

4 April 2018
ASX CODE: BSX
Speculative Buy
Capital Structure

Sector	Materials
Share Price	A\$0.44
Fully Paid Ordinary Shares (m)	96.2
Options (ex 20c, exp 12/1/2020) (m)	2.5
Performance Rights (Direct +Vend) (m)	4.0
Market Capitalisation (undil) (m)	A\$42.3
Share Price Year High-Low	A\$0.59-0.165
Approx Cash (m)	A\$5.5

Directors & Management

Hamish Halliday	Non-Exec Chairman
Scott Williamson	Managing Director
Andrew Radonjic	Technical Director
Michael Konnert	Non-Exec Director
Bruce McFadzean	Non-Exec Director
Jamie Byrde	Company Secretary

Major Shareholders

Colestar Management Corp	7.6%
Stephen A Parsons	6.0%
Goldbridge Mining Ltd	5.5%
CA Parry	4.5%
KM Dorji	3.7%

Analyst

GT Le Page +61 8 6380 9200

Share Price Performance


Blackstone Minerals Ltd

Drilling to re-commence at high-grade Co-Au Little Gem project

Drilling to recommence at Little Gem

- **BSX** announced (ASX Announcement, 27/3/2018) the imminent recommencement of drilling at Little Gem (British Columbia, Canada) with six holes planned to test approximately 300 metres along strike from the known workings.
- 2017 Maiden drilling program returned high-grade assays including 1.1 metres downhole @ 3.0% Co and 44g/t Au within a zone of 4.3 metres @ 1.0% Co and 15g/t Au. Results were in line with historical adit and drill sample grades of 3% Co and 20 g/t Au.

Geochemical sampling-the target has just got bigger!

- Stream sediment sampling has highlighted a prospective apparent strike length in excess of 1.5 kilometres (300 metres at the time of acquisition in September 2017).

Highly Prospective mineralised belt

- 48 km of untested strike potential of geology analogous to the world class Bou-Azzer Cobalt district in Morocco (over 100kt of cobalt production over 75 years);
- Little Gem is situated 15km along strike from Bralorne-Pioneer mining complex (4.4Moz @ 17 g/t Au).

Limited modern-day exploration

- Little Gem was discovered in the 1930's by prospectors who observed surficial cobalt blooms. Mining is limited to adits and some stoping at both the Little Gem Mine and Jewel Gold Prospect from 1938 to 1940. The Jewel Gold Prospect is situated approximately 1.1km north-northeast of the Little Gem Mine.
- Only 1,268 metres of historical drilling has taken place on the Project however a number of impressive intersections were returned including 1.8 metres @ 2.4% cobalt, 112 g/t gold and 3.3 metres at 1.4% cobalt, 12.3 g/t gold.
- Previous modern day exploration is limited to magnetic, radiometric and EM surveys in the 1970s and two diamond drill holes in 1986.

Cobalt prices surge

- Battery demand and looming supply deficits have recently seen cobalt reach all time highs above US\$95,000 per tonne in recent weeks, last trading at US\$93,000 per tonne. With over 50% of Co derived from the Congo, interest in non-conflict derived metals is likely to strengthen.

Placement strengthens balance sheet

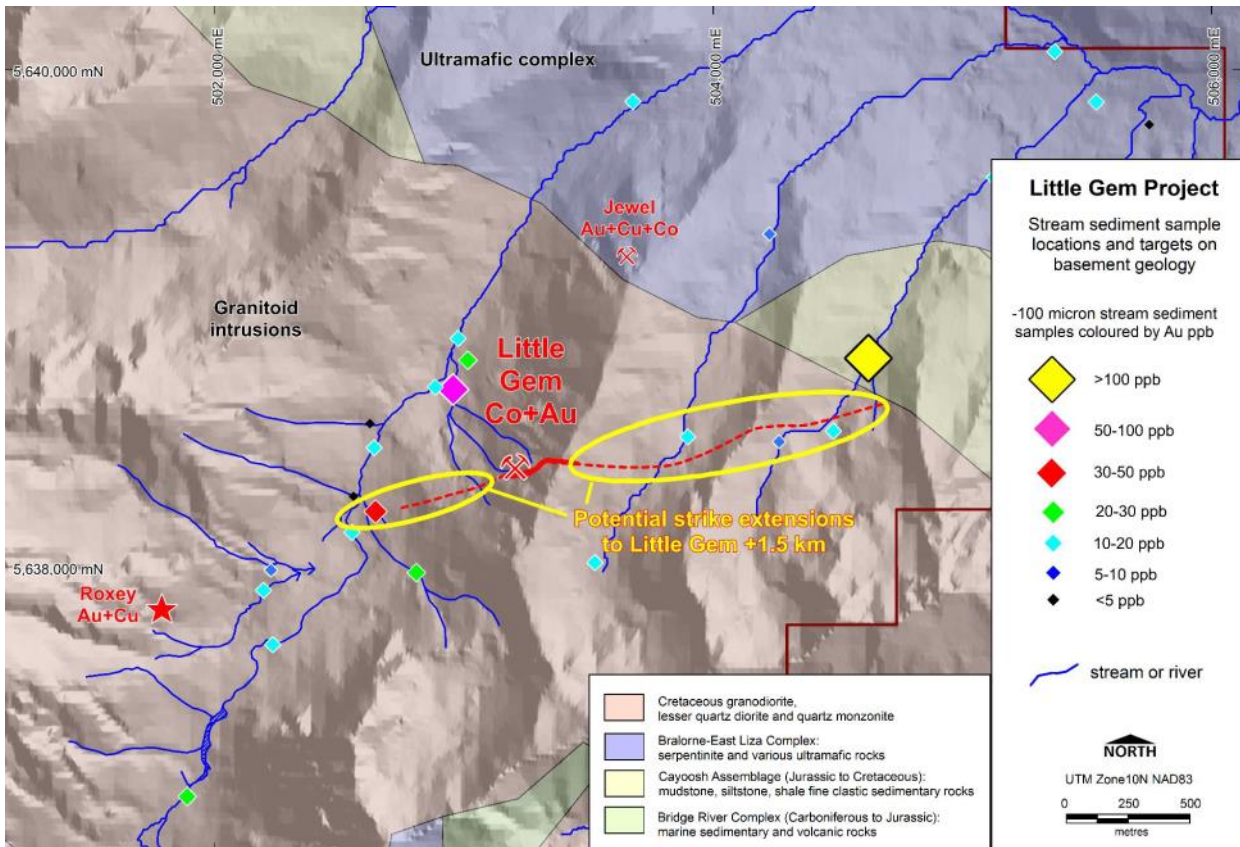
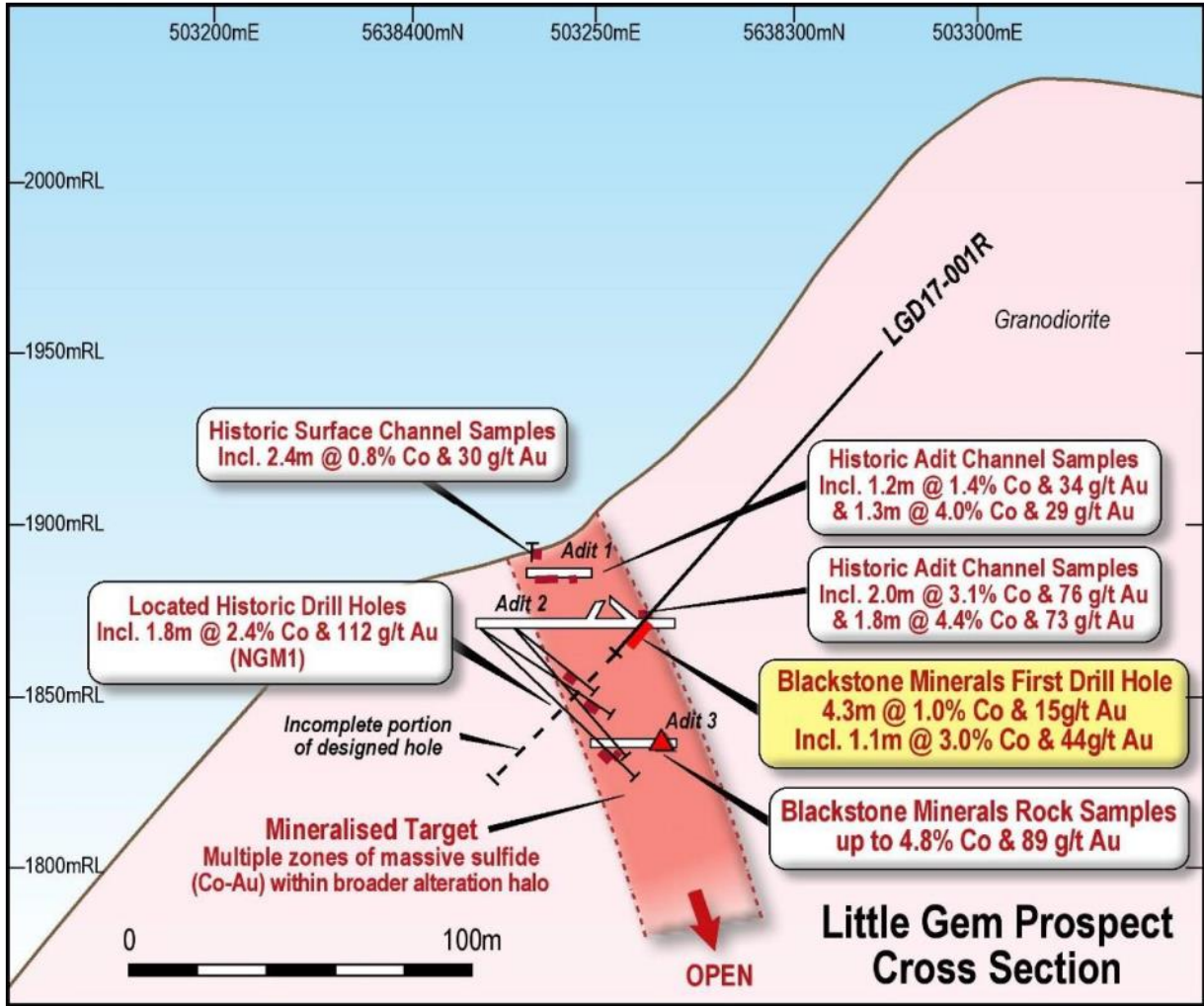
- The Company placed 11.9 million Shares @ 42 cents in December 2017 to raise \$5.0 million (before costs) from domestic and international institutional investors.

Price Catalysts

- We anticipate further news on both reconnaissance exploration and diamond drilling results at Little Gem within the next two months. On other news further drilling results are also due in the coming months on both Silver Swan (nickel) and Red Gate (gold).

Action and Recommendation

- **RMR** is maintaining its speculative buy on this high-grade cobalt-gold play with recent exploration demonstrating the significant potential both along strike and down plunge from known underground workings.



Registered Offices

Perth

Level 1, 143 Hay St
Subiaco WA 6008

PO Box 154
West Perth WA 6872

Email / Website

info@rmresearch.com.au
www.rmresearch.com.au

Phone: +61 8 6380 9200

Fax: +61 8 6380 9299

RM Research Recommendation Categories

Care has been taken to define the level of risk to return associated with a particular company. Our recommendation ranking system is as follows:

Buy	Companies with 'Buy' recommendations have been cash flow positive for some time and have a moderate to low risk profile. We expect these to outperform the broader market.
Speculative Buy	We forecast strong earnings growth or value creation that may achieve a return well above that of the broader market. These companies also carry a higher than normal level of risk.
Hold	A sound well managed company that may achieve market performance or less, perhaps due to an overvalued share price, broader sector issues, or internal challenges.
Sell	Risk is high and upside low or very difficult to determine. We expect a strong underperformance relative to the market and see better opportunities elsewhere.

Disclaimer / Disclosure

This report was produced by RM Research Pty Ltd, which is a Corporate Authorised Representative (343456) of RM Capital Pty Ltd (Licence no. 221938). RM Research received a payment for the compilation and distribution of this research report. RM Research Pty Ltd has made every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Except to the extent required by law, RM Research Pty Ltd does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. This report is for information purposes only and is not intended as an offer or solicitation with respect to the sale or purchase of any securities. The securities recommended by RM Research carry no guarantee with respect to return of capital or the market value of those securities. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested. Neither RM Research nor any of its associates guarantees the repayment of capital.

WARNING: This report is intended to provide general financial product advice only. It has been prepared without having regard to or taking into account any particular investor's objectives, financial situation and/or needs. Accordingly, no recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from their advisers. All investors should therefore consider the appropriateness of the advice, in light of their own objectives, financial situation and/or needs, before acting on the advice. Where applicable, investors should obtain a copy of and consider the product disclosure statement for that product (if any) before making any decision.

DISCLOSURE: RM Research Pty Ltd and/or its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published. Additionally, RM Research Pty Ltd may have, within the previous twelve months, provided advice or financial services to the companies mentioned in this report. As at the date of this report, the directors, associates, employees, representatives or Authorised Representatives of RM Research Pty Ltd and RM Capital Pty Ltd may hold shares in this company.