

Blackstone Minerals Ltd

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Blackstone Minerals has high hopes for future of new Vietnamese nickel project

Blackstone Minerals Ltd (ASX:BSX) managing director Scott Williamson said an option agreement to acquire 90% of the Ta Khoa Nickel Project in Vietnam could be the start of what could be a long and lucrative future for the asset.

"We are pretty excited," he told Proactive Investors at this week's RIU Sydney Resources Round-up, "as it adds a nickel chapter to our battery metals story."

"Cobalt is still a big part of this story but what we find with the Koreans we are working with, is that they also need nickel, and particularly nickel sulphide.

"They want to be able to upgrade nickel to battery metal standard very quickly, easily and cheaply, and they are more easily able to do this with sulphides, such as those at Ta Khoa," he said.



Scott Williamson addresses this week's RIU Sydney Resources Round-up.

Blackstone has this week signed a 12-month exclusive binding option agreement to purchase AMR Nickel Limited's 90% interest in Ta Khoa.

READ: Blackstone Minerals to acquire 90% interest in shuttered high-grade nickel mine in Vietnam

This property includes the Ban Phuc Nickel Mine that was operated by AMR for 3.5 years until 2016 when low nickel prices made it uneconomic.

The project is within the northwest to southeast-trending Song Da Rift zone of

Price: 0.345

Market Cap: \$110.52 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: BSX

Listing: ASX

| | | |
|----------------|-------------|------------|
| 52 week | High | Low |
| | 0.54 | 0.08 |

Sector: Battery Metals

Website: www.blackstoneminerals.com.au

Company Synopsis:

Blackstone Minerals Ltd (ASX:BSX) is actively exploring the high grade Little Gem Cobalt Gold Project in British Columbia, Canada.

action@proactiveinvestors.com.au

northern Vietnam.



Ta Khoa project location in northern Vietnam.

This major zone continues north into China where it is associated with a series of comparable magmatic nickel-copper-PGE deposits such as Baimazhai, Qingquanshan, Limahe and Yangliuping.

The magmatic nickel sulphide system is in a similar geological setting to Jinchuan and Norilsk.

Williamson said: "This project strengthens our portfolio as well as our battery metals exposure as we now have a solid cobalt asset and a very advanced nickel sulphide asset.

"It brings a great exploration asset with all of the infrastructure ready to monetise anything that we discover.

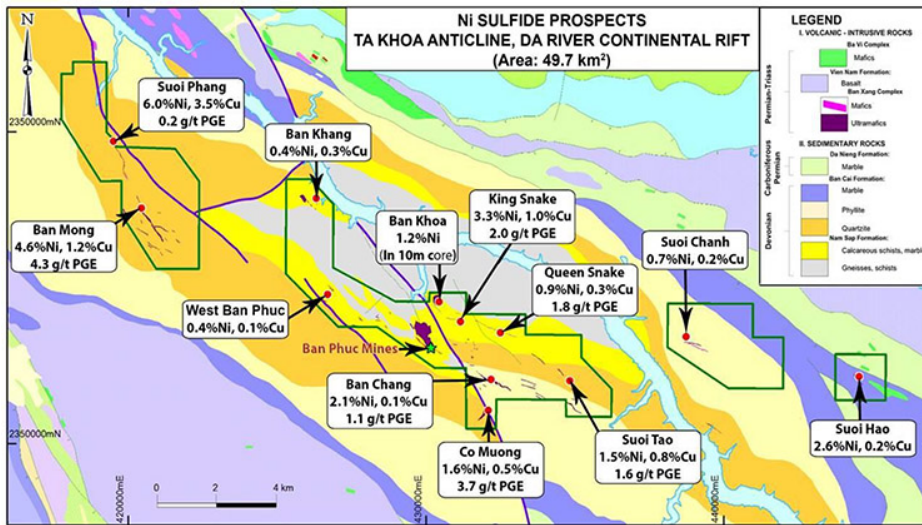
"There are more than 25 regional massive sulphide vein (MSV) targets that haven't been tested.

"We've also got a disseminated sulphide system (DSS) right next to the existing Ban Phuc mine that has never really been tested or understood."

Exploration plan

The company intends to explore for MSV and DSS targets across the project, planning geophysical surveys on identified deposits prior to drilling.

It also aims to deliver a maiden resource on the Ban Phuc DSS over the coming months.



The Ta Khoa dome geology is prospective for multiple magmatic nickel sulphide deposits.

Another task is to investigate the potential to restart the Ban Phuc concentrator.

Existing infrastructure

The previous owners invested more than US\$136 million in capital and generated US\$213 million in revenue during a 3.5-year period of falling nickel prices.

Existing infrastructure includes a 450,000 tonnes per annum processing plant connected to local hydro grid power, with a fully permitted tailings facility and modern 250-person camp.



The internationally designed 450,000 tonnes processing plant on care and maintenance.

Williamson said: The existing mine and facilities have been built to Australian standards. It is a modern day, mechanised underground mine built in Vietnam as though it had been built in Australia.

"It was a big success in its time but there was no money put back into further exploration.

"They didn't explore ahead of themselves and had to close the mine and put it under care and maintenance at the bottom of the nickel price.

"The entire time they were mining successfully, the nickel price was falling."

Government keen to cooperate

The MD said that the government was keen to cooperate as the project was one of the country's top five taxpayers when it operated, with \$65 million going back in tax over 3.5 years.

READ: Blackstone Minerals to raise \$2 million in placement to fund exploration projects

Metallurgical testing will soon begin on the Ban Phuc disseminated ore body with the aim of developing a product flow sheet suitable for the battery industry.

Downstream potential

The company also intends to investigate the potential of developing downstream processing infrastructure in Vietnam to produce a downstream nickel and cobalt product.

Interestingly, LG Chem has recently formed a partnership with Vinfast to establish battery manufacturing capability in the low-cost environment of Vietnam.

Blackstone also has the benefit of a supportive local partner, COXAMA, which has been associated with the project for 10 years.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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