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Blackstone Minerals and mining in Vietnam

To the general public, Vietnam has not been synonymous with mineral resources. However, Vietnam is very active with mining and is host to the biggest working tungsten mine outside China.

Located in Thai Nguyen Province in northern Vietnam, Nui Phao is the world's largest tungsten mine, with an estimated reserve of 66 million tons.

As the flagship asset to Masan Resources' portfolio (Masan core business is making and selling noodles), the polymetallic deposit also includes a rare combination of economic mineralisation of fluorspar, bismuth and copper occurring with the tungsten (source: Mining Global).

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Figure 1: Mineralised belts that define the northern part of Vietnam and Yunnan Province in China (source: Blackstone Minerals).

The north-western part of Vietnam is host to a very mineralised belt that extends into China (Figure 1). The northerly trending Loei Belt (Figure 3) from Laos is also very mineralised where numerous copper and gold mines have flourished for many decades.

Apart from the numerous established mines, there are a series of small miners like what you would find in Australia, South America and Africa.

Vietnamese are no strangers to the art of mining and dealing in mining projects. In Figure 2, you can see that the northern part of Vietnam has an extensive amount of mining activity.

I remember 15 years ago I was doing work for a private company who had a gold project in this part of the world. The project was a quartz hosted high-grade gold story but they abandoned the whole project due to jurisdiction issues.

The major downside with doing any work in Vietnam belongs to the 'highly sophisticated administration' process.

Figure 2: Mineral occurrences in Vietnam (source: Vietnam Mining Industry Webinar).

Blackstone Minerals announcement

On May 8, 2019, Blackstone Minerals Ltd (ASX:BSX) announced that they had taken an option on the Ta Khoa Nickel Project in Vietnam to earn 90% interest in the project (Figure 1).

The project is anchored by the Ban Phuc nickel mine which was mined from 2013 to 2016 and is on care and maintenance.

The package is 150 square kilometres and has more than 25 massive sulphide vein targets that will give the company all the upside.

Some of these targets may be larger disseminated sulphide targets. The deal is pretty soft, \$400,000 cash as quarterly payments over the 12 months and exercising the option with A\$1 million worth of shares on VWAP (Volume Weighted Average Price).

Figure 3: Diagram of structural corridors present in the area (source: Department of Geology and Mineral Resources, Laos).

The tectonic setting in this region is interesting as it is where you would expect strong mineralisation events. The structural belts that run adjacent to the project area have a strong metal endowment and especially on the China side within the Yunnan Province. The NiS mines in China are large systems and this is what Blackstone is marketing. No doubt the Ta Khoa Nickel project has all the ingredients to make this a world-class nickel project.

The concept of chasing the disseminated sulphide ore bodies makes good sense. The historical mining strategy of chasing the NiS veins worked well in the past. However, I do think that the new strategy of chasing the lower grade disseminated ore bodies will pay off as there appears to be a ready-made open

pittable mine.

Granted more drilling will need to be completed but the historical drilling results are very encouraging. Remember that these kinds of projects favour those that do go out and test the near mine resources. Bellevue Gold Mines (ASX:BGL) did that with their current project and it has put the company in a very strong position.

Blackstone has mentioned that there are numerous targets that have not been tested. The proof in the pudding is when they go out drilling.

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Sams has nearly 30 years of experience in developing business ideas and concepts in the Australasian region. **Sams** has worked primarily in the mineral resources industry, capital markets and corporate finance. Noel Ong is the founder of **Sams**.

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