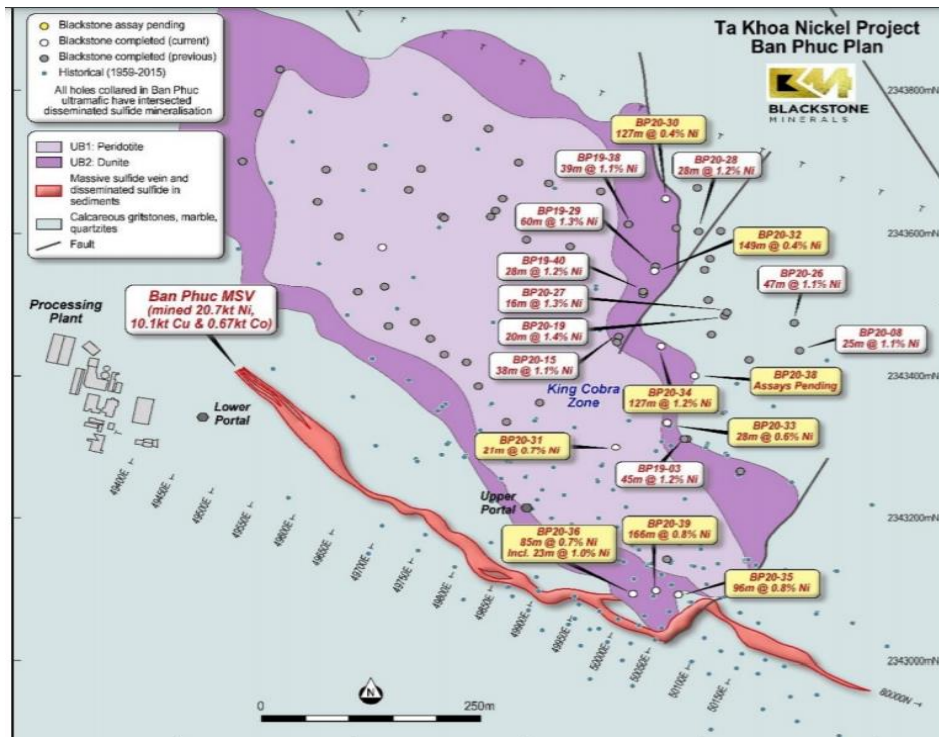


Figure 3: Plan View showing Ban Phuc DSS drill hole collar locations and KCZ



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**2. Review of Operations (continued)**

**Ban Chang (MSV)**

Blackstone continues to target massive sulfide vein (MSV) prospects analogous to the previously mined Ban Phuc MSV, where previous owners successfully mined 975kt of high-grade ore at average grades of 2.4% Ni & 1.0% Cu from an average vein width of 1.3m.

The first higher grade MSV deposit targeted for a JORC compliant resource in 2021 is the Ban Chang prospect. Ban Chang is located 2.5km south-east of the processing facility and the Ban Phuc deposit adjacent to the Chim Van – Co Muong fault system.

Following initial drill holes at Ban Chang which intersected high-grade massive sulfide nickel over a 1.2km strike length (refer to Figure 4), drilling success in the period continued to support the Company's strategy to delineate a Maiden Resource at Ban Chang to supplement ongoing studies (refer to ASX announcements 11 August 2020, 2 September 2020, 10 December 2020). Significant intercepts for the period included:

BC20-16	5.65m @ 1.04% Ni, 1.16% Cu, 0.05% Co & 0.71g/t PGE from 55.1m
incl.	1.92m @ 2.1% Ni, 2.56% Cu, 0.11% Co & 1.46g/t PGE from 58.9m
BC20-19	15.8m @ 0.47% Ni, 0.25% Cu, 0.03% Co & 0.21g/t PGE from 41.8m
incl.	1.9m @ 1.21% Ni, 0.48% Cu, 0.07% Co & 0.7g/t PGE from 55.6m
BC20-20	3.85m @ 0.81% Ni, 0.57% Cu, 0.05% Co & 0.36g/t PGE from 46.0m
incl.	1.7m @ 1.45% Ni, 1.08% Cu, 0.08% Co & 0.60g/t PGE from 48.15m
BC 20-26	16.3m @ 0.58% Ni, 0.37% Cu, 0.04% Co & 0.3g/t PGE from 54m
incl.	0.55m @ 1.49% Ni, 1.63% Cu, 0.09% Co & 0.49g/t PGE from 62.9m

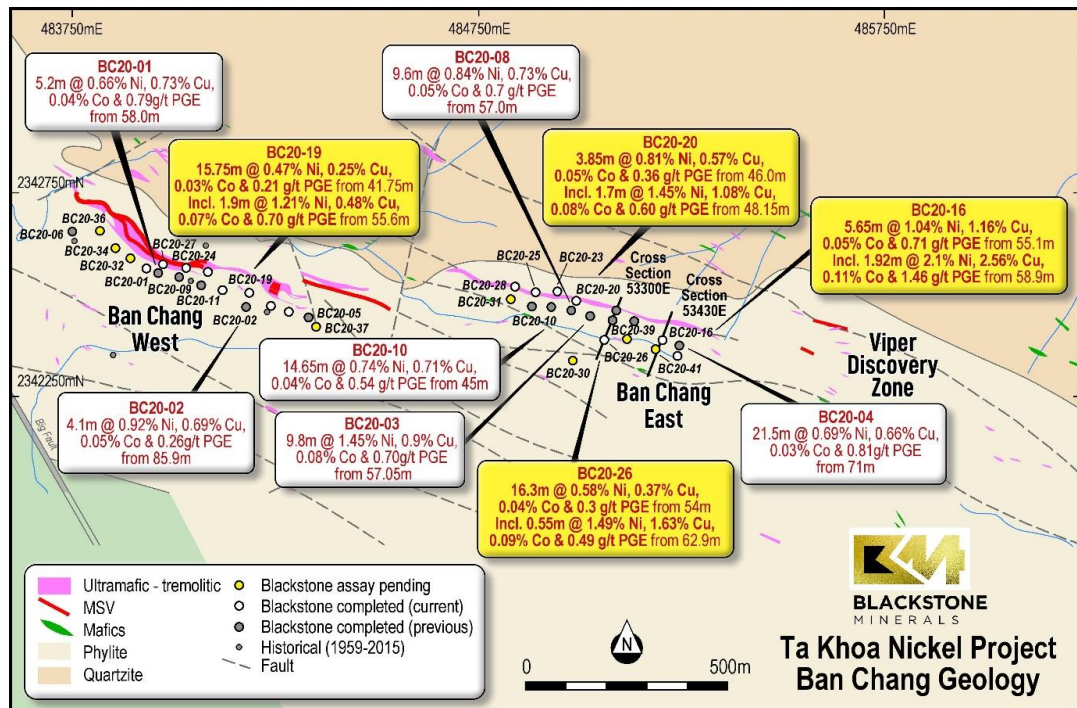


Figure 4: Ban Chang Geology showing current period and previous drill holes

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## 2. Review of Operations (continued)

### King Snake (MSV)

During the period, Blackstone's in-house geophysics crew generated a new high priority MSV target at the King Snake prospect, located 1.5km north-east of the processing facility (refer ASX announcement 24 November 2020). At King Snake, MSV and high-grade brecciated Ni-Cu-Co-PGE (Pt+Pd+Au) sulfides/ gossan are associated with tremolite-altered mafic-ultramafic rocks. Historical drill holes from King Snake returned the following significant results:

BP00-01	3.04m @ 2.03% Ni, 0.69% Cu, 0.07% Co & 1.45g/t PGE from 89.9m
incl.	1.74m @ 3.30% Ni, 1.02% Cu, 0.11% Co & 2.16g/t PGE from 90.2m
BPN07-01	1.33m @ 1.42% Ni, 0.69% Cu, 0.06% Co & 2.54g/t PGE from 26.0m
BP05-03	0.60m @ 2.18% Ni, 1.01% Cu, 0.09% Co & 3.76g/t PGE from 137.5m
BP00-11	0.80m @ 1.30% Ni, 0.78% Cu, 0.06% Co & 0.93g/t PGE from 57.2m

Historic drilling at King Snake by previous owners was not targeting electromagnetic (EM) plates (refer to Figure 5).

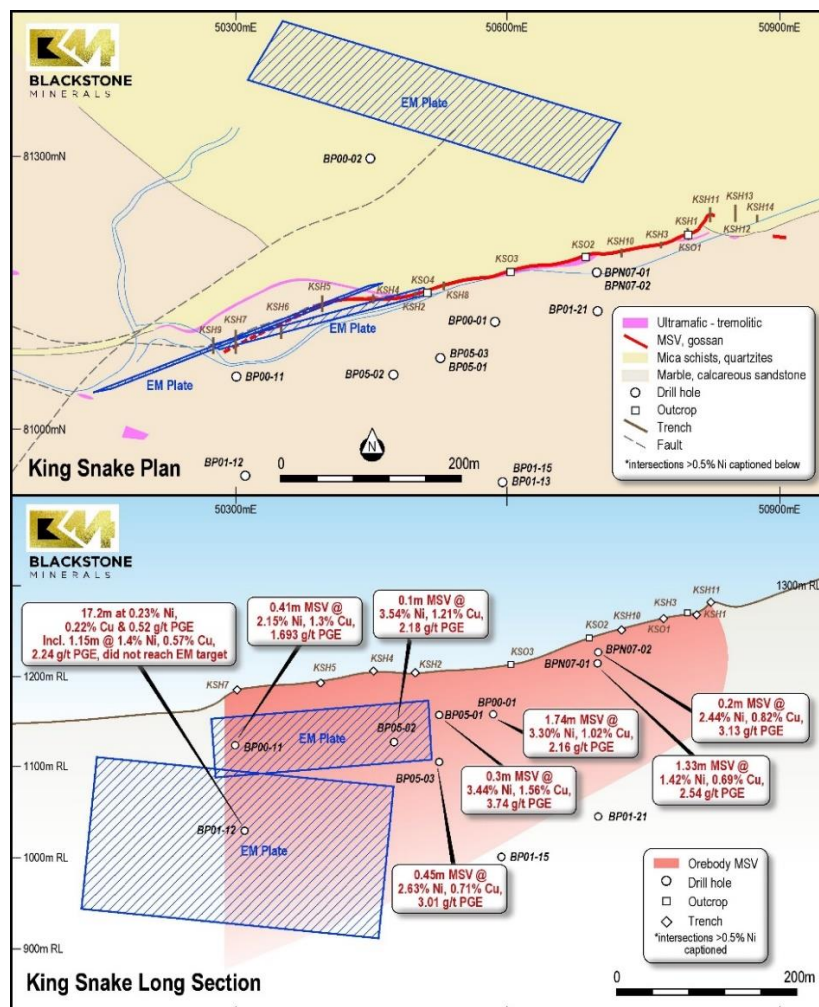


Figure 5: King Snake Plan View and Long Section showing historic drill holes

## 2. Review of Operations (continued)

King Snake remains open at depth and to the west. Blackstone has performed further ground-based EM at King Snake over the period to identify zones of potentially broader mineralisation associated with the King Snake MSV. The Company has commenced an aggressive drill program at King Snake.

### Ta Cuong (MSV)

During the period Blackstone continued to test new MSV targets identified at the Ta Cuong prospect. Drilling by previous owners did not target geophysical anomalies (refer to Figure 6) and assaying of historic drill holes (previously unassayed) from Ta Cuong returned the following significant results (Refer to ASX announcement from 16 July 2020):

BKh18-02	15.6m @ 0.66% Ni, 0.6% Cu, 0.04% Co & 0.31g/t PGE from 45.9m
incl.	0.6m @ 1.95% Ni, 4.47% Cu, 0.12% Co & 0.66g/t PGE from 51.7m
BKh18-03	5.0m @ 0.84% Ni, 0.59% Cu, 0.05% Co & 0.87g/t PGE from 150.0m
incl.	2.55m @ 1.43% Ni, 0.86% Cu, 0.09% Co & 0.78g/t PGE from 150.45m

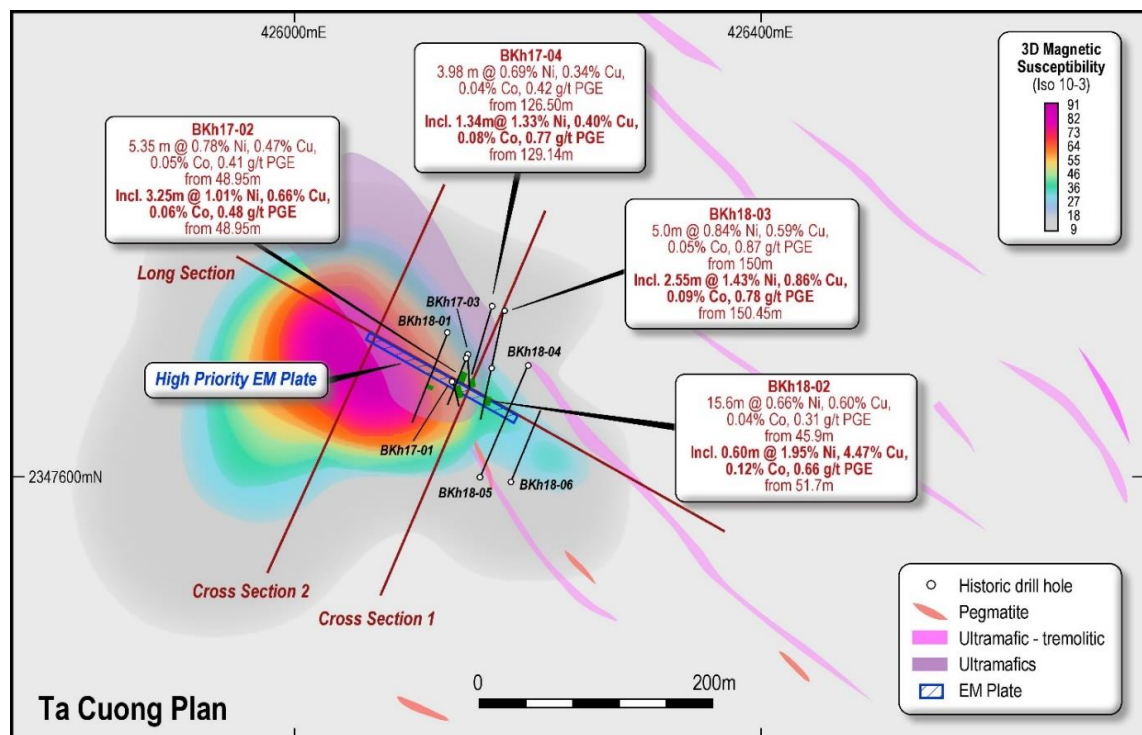


Figure 6: Ta Cuong MSV target showing drilling by previous owners

## 2. Review of Operations (continued)

### Ban Khoa (DSS)

The Ban Khoa prospect is centred on an ultramafic body adjacent to the Chim Van – Co Muong Fault, approximately 1.5km north of the Ban Phuc deposit (see Figure 2). The body is interpreted to be a 300m wide sill which has intruded into fine-grained Ban Phuc sediments. No modern drilling had been completed at Ban Khoa. Blackstone commenced drilling during the period after its in-house geophysics crew generated new targets associated with the highly prospective Ban Khoa ultramafic intrusion (refer to Figure 7).

The prospect is analogous to the Ban Phuc DSS orebody where the company delivered the KCZ discovery and announced the maiden Indicated Mineral Resource of 44.3Mt @ 0.52% Ni for 229kt Ni. Ban Khoa has a combination of high priority MSV prospects within a broader DSS target associated with the Ban Khoa ultramafic intrusion.

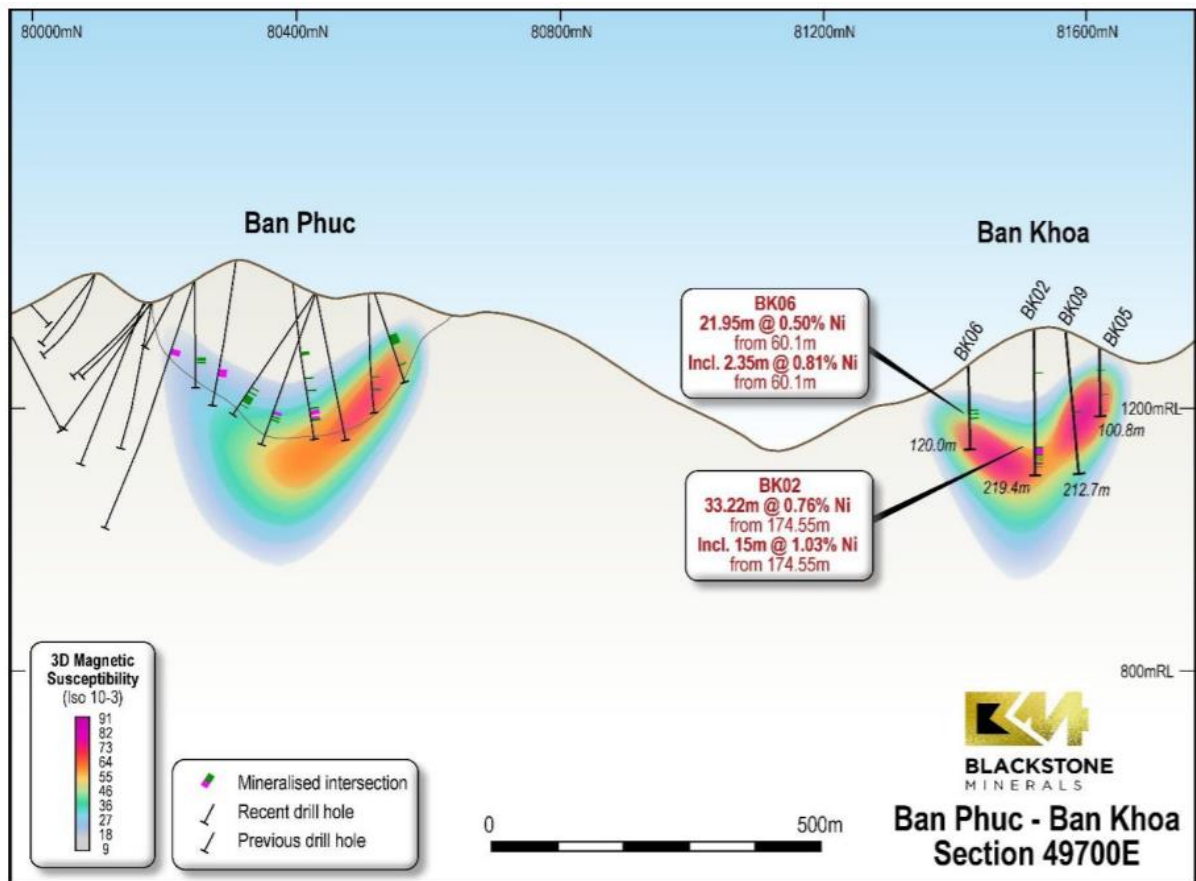


Figure 7: Ban Khoa Section 49700E showing historic drill holes and proximity to Ban Phuc deposit

## 2. Review of Operations (continued)

### Gold Bridge Project (100% interest)

The Gold Bridge Project (367 km<sup>2</sup> of tenure), formerly the Little Gem - BC Cobalt Project, is located 180 km north of Vancouver in British Columbia, Canada. The Project was discovered in the 1930s by prospectors identifying a pink cobalt-bloom on weathered mineralisation that led to three adits being developed. A total of 1,268 m of drilling was completed from underground and detailed channel sampling was taken from the adits. Blackstone acquired the Gold Bridge Project in October 2017 and has since completed an extensive maiden exploration program including drilling, geochemical and geophysical surveys, with the initial results indicating potential for the project to host a world class Cobalt Belt in British Columbia.

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

Blackstone's geological model for the Jewel prospect suggests the Copper-Gold-Cobalt prospect is well located within a similar geological setting to the underground mines of the world class Bou-Azzer primary Cobalt district in Morocco. The majority of the high grade underground primary Cobalt mines at Bou-Azzer are located near the contact of the serpentinitised ultramafic and the quartz diorite. The historical Jewel Mine is likewise located within close proximity to the contact of the serpentinite and granodiorite bodies. With the discovery of Cobalt-Gold mineralisation at Erebor during the 2018 field season returning grades of up to 2.3% cobalt, 32 g/t gold, 1.6% copper and 1.1% nickel combined with the multiple largescale IP anomalies indicating the potential source of the high-grade mineralisation at Little Gem, Erebor, Jewel and Roxey, the Company continues to unlock the potential for multiple deposits in a region with geology analogous to the Bou-Azzer primary Cobalt district in Morocco (>50 deposits and over 75 years of Cobalt production).

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

## 2. Review of Operations (continued)

### Oregon

#### Bull Run Project (option to acquire 100%)

The Bull Run (Record Mine) Gold Project is located in Oregon, United States and the Company has a right to acquire a 100% interest pursuant to an Option Agreement entered into in January 2019. The option agreement allows Blackstone to explore until 31 January 2024 for an annual option fee of US\$25,000 at which time Blackstone can elect to acquire the project for US\$1,000,000.

The Bull Run project was discovered in the 1930's approximately 100km from the Idaho border and along strike from Oregon's largest gold deposit. No activities during the period. This project will form part of the Codrus spin-out (refer ASX announcement 15 January 2020)

### Australia

#### Silver Swan South Project (100% interest)

The Silver Swan South Project comprises one granted exploration licence E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 38.5 km<sup>2</sup>. The Project is along trend of the massive nickel sulfide 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). During the period Blackstone continued to work on finalising priority targets for drill testing.

Highlights of the Project include:

- Blackstone's second phase aircore drilling program at Silver Swan South 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.
- 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 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.

**BLACKSTONE**  
MINERALS**2. Review of Operations (continued)**

Blackstone's initial drilling at Silver Swan South was targeting both gold, hosted by structural targets along strike from the Kanowna Belle Gold Mine (+5Moz gold endowment), and nickel sulfide mineralisation associated with ultramafic units along strike from the Silver Swan and Black Swan Nickel Mines (combined endowment 166kt Ni metal). The initial programs were designed to test for basement hosted mineralisation, using air core drilling, to improve definition of gold and base metal anomalism identified by previous reconnaissance style drilling.

**Red Gate Project (100% interest)**

The Red Gate Project consists of one granted Exploration Licence E31/1096 covering an area of 145.2 km<sup>2</sup>. The Project is centred 10 km north of the Porphyry Gold Mine (0.9 Moz gold endowment), 140 km northeast of Kalgoorlie. Historical exploration work has mostly targeted the Porphyry North prospect where shallow, outcropping mineralisation has been defined. There is the potential to discover further mineralisation at Porphyry North and several other prospects nearby. During the period, Blackstone continued to work on finalising priority targets for drill testing.

**Middle Creek Project (95% to 100% interest)**

The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced >400 koz gold since 2012 and, as at 31st July 2018, had a 1.1Moz resource inventory), in the Pilbara region of Western Australia and consists of 21 prospecting licence applications covering 37.7 km<sup>2</sup> within the Mosquito Creek belt. During the period, Blackstone continued to work on finalising priority targets for drill testing.

**Subsequent Events after half year end**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 15 January 2021, the Company announced the decision to spin out non-core gold assets, namely Record Mine Project, Silver Swan South Project, Red Gate Project, and Middle Creek Project, via its wholly owned Australian subsidiary, Codrus Minerals Limited (formerly known as Black Eagle (WA) Pty Ltd).

Apart from the above, there were no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### 3. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.



**Scott Williamson**

**Managing Director**

Perth, Western Australia, 16 March 2021

#### **Competent Person's Statement**

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a Director and Technical Consultant of the company, 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.

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 is not aware of any new information or data that materially affects the information included in this report.

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16 March 2021

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

Dear Sirs

**RE: BLACKSTONE MINERALS LIMITED**

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

As Audit Director for the review of the financial statements of Blackstone Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**



**Martin Michalik**  
Director

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Blackstone Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the Blackstone Minerals Limited and its wholly owned subsidiaries. The financial report is presented in Australian dollars.

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

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

A description of the nature of the Company's operations is included in the directors' report on pages 3 to 13, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 16 March 2021. The Company has the power to amend and reissue the financial report.

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



**BLACKSTONE**  
MINERALS

For the Half-Year Ended 31 December 2020

**Half-Year Financial Report |**  
**31 December 2020**

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
<b>Revenue</b>			
Revenue from continuing operations	3	60,721	438,570
Cash flow boost		50,000	-
		<b>110,721</b>	<b>438,570</b>
<b>Expenditure</b>			
Administration costs		(1,018,410)	(633,815)
Consultancy expenses		(631,143)	(267,436)
Employee benefits expense		(492,553)	(288,150)
Share based payments expense	13	(1,171,869)	(1,300,697)
Occupancy Expenses		(32,972)	(33,421)
Compliance and regulatory expenses		(69,428)	(37,924)
Insurance expenses		(21,484)	(15,332)
Exploration expenditure		(3,488,121)	(1,949,934)
Depreciation expense	6	(75,184)	(29,119)
Depreciation on right of use assets	8	(60,466)	(60,834)
Finance and interest costs		(3,980)	(5,012)
Interest expense on lease liabilities		(9,588)	(12,755)
		<b>(6,964,477)</b>	<b>(4,195,859)</b>
Income tax benefit		-	-
		<b>(6,964,477)</b>	<b>(4,195,859)</b>
<b>Loss for the half-year attributable to owners</b>		<b>(6,964,477)</b>	<b>(4,195,859)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Effect of changes in foreign exchange rates on translation of foreign operations		549,286	(4,010)
<i>Total - Items that may be reclassified to profit or loss</i>		<b>549,286</b>	<b>(4,010)</b>
<i>Items that will not be classified to profit or loss</i>		-	-
		<b>(6,415,191)</b>	<b>(4,199,869)</b>
<b>Total comprehensive loss for the half-year attributable to owners</b>		<b>(6,415,191)</b>	<b>(4,199,869)</b>
<b>Loss for the year attributable to:</b>			
Non-controlling interest		(282,320)	-
Owners of Blackstone Minerals Limited		(6,682,157)	(4,195,859)
		<b>(6,964,477)</b>	<b>(4,195,859)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Non-controlling interest		(246,006)	-
Owners of Blackstone Minerals Limited		(6,169,185)	(4,199,869)
		<b>(6,415,191)</b>	<b>(4,199,869)</b>
Basic loss per share (cents per share)		(2.3)	(2.4)
Diluted loss per share (cents per share)		N/A	N/A

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

As at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	22,054,082	6,786,541
Trade and other receivables	5	2,167,006	2,226,050
<b>Total Current Assets</b>		<b>24,221,088</b>	<b>9,012,591</b>
<b>Non-Current Assets</b>			
Trade and other receivables	5	549,748	114,840
Property, plant and equipment	6	11,658,763	11,512,910
Exploration and evaluation expenditure	7	7,446,174	7,931,498
Right-of-Use Assets	8	313,572	386,179
<b>Total Non-Current Assets</b>		<b>19,968,257</b>	<b>19,945,427</b>
<b>Total Assets</b>		<b>44,189,345</b>	<b>28,958,018</b>
<b>Current Liabilities</b>			
Trade and other payables	9	5,693,248	6,823,462
Provisions	10	412,659	901,713
Lease Liabilities		129,697	136,722
<b>Total Current Liabilities</b>		<b>6,235,604</b>	<b>7,861,897</b>
<b>Non-Current Liabilities</b>			
Provisions	10	431,963	465,980
Lease liabilities		197,821	258,804
Deferred Tax Liabilities		2,337,918	2,337,918
<b>Non-Current Liabilities</b>		<b>2,967,702</b>	<b>3,062,702</b>
<b>Total Liabilities</b>		<b>9,203,306</b>	<b>10,924,599</b>
<b>Net Assets</b>		<b>34,986,039</b>	<b>18,033,419</b>
<b>Equity</b>			
Issued capital	11	60,367,683	38,171,741
Reserves	12	3,038,820	1,353,979
Accumulated losses		(28,062,873)	(21,380,716)
Equity attributable to the owners		<b>35,343,630</b>	<b>18,145,004</b>
Non-controlling interest		(357,591)	(111,585)
<b>Total Equity</b>		<b>34,986,039</b>	<b>18,033,419</b>

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



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Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

For the Period Ended 31 December 2020	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Attributable to Parent Entity	Non-controlling interest	Total
	\$	\$	\$	\$		\$	\$
Balance at 1 July 2019	23,377,083	(13,486,410)	42,286	571,401	10,504,360	-	10,504,360
Total comprehensive income for the year:						-	
Loss for the year	-	(4,195,859)	-	-	(4,195,859)	-	(4,195,859)
Foreign Exchange Differences	-	-	(4,010)	-	(4,010)	-	(4,010)
	-	(4,195,859)	(4,010)	-	(4,199,869)	-	(4,199,869)
Transactions with owners in their capacity as owners:							
Contributions of equity (net of transaction costs)	6,506,355	-	-	-	6,506,355	-	6,506,355
Conversion of share-based payments	221,437	-	-	(221,437)	-	-	-
Advisor options	-	-	-	1,000	1,000	-	1,000
Share based payments transaction	-	-	-	1,300,697	1,300,697	-	1,300,697
<b>Balance at 31 December 2019</b>	<b>30,104,875</b>	<b>(17,682,269)</b>	<b>38,276</b>	<b>1,651,661</b>	<b>14,112,543</b>	<b>-</b>	<b>14,112,543</b>
Balance at 1 July 2020	38,171,741	(21,380,716)	(311,151)	1,665,130	18,145,004	(111,585)	18,033,419
Total comprehensive income for the year:							
Loss for the year	-	(6,682,157)	-	-	(6,682,157)	(282,320)	(6,964,477)
Foreign Exchange Differences	-	-	512,972	-	512,972	36,314	549,286
	-	(6,682,157)	512,972	-	(6,169,185)	(246,006)	(6,415,191)
Transactions with owners in their capacity as owners:							
Contributions of equity (net of transaction costs)	22,195,942	-	-	-	22,195,942	-	22,195,942
Equity settled share based payment transactions	-	-	-	1,171,869	1,171,869	-	1,171,869
<b>Balance at 31 December 2020</b>	<b>60,367,683</b>	<b>(28,062,873)</b>	<b>201,821</b>	<b>2,836,999</b>	<b>35,343,630</b>	<b>(357,591)</b>	<b>34,986,039</b>

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

Consolidated Statement of Cash Flows



For the Half-Year Ended 31 December 2020

	Notes	Consolidated	
		31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,092,487)	(1,192,242)
Payments for exploration and evaluation (net of option fees received)		(5,489,155)	(1,883,396)
Interest received		21,541	1,438
Other income – Cash Flow Boost		50,000	-
<b>Net cash used in operating activities</b>		<b>(6,510,101)</b>	<b>(3,074,200)</b>
<b>Cash flows from Investing activities</b>			
Purchase of property, plant and equipment		(221,037)	(106,076)
Payments for security bonds		-	-
Payments for acquisition of projects		-	-
Proceeds from prospects		-	-
Cash acquired on acquisition of subsidiary		-	-
<b>Net cash used in investing activities</b>		<b>(221,037)</b>	<b>(106,076)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		23,130,303	6,084,506
Share issue transaction costs		(1,090,534)	(377,150)
<b>Net cash provided by financing activities</b>		<b>22,039,769</b>	<b>5,707,356</b>
<b>Net increase in cash and cash equivalents</b>		<b>15,308,631</b>	<b>2,527,080</b>
Cash and cash equivalents at the beginning of the period		6,786,541	307,532
Effect of exchange rate		(41,090)	-
<b>Cash and cash equivalents at the end of the period</b>	4	<b>22,054,082</b>	<b>2,834,612</b>

Amounts shown above relating to payments to suppliers and employees include goods and services tax. The above statement of cash flows should be read in conjunction with the accompanying notes.



## 1. Basis of preparation of half-year report

This interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the annual report for the period ending 30 June 2020 and any public announcements made by Blackstone Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for certain assets carried at fair value and right of use assets recognised in accordance with AASB 16.

The interim report has been prepared on a historical cost basis except for those certain assets carried at fair value and right of use assets recognised in accordance with AASB 16. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

### Summary of significant accounting policies

These policies have been consistently applied to the financial year presented, unless otherwise stated. The financial statements cover Blackstone Minerals Limited as a Group consisting of Blackstone Minerals Limited and its subsidiaries ('group' or Group').

### Exploration and evaluation expenditure

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

### Property, plant and equipment

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

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

Plant and equipment – office	40.0%
Furniture and equipment – office	20.0%
Plant and equipment – field	40.0%
Motor vehicles	40.0%
Leasehold improvements	25.0%

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

## 1. Basis of preparation of half-year report (Continued)

### Summary of significant accounting policies (continued)

#### Trade and other payables

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

#### Contributed equity

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

#### Share-based payments

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

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

#### New and Revised Accounting Requirements Applicable to the Current Half-year Reporting

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

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



**Condensed Notes to the Financial Statements for the half year ended 31 December 2020**

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**2. Segment information**

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified four operating segments, being exploration for mineral reserves within Vietnam, Canada, Australia and the corporate/head office function.

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2020 is as follows:

	North America	Exploration Vietnam	Australia	Corporate	Total
	\$	\$	\$	\$	\$
<b>Half-year ended 31 December 2020</b>					
Total segment revenue and other income	-	-	-	110,721	110,721
Interest revenue	-	-	-	21,406	21,406
Other Income	-	-	-	89,315	89,315
Depreciation expense	-	-	-	(75,184)	(75,184)
Depreciation on right of use assets	-	-	-	(60,466)	(60,466)
Total segment (loss) before income tax	(222,022)	(2,913,393)	(1,018,569)	(2,810,493)	(6,964,477)
<b>Half-year ended 31 December 2019</b>					
Total segment revenue and other income	386,091	-	-	52,479	438,570
Interest revenue	-	-	-	1,123	1,123
Other Income	386,091	-	-	51,356	437,447
Depreciation expense	-	-	-	(29,119)	(29,119)
Total segment (loss) before income tax	(438,624)	(1,275,899)	(285,473)	(2,195,863)	(4,195,859)
Total segment assets					
31 December 2020	5,800,000	5,028,172	1,600,000	31,761,173	44,189,345
30 June 2020	5,577,142	14,007,348	1,600,000	7,773,528	28,958,018
Total segment liabilities					
31 December 2020	-	(6,464,530)	-	(2,738,776)	(9,203,306)
30 June 2020	(11,912)	(6,788,961)	(926,860)	(3,196,866)	(10,924,599)



### 3. Revenue

	31 December 2020	31 December 2019
	\$	\$
Revenue from continuing operations		
Interest Received	21,406	1,123
Rent Income	39,315	51,355
Exploration Tax Incentive Refund – Canada	-	386,092
<b>Total Revenue from Continuing Operations</b>	<b>60,721</b>	<b>438,570</b>

### 4. Cash and Cash Equivalents

	31 December 2020	30 June 2020
	\$	\$
(a) Cash & cash equivalents		
Cash at bank and in hand	22,054,082	6,786,541
<b>Total cash and cash equivalents</b>	<b>22,054,082</b>	<b>6,786,541</b>
(b) Cash at bank and on hand		
Cash on hand is non-interest bearing. Cash at bank bears interest rates of between 0.00% and 0.41% (30 June 2020: Between 0.00% and 0.45%).		

### 5. Trade and Other Receivables

	31 December 2020	30 June 2020
	\$	\$
<b>Current</b>		
Other receivables	522,149	388,875
Tax and other receivables from foreign authorities	1,644,857	1,837,175
	<b>2,167,006</b>	<b>2,226,050</b>
<b>Non-Current</b>		
Deposits <sup>1</sup>	114,405	114,840
Transfer from Exploration and Evaluation (Note 7)	435,343	-
<b>Total trade and other receivables</b>	<b>549,748</b>	<b>114,840</b>

<sup>1</sup> Deposits include cash of \$549,748 (30 June 2020: \$114,840) as security deposits of which \$84,405 is required as security by the relevant authority for the granted exploration and mining licences and \$30,000 held as security against a credit card facility and \$435,343 held as Mine and Rehabilitation Bond in Vietnam.

Past due and impaired receivables

As at 31 December 2020, there were no other receivables that were past due or impaired. (2020: Nil)



**Condensed Notes to the Financial Statements for the half year ended 31 December 2020**

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**6. Property, Plant and Equipment**

	Plant & Equipment \$	Leasehold Improvements \$	Mining Property \$	Total \$
<b>30 June 2020</b>				
Opening net book amount	12,742	3,730	-	16,472
Additions	343,267	10,105	-	353,372
Additions through business combination	-	-	11,243,974	11,243,974
Depreciation charge	(93,718)	(7,190)	-	(100,908)
Closing net book amount	262,291	6,645	11,243,974	11,512,910
<b>At 30 June 2020</b>				
Cost or fair value	369,968	37,720	11,243,974	11,651,662
Accumulated depreciation	(107,677)	(31,075)	-	(138,752)
Net book amount	262,291	6,645	11,243,974	11,512,910
<b>31 December 2020</b>				
Opening net book amount	262,291	6,645	11,243,974	11,512,910
Additions	200,523	-	20,514	221,037
Depreciation charge	(72,950)	(2,234)	-	(75,184)
Closing net book amount	389,864	4,411	11,264,488	11,658,763
<b>At 31 December 2020</b>				
Cost or fair value	570,491	37,720	11,264,488	11,872,699
Accumulated depreciation	(180,627)	(33,309)	-	(213,936)
Net book amount	389,864	4,411	11,264,488	11,658,763

**7. Exploration and evaluation expenditure**

	31 December 2020 \$	30 June 2020 \$
Opening balance for the period	7,931,498	10,204,152
Acquisition/(write off) of assets	-	471,147
Impairment of Exploration and Evaluation Assets	-	(2,727,010)
Transfer to Trade and Other Receivables (Note 5)	(435,343)	-
Exploration and evaluation expenditure at cost	3,488,121	2,635,304
Exploration expensed to profit or loss	(3,488,121)	(2,635,304)
Effect of exchange rates	(49,982)	(16,791)
Closing balance	7,446,174	7,931,498

## 8. Right of Use Assets

Consolidated	31 December 2020	30 June 2020
	\$	\$
<b>Right of Use Assets</b>		
<b>Cost</b>		
Opening balance	512,647	-
On initial recognition	-	483,730
Additions through business combination	-	28,917
Effect of exchange rates	(17,677)	-
Closing balance	494,970	512,647
<b>Depreciation</b>		
Opening balance	(126,468)	-
Depreciation	(60,466)	(126,468)
Effect of exchange rates	5,536	-
Closing balance	(181,398)	(126,468)
Net carrying amount	313,572	386,179
<b>Amounts recognised in profit and loss</b>		
Other income - Recharges	39,315	97,996
Depreciation expense on right of use assets	(60,466)	(126,468)
Interest expense on lease liabilities	(9,588)	(23,810)
Low-value asset leases expenses	(613)	(3,042)

The Group has a lease over the premises at Level 3, 24 Outram Street, West Perth with an average estimated life of 3.5 years remaining. The Group holds the lease and recharges other occupants of the premises recognised as other income.

## 9. Trade and Other Payables

	31 December 2020	30 June 2020
	\$	\$
Current		
Trade Payables	703,702	1,509,092
Other Payables	211,217	270,610
Taxes Payables to authorities <sup>1</sup>	4,778,329	5,043,760
Total Trade and Other Payables	5,693,248	6,823,462

<sup>1</sup>A portion of the tax payable due to foreign authorities of \$4,731,453 (30 June 2020: \$5,006,153) are past due. These payables represent historical tax liabilities associated with previous mining activities.

## 10. Provisions

	31 December 2020	30 June 2020
	\$	\$
Current		
Employee entitlement	377,962	89,406
Other provisions	34,697	812,307
Total current provisions	<u>412,659</u>	<u>901,713</u>
Non Current		
Mine Rehabilitation <sup>1</sup>	431,963	465,980
Total non current provisions	<u>431,963</u>	<u>465,980</u>

<sup>1</sup>The rehabilitation provision represents the present value of rehabilitation costs relating to the Ban Phuc mine site, which is expected to be incurred when mining operations cease. These provisions were acquired as part of the business combination. Assumptions based on the current economic environment were made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates shall reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when mining operations cease and the extent of further environmental responsibilities in restoring the site under Vietnamese regulations.

## 11. Issued Capital

	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
(a) Issued and unissued capital				
Ordinary shares – fully paid	321,832,190	251,768,816	60,367,683	38,171,741
Ordinary shares – fully paid	<u>321,832,190</u>	<u>251,768,816</u>	<u>60,367,683</u>	<u>38,171,741</u>

## 11. Issued Capital (Continued)

	Date	Shares	Issue Price \$	Total \$
(b) Movements in issued capital				
Opening Balance 1 July 2020		251,768,816		38,171,741
Conversion of Directors Performance Options	24 July 2020	1,750,000	0.001	1,750
Issue of share - Acuity	21 Aug 2020	8,000,000	0.288	2,300,000
Conversion of Performance Options	28 Aug 2020	6,175,000	0.001	6,175
Issue of share - Consultants	28 Aug 2020	419,162	0.334	140,000
Issue of shares - Placement	17 Sep 2020	42,426,356	0.420	17,819,070
Issue of shares - Share Purchase Plan	12 Oct 2020	7,142,856	0.420	3,000,000
Conversion of Employee Performance Options	16 Oct 2020	2,650,000	0.001	1,810
Conversion of Unquoted Performance Options	24 Dec 2020	1,500,000	0.001	1,500
Less: Transaction costs				(1,074,363)
Closing Balance at 31 Dec 20		<u>321,832,190</u>		<u>60,367,683</u>

## 12. Reserves

	Consolidated	
	31 December 2020	30 June 2020
(a) Total Option Premium Reserve		
Opening balance	1,665,130	571,401
Unlisted options issued during the year	1,191,248	1,752,605
Unlisted options issued during the year - Capital Raising Costs	-	112,754
Cancellation/Exercise of options	(19,379)	(771,630)
Closing Balance	<u>2,836,999</u>	<u>1,665,130</u>
(b) Foreign Currency Translation Reserve		
Opening balance	(311,151)	42,286
Exchange differences arising on translation of foreign operations	512,972	(353,437)
Closing Balance	<u>201,821</u>	<u>(311,151)</u>
(c) Total reserves		
Option Premium Reserve	2,836,999	1,665,130
Foreign Currency Translation Reserve	201,821	(311,151)
Closing Balance	<u>3,038,820</u>	<u>1,353,979</u>

### 13. Share based payment expense

#### a) Fair value of listed options granted

There are no listed options on issue.

#### b) Fair value of unlisted options granted to Employees

During the period, the Company issued 5,300,000 options to employees with the following vesting conditions:

Milestones	Description of milestones	Number issued	Grant Date	Exercise Price \$	Underlying Share Price on Grant Date \$	Total Fair Value \$	Share based payment recognised during the period \$
Tranche 1	Vest on the employee or contractor continue to be employed by the Company for 18 months from the date of issue.	1,000,000	21 Aug 2020	0.001	0.43	429,026	103,154
		1,200,000	11 Dec 2020	0.001	0.38	454,827	16,630
Tranche 2	Vest upon achieving a share price of 40c (or a suitable share price for new starters) for a period of 30 days	350,000	21 Aug 2020	0.001	0.43	150,159	150,159
Tranche 3	Vest upon a Decision to Mine following completion of a JORC compliant Definitive Feasibility Study	850,000	21 Aug 2020	0.001	0.43	364,672	-*
		1,000,000	11 Dec 2020	0.001	0.38	379,023	-*
Tranche 4	Vest upon after a new Substantial Shareholder of 5% or more	400,000	21 Aug 2020	0.001	0.43	171,610	171,610
Tranche 5	Vest after 6 months of continued services	150,000	21 Aug 2020	0.001	0.43	64,354	64,354
Tranche 6	Vest after 12 months of continued services	150,000	21 Aug 2020	0.001	0.43	64,354	27,491
Tranche 7	Initiation of coverage for four (4) new sell side analysts for the Company	200,000	11 Dec 2020	0.001	0.38	75,805	-*

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

### 13. Share based payment expense (Continued)

An additional 200,000 options were issued to an employee vesting 18 months after date of issue and shares trading at \$0.40 over 30-day period (1 month). The fair value of \$48,293 was recognised during the period.

The fair value at grant date is determined using Black Scholes Model.

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

- Weighted average exercise price of \$0.001;
- Weighted average life of the option (years) of 5;
- Weighted average underlying share price of \$0.38 and \$0.43;
- Expected share price volatility of 85%;
- Weighted average risk-free interest rate between 0.30 – 0.43%.

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

#### c) Fair value of unlisted options granted to Corporate Advisors

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



Condensed Notes to the Financial Statements for the half year  
ended 31 December 2020

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**13. Share based payment expense (Continued)**

Movement of unlisted options and performance rights

Expiry Date	Exercise Price	Balance at 1 July 2020	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 31 December 2020
20 February 2025	\$0.001	3,400,000	200,000	(1,400,000)	(200,000)	2,000,000
30 September 2024	\$0.001	9,000,000	-	(6,500,000)	-	2,500,000
26 March 2023	\$0.001	975,000	-	(925,000)	(50,000)	-
12 June 2022	\$0.001	1,750,000	-	(1,750,000)	-	-
12 June 2022	\$0.20	1,000,000	-	-	-	1,000,000
17 May 2021	\$0.10	10,000,000	-	-	-	10,000,000
6 November 2020	\$0.001	750,000	-	(750,000)	-	-
20 August 2025	\$0.001	-	5,300,000	(750,000)	-	4,550,000
11 December 2021	\$0.60	-	4,000,000	-	-	4,000,000
		26,875,000	9,500,000	(12,075,000)	(250,000)	24,050,000

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

	31 December 2020	31 December 2019
	\$	\$
<b>Share based payments expense</b>		
Options issued to directors, employees and consultants <sup>1</sup>	900,869	1,230,107
Reversal due to cancellation of options	(19,379)	-
Options issued to Corporate Advisors	290,379	70,590
<b>Total Share based payments expense</b>	<b>1,171,869</b>	<b>1,300,697</b>

<sup>1</sup> Options issued in 1HY 2021: \$581,691 ; Options issued in prior period: \$319,178

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#### 14. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

#### 15. Commitments & Contingencies

There are no further material changes to any commitments or contingencies since the last annual reporting date.

#### 16. Events Occurring Subsequent to Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 15 January 2021, the Company announced the decision to spin out non-core gold assets, namely Record Mine Project, Silver Swan South Project, Red Gate Project, and Middle Creek Project, via its wholly owned Australian subsidiary, Codrus Minerals Limited (formerly known as Black Eagle (WA) Pty Ltd).

Apart from the above, there were no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 17 to 32 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended 31 December 2020; and
- (b) there are reasonable grounds to believe that Blackstone Minerals Limited will be able to pay its debts as and when they become due and payable.

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



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

Perth, Western Australia, 16 March 2021

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

**Report on the Half-Year Financial Report**

*Conclusion*

We have reviewed the half-year financial report of Blackstone Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Blackstone Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Blackstone Minerals Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2021.

*Responsibility of the Directors for the Financial Report*

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

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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## Stantons International

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

*Martin Michalik*

**Martin Michalik**  
Director

West Perth, Western Australia  
16 March 2021

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