



**BLACKSTONE**  
MINERALS

***LOOKING FORWARD.***

***MINING GREEN.***

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**INTERIM FINANCIAL REPORT**  
**31 DECEMBER 2023**

ABN 96 614 534 226

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**Managing Director**

Scott Williamson

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**Stock Exchange Listing**

Australian Securities Exchange

(Home Exchange: Perth, Western  
Australia)

Code: BSX

**Website Address**

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

The Directors of Blackstone Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entities ("Group" or "Consolidated Entity") for the half-year ended 31 December 2023.

## **1. DIRECTORS**

The following persons were Directors of Blackstone Minerals Limited during the half-year and up to the date of this report unless otherwise stated:

Mr Hamish Halliday	Non-Executive Chairman
Mr Scott Williamson	Managing Director
Ms Alison Gaines	Non-Executive Director
Mr Frank Bierlein	Non-Executive Director
Mr Dan Lougher	Non-Executive Director

## **2. REVIEW OF OPERATIONS**

The loss attributable to owners of the Group after providing for tax for the half year ended 31 December 2023 was \$12,581,495 (2022: \$19,833,179). The loss for the period includes \$5,696,706 (2022: \$12,222,407) in exploration and evaluation expenditure and share based payment expenses of \$240,097 (2022: \$1,099,666).

### **TA KHOA PROJECT SNAPSHOT**

Blackstone Minerals Ltd (ASX: BSX / FRA: B9S / OTCM: BLSTF) is focused on building an integrated battery metals processing business in Vietnam that produces Nickel:Cobalt:Manganese ("NCM") precursor products for Asia's growing lithium-ion battery industry.

The existing business has a modern nickel mine, located in Vietnam built to Australian standards, which successfully operated as a mechanised underground mine from 2013 to 2016. This will be complemented by a larger concentrator, refinery and precursor facility to become an integrated in-country production facility.

To unlock the flowsheet, the Company is focused on a partnership model and is collaborating with groups who are committed to sustainable mining, minimising the carbon footprint, and implementing a vertically integrated battery metals supply chain.

The Company's development strategy is underpinned by the ability to secure nickel concentrate and the Company's Ta Khoa Project is an emerging nickel sulphide district through its strategic investments.

2. REVIEW OF OPERATIONS (continued)

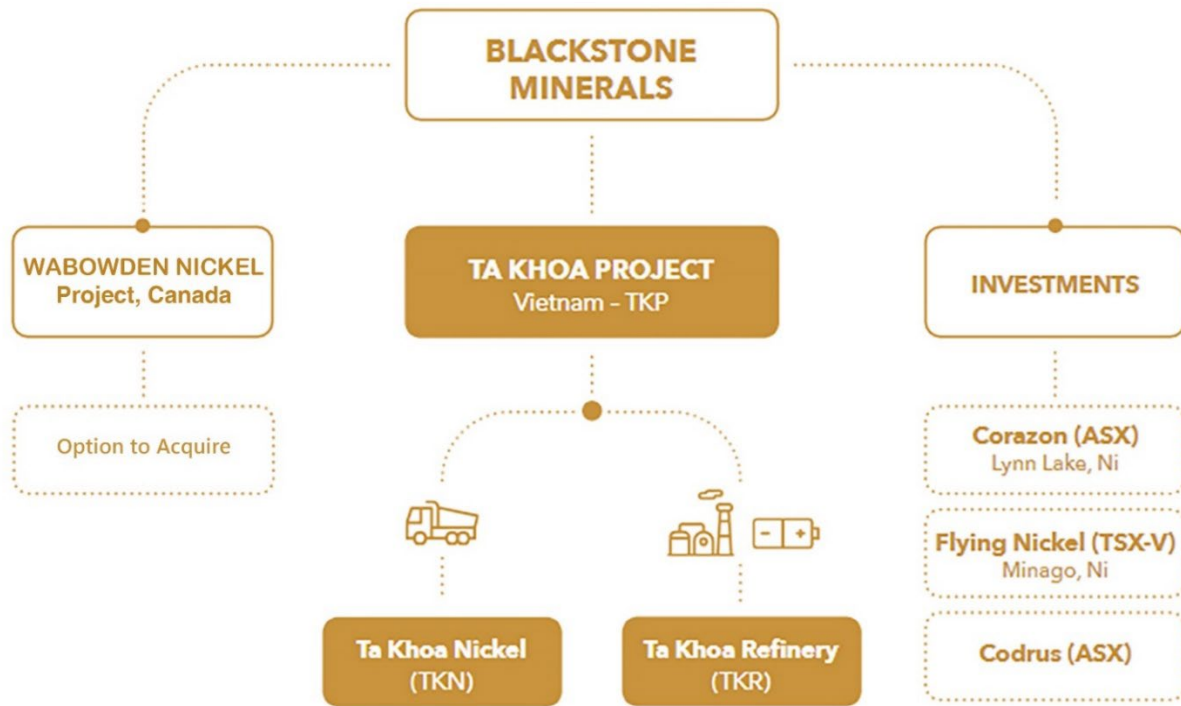


Figure 1: Blackstone Minerals Business Structure Schematic

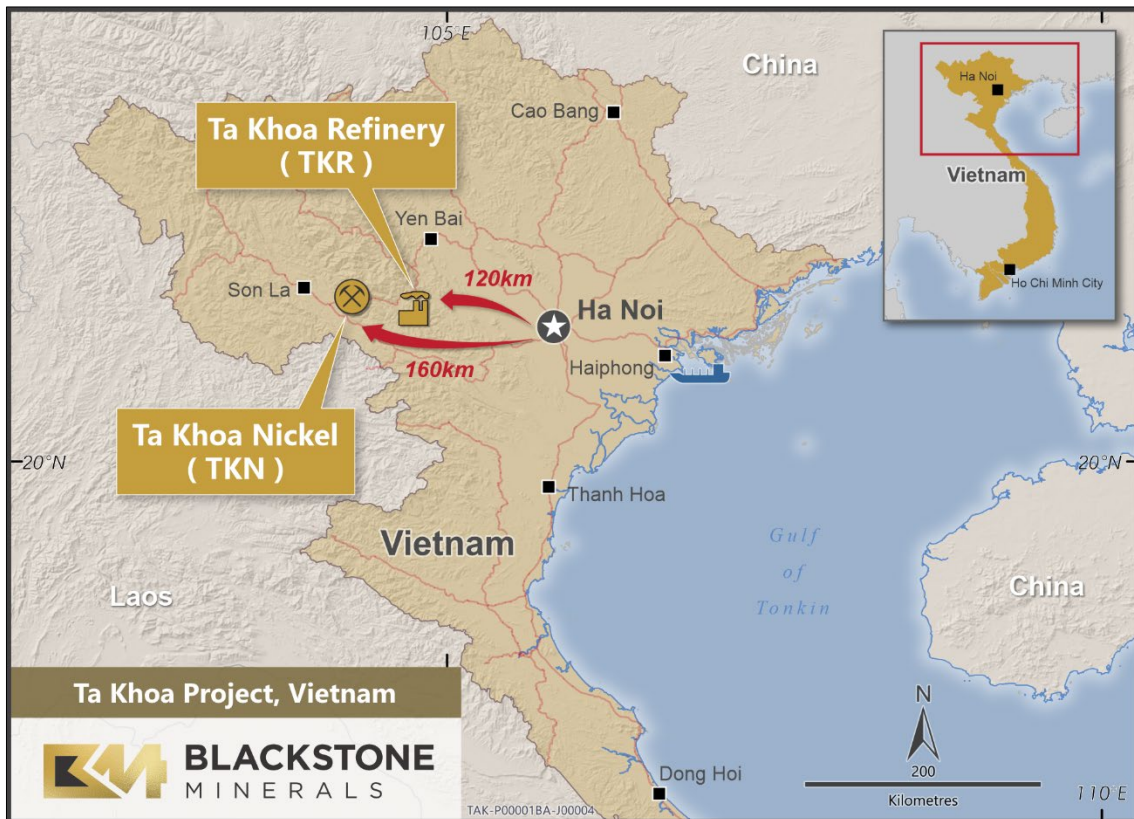


Figure 2: Ta Khoa Project Location

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## **2. REVIEW OF OPERATIONS (continued)**

### **ANNOUNCEMENT HIGHLIGHTS**

- On 18 July 2023, the Company received A\$2.8m as an advance from an R&D lending fund backed by Asymmetric Innovation Finance and Fiftyone Capital, on the Company's 2023 refundable tax offset for R&D expenditure.
- On 20 July 2023, the Company announced the completion of key Vietnamese studies and the commencement of early contractor engagement for the Ta Khoa Refinery ("TKR") Definitive Feasibility Study ("DFS").
- On 29 August 2023, the Ta Khoa Nickel ("TKN") plant pilot programme was completed and enabled significant progress towards completion of the variability testwork programme at the existing mine site in Vietnam.
- On 26 September 2023, the Vietnamese Ministry of Natural Resource and Energy ("MONRE") approved the Company's Exploration and Reserve Report for the Ta Khoa Nickel Mine. This was a significant milestone in the permitting and licencing of Blackstone's projects in northern Vietnam.
- On 29 September 2023, the Company entered into a MOU with Arca Climate Technologies Inc. ("Arca"), to further investigate the carbon capture potential at the Ta Khoa Project via carbon mineralisation and explore opportunities to utilise Arca's carbon capture technologies within the Project.
- On 30 October 2023, Blackstone raised \$1.1m via the Acuity Capital facility by agreeing to issue 7,600,000 fully paid ordinary shares to Acuity Capital at an issue price of \$0.145 per share.
- On 9 November 2023, the Company announced that it had entered into a MOU with Limes Renewables Energy S.r.l. ("Limes") to investigate the opportunity for the supply of renewable wind energy to the Company's Ta Khoa Project via a direct power purchase agreement ("PPA").
- On 13 November 2023, the Company entered into a MOU with Cavico Laos Mining to collaborate on the supply of nickel products for the Company's Refinery.
- On 5 December 2023, the Company announced that it entered into an option agreement with CANickel Mining Limited (TSX:V:CML) ("CANickel") where Blackstone will have a 12-month period and exclusive right to acquire the Wabowden nickel project in Manitoba, Canada ("Wabowden"). As part of this announcement, the Company announced the undertaking of an accelerated non-renounceable pro rata share entitlement offer of new fully paid ordinary shares in the Company, consisting of an accelerated institutional component open to eligible institutional shareholders and a retail component open to eligible shareholders.
- On 7 December 2023, the Company successfully completed the institutional component of its accelerated non-renounceable pro rata entitlement offer issuing 42,349,222 shares on 13 December 2023 at an issue price of \$0.07 per share, raising \$2.96m before costs.
- On 21 December 2023, Blackstone entered into a three-way MOU with Phu Minh Vina Environment and Viet Trung Refractory Material Construction for research opportunities to repurpose and trade waste material (or residue) from the Ta Khoa Refinery into construction material products.

## **2. REVIEW OF OPERATIONS (continued)**

Highlights during the half-year period ended 31 December 2023 are presented below:

### **PROJECTS**

#### **Blackstone Completes Vietnamese Studies For Ta Khoa Refinery**

During the period, the Company completed key Vietnamese studies and commenced early contractor engagement for the Ta Khoa Refinery DFS.

Blackstone recognised the importance of engaging local contractors to enhance project value as they have a deep understanding of the Vietnamese business landscape, local culture, and expertise in their respective fields. Local contractors have played a pivotal role in the development of the Company's Refinery DFS and will continue to play a major role in expediting construction and permitting timelines, ensuring the Project is 'Vietnam-ready', locking in highly competitive local pricing and contributing to the overall Project success.

During the period, a Vietnam visit was conducted to coordinate parties to confirm DFS study progress and advance early engagement activities. The companies visited were:

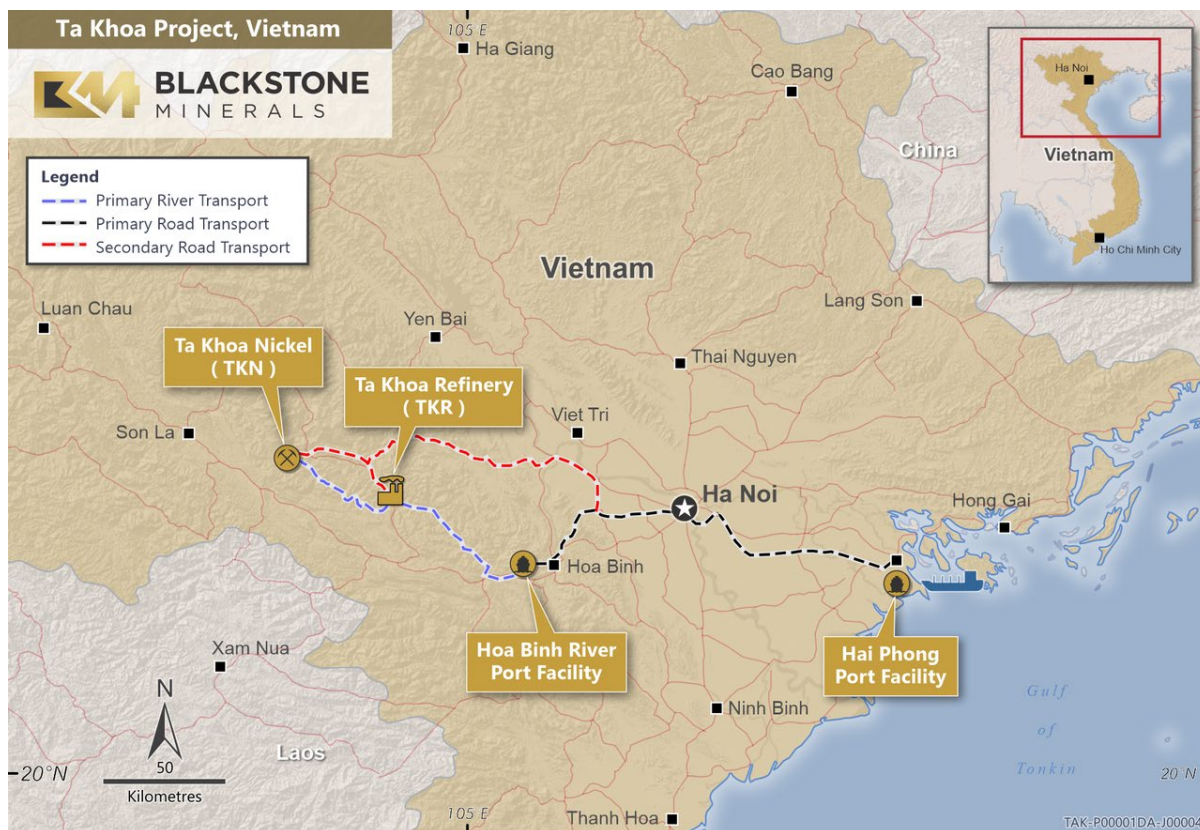
- Narime - plant and non-process infrastructure engineering and design
- Early engagement of fabricators and construction contractors
- Scan Global Logistics - logistics study for both construction and operational phases
- Tedi Wecco - port engineering and design
- Hong Ha - access road upgrade and design
- Global Green Energy Consulting - power infrastructure engineering and design
- Vimluki - environmental impact assessment
- DRCC - social and economic baseline assessment

Narime continued to assist globally renowned Wood, acting as lead in-country engineering consultant, in the development of the Ta Khoa Refinery DFS. Narime brings a wealth of local knowledge and experience to the DFS, supporting Wood with design and local pricing.

Blackstone commenced early engagement of Vietnamese fabricators and contractors. In a site visit to Vietnam, the Blackstone team visited some of the largest fabrication companies and facilities in the world, each with a diverse client base ranging from thermal power plants, oil and gas, refining, cement and steel fabrication plants in Asia, Europe, the US, and Australia. All companies fabricate to international standards and are ISO accredited. Blackstone will continue to investigate in-country fabricators and constructors to ensure Vietnamese pricing is captured during the Ta Khoa Project procurement process.

Scan Global Logistics was selected to complete the logistics study for the DFS. Significant effort was placed in reviewing several options for both the construction and operational logistics phases of the Project. Figure 3 shows the proposed route from the ocean port to the site. International transport will be received at the Hai Phong port where it will be transported on major highways to the Hoa Binh Port. Material from this point will be barged on Da River between Hoa Binh to dedicated ports at the Ta Khoa Refinery and Ta Khoa Nickel mine sites. This route will maximise the flexibility of loads during construction and operation while limiting the requirement of road networks, thus reducing local community impact, and reducing capital expenditure for road upgrades.

**2. REVIEW OF OPERATIONS (continued)**



**Figure 3: Ta Khoa Project Logistic Routes**

Tedi Wecco has completed the river port design to complement the completed logistics study. Three river ports have been proposed: Hoa Binh, Ta Khoa Refinery and Ta Khoa Nickel. The river ports have been designed to allow ‘year-round’ barging along Da River and have been confirmed suitable for both the construction and operational phases of the Project. The selection of the river logistic route significantly reduces operational risk for the project. Hong Ha was engaged to design access roads to the Ta Khoa Refinery site and surrounding non-process infrastructure. Blackstone is reviewing build-own-operate options with local companies to reduce up-front capital and operational risk.

Power supply for the Ta Khoa Refinery has been completed with local power infrastructure experts Global Green Energy Consulting (part of the PC1 group). Global Green Energy Consulting has completed the design of the main power supply for the Ta Khoa Refinery DFS from the Vietnamese power grid.

Independent to the current DFS, Blackstone engaged with a number of wind power producers/developers in the advanced stages of assessing the wind potential in Son La. This complements Blackstone’s ambition to become the greenest nickel project in the world. To support this ambition, the Ta Khoa Project will continue to pursue the strategy of leveraging Vietnam’s vast hydropower and green energy power network under future power purchase agreements.

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## **2. REVIEW OF OPERATIONS (continued)**

CIE, a division of Vimluki, has been engaged to collect environmental baseline data and complete the environmental impact assessment report. DRCC has been engaged to complete the social and economic baseline study. Both studies allow Blackstone to better understand the current environmental, social and economic status of the area within the project's footprint and its immediate surroundings and allow Blackstone to monitor future progress in these fields.

### **Ta Khoa Nickel Project: Successful Completion of Concentrator Pilot Programme**

In August 2023, Blackstone completed the Ta Khoa Nickel plant pilot programme and made significant progress towards completion of the variability testwork programme at the existing mine site in Vietnam. This demonstrates the completion of all scheduled piloting activities for the Ta Khoa Project.



*Figure 4: TKN Pilot Plant, Ban Phuc, Vietnam*

Work conducted to date has confirmed the baseline flowsheet to treat ore through to concentrate from the nickel mine. Both pilot and variability testwork programmes have successfully achieved or exceeded pre-feasibility study ("PFS") testwork assumptions. These important milestones for the site metallurgy and project team will enable the consolidation of data and learnings to progress the TKN mine and concentrator DFS.

### **Blackstone signs MOU with ARCA: Seizing Carbon Capture Opportunity**

In September 2023, Blackstone entered into a Memorandum of Understanding with Arca Climate Technologies Inc.

- Blackstone and Arca sign MOU to further investigate the carbon capture potential at Ta Khoa Project via carbon mineralisation and explore opportunities to utilise Arca's carbon capture technologies within the Project,
- Studies indicate that passive CO<sub>2</sub> capture is possible at a scale of kilo-tonnes of CO<sub>2</sub> per year from the Project's mine waste. This is significant compared to similar projects,
- In July 2023 the European Union Council declared from 18 February 2025, every industrial or electric vehicle battery on the EU market with a capacity of over 2 kWh will require a battery passport containing information on items including carbon footprint declaration<sup>1</sup>,

<sup>1</sup><https://nickelinstitute.org/en/blog/2023/august/the-eu-battery-regulation-what-does-it-mean-for-nickel-producers/>

## **2. REVIEW OF OPERATIONS (continued)**

- Life Cycle Analysis has shown the Project is capable of producing a nickel product with one of the lowest carbon footprints in the industry, with identified pathways to reduce the carbon footprint further with additional studies,
- Carbon mineralisation is one technology being considered to further reduce the Project's carbon footprint.

### **Overview of the MOU**

Arca is developing a portfolio of carbon capture technologies to measure, maximise and monetise the carbon mineralisation potential of mine waste. Using its proprietary intellectual property, Arca helps its partners in the minerals industry to transform mine waste into an industrial-scale carbon sink, advancing the future of carbon-negative mining.

Blackstone continues its pursuit to be one of the greenest nickel producers in the world. Successful implementation of Arca's proprietary intellectual property will enable Blackstone to further reduce the Company's Ta Khoa Project's carbon footprint, allowing Blackstone to realise its Green Nickel™ vision and position the Company to meet the growing global demand for low carbon intensity battery raw materials.

Under the MOU, Arca and Blackstone agree to collaborate on the following:

- Blackstone and Arca will enter a non-exclusive strategic relationship to further investigate the carbon capture potential at TKP via carbon mineralisation,
- Arca will expand on previous characterisation work which has indicated the Ta Khoa Project contains minerals such as brucite, known to be highly reactive to CO<sub>2</sub> in air,
- Data collected from this engagement will inform future design considerations to maximise carbon mineralisation, further reducing TKP's carbon footprint and providing a pathway to carbon-negative mining.

### **Vietnam Approves National Mineral Master Plan paving the way for Blackstone's Ta Khoa Project**

During the period the Ta Khoa Project was included in the Vietnamese National Mineral Master Plan. The National Mineral Master Plan details Vietnam's mineral development strategy up until 2030 with a vision to 2050. The Master Plan is a key document and reference point in the approval of major mineral projects in Vietnam. The Master Plan aims to closely manage, exploit and process mineral resources with the objective to value-add in country as much as possible to ensure Vietnam maximises the value generated from their natural resources. The Master Plan focuses on environmental protection and climate change adaptation to move Vietnam towards the goal of achieving carbon neutrality.

The Ta Khoa Project aligns with Vietnam's objective for maximising value creation from their natural resources and Blackstone is pleased that both the Ta Khoa Nickel and Ta Khoa Refinery projects were included in the approved National Mineral Master Plan, demonstrating that these projects are considered as 'significant value' for Vietnam.

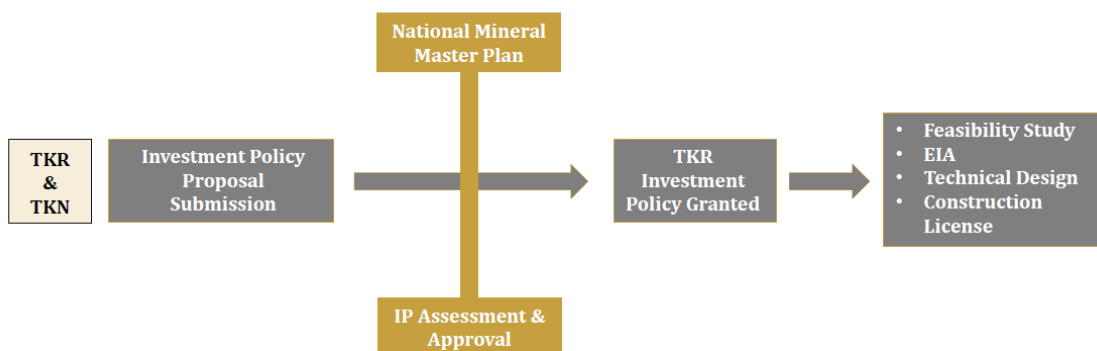
The inclusion of the projects in the Master Plan was an important step in the permitting and licensing of our projects. For the Provincial Government to advance the approval and issuing of the Investment Policies for both TKR and TKN our projects needed to be in the National Mineral Master Plan.

**2. REVIEW OF OPERATIONS (continued)**

For Blackstone, the master plan included;

- TKN: allowance for the construction of a new concentrator, a new mine development and inclusion of new exploration opportunities around the nickel mine,
- TKR: allowance for a Nickel Refinery with a production capacity of up to 150,000 tonnes per annum of NCM precursor cathode active material (“pCAM”) or up to 420,000 tonnes per annum of nickel sulphate or any combination of these products.

**High Level Permitting Process – TKP**



**Figure 5:** High-Level Permitting Process for Blackstone’s Projects

A key step in the permitting of the Ta Khoa Project is the approval of an Investment Policy for each of TKR and TKN. The Investment Policy which is converted to an Investment Certificate is Vietnam’s approval for developers to proceed with acquiring the necessary licenses to start construction and operations. In order for an Investment Policy for a mineral development project to be approved, it must be in the National Mineral Master Plan to allow it to be assessed and ultimately approved.

**Vietnam Approves Blackstone’s Exploration & Reserve Report**

Blackstone announced on 26 September 2023 that the Vietnamese Ministry of Natural Resources and Energy (“MONRE”) approved the Company’s Exploration and Reserve Report for the Ta Khoa Nickel mine. This was a significant milestone in the permitting and licensing of Blackstone’s projects in northern Vietnam, most importantly allowing the Company to progress the Ban Phuc, Ban Khoa, King Snake and Ban Chang Mining License applications.

The approval, and the inclusion of proposed exploration areas in the National Mineral Master Plan August 2023 (refer to ASX announcement 07 August 2023) also enables the Company to advance new nickel sulphide targets and grow the resources and reserves within the Ta Khoa Dome immediately adjacent to the proposed mining operations.

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## **2. REVIEW OF OPERATIONS (continued)**

### **Blackstone Secures Option To Acquire Major Nickel Asset**

Blackstone Minerals Limited ("Blackstone" or the "Company") entered into an option agreement with CaNickel Mining Limited (TSX.V:CML) ("CaNickel") where Blackstone will have an exclusive right to acquire the Wabowden nickel project in Manitoba, Canada ("Wabowden") within a 12-month period.



**Figure 6:** Wabowden Project - Bucko Mine and Processing Facility

The option agreement adds to Blackstone's existing nickel interests and experience in Manitoba via its strategic investments in Corazon (ASX:CZN) ("Corazon" or "Lynn Lake nickel-copper project") and Flying Nickel (TSXV:FLYN) ("Flying Nickel" or "Minago nickel project").

The option period provides Blackstone time to further evaluate and consider various development options for Wabowden. In addition, the option period provides Blackstone with the ability to optimise funding to complete the acquisition, including joint venture partnerships, government funding as well as strategic royalty, debt and equity funding alternatives.

Blackstone may exercise the option at any time during the 12-month period.

**2. REVIEW OF OPERATIONS (continued)**



**Figure 7: Wabowden Project Location and Blackstone's Strategic Investments in Manitoba**

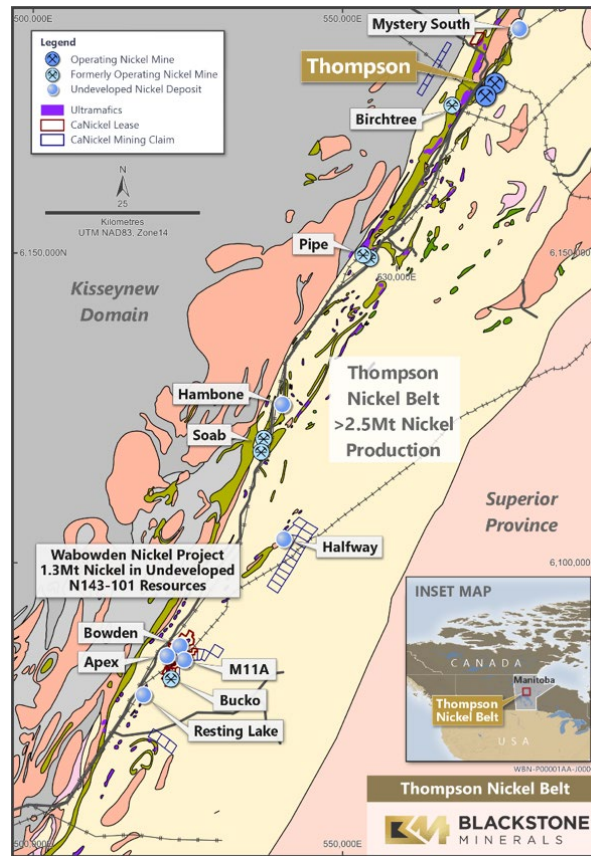
**Wabowden Project Overview**

Wabowden is favourably located in the centre of the world class Thompson Nickel Belt (refer to Figure 8), which covers more than 300km of strike and has produced more than 2.5 million tonnes of nickel, making it the fifth-largest nickel sulphide camp in the world. Locally the project is situated around the town of Wabowden in Manitoba, 106km SSW of Thompson and 650km N of Winnipeg.

Wabowden comprises five deposits (Bucko, Bowden, M11A, Apex and Halfway Lake) and has a combined total resource base of 230Mt at 0.56% nickel for 1.3Mt of contained nickel. All deposits are open at depth, with the Thompson nickel mine, located 100km to the north-east, demonstrating the potential for mineralisation to extend beyond 1,500m.

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**2. REVIEW OF OPERATIONS (continued)**



**Figure 8:** Thompson Nickel Belt in Manitoba, Canada

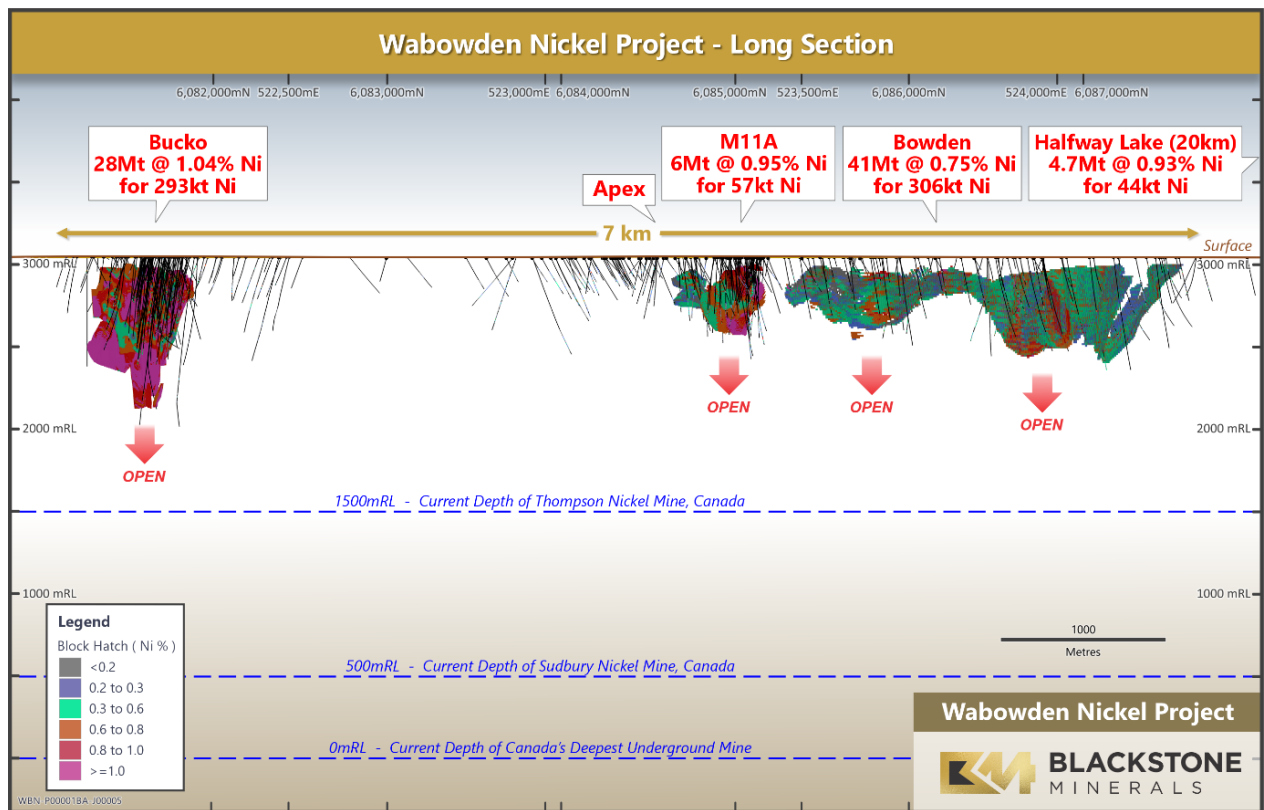
**Blackstone Development Strategy**

Blackstone has identified that the Wabowden Project is well suited to being re-developed as a large-scale, low cost, bulk mining operation underpinned by the large-scale Bowden and Bucko deposits.

The Bowden deposit has a strike length of 2.4 km, up to 300m thick, 600m deep and is open in all directions. Bowden has an average of ~1,000 tonnes of nickel per vertical metre. The previously mined Bucko deposit has a strike length of 600m, up to 100m thick, 900m deep and is open at depth with an average of ~600 tonnes of nickel per vertical metre. The extensive strike and width of the Bowden and Bucko orebodies make them highly amenable to large-scale, low cost, bulk mining methods which were not considered by previous operators.

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**2. REVIEW OF OPERATIONS (continued)**

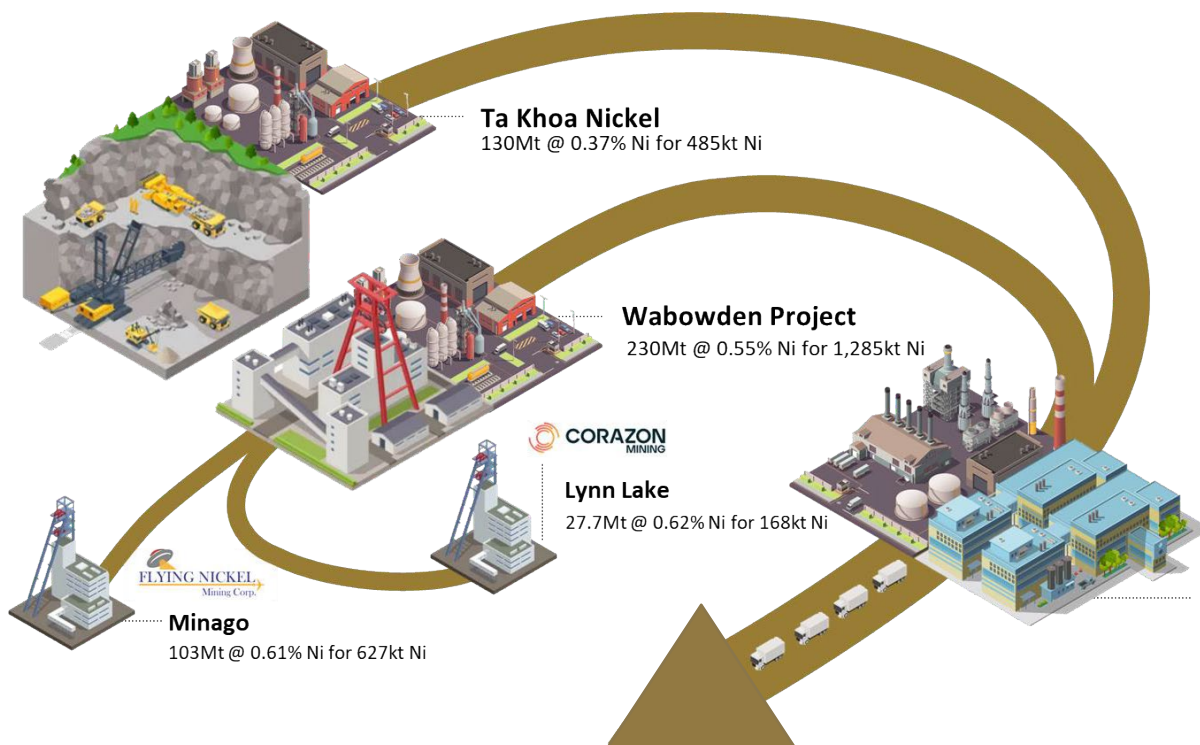


**Figure 9:** Long section showing deposits at the Wabowden Project

Blackstone considers that large scale development of Wabowden has significant economic and strategic benefits with the potential to fill Blackstone’s Ta Khoa Refinery, removing dependence on third-party feed sources. Supply to Ta Khoa has already been discussed with Glencore, who have been receptive to the proposal. The dependence on third-party feed sources to fill the Ta Khoa Refinery has been an issue raised by potential joint venture partners and financiers. The Wabowden Project can satisfy joint venture partner requirements for long term nickel feed security without the need for third-party feed sources to fill the Ta Khoa Refinery.

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**2. REVIEW OF OPERATIONS (continued)**



**Figure 10:** Wabowden Project and Ta Khoa Integration Concept <sup>2 3 4 5</sup>

Blackstone also considers that Wabowden could become the central hub and key platform to consolidate ownership in the Manitoba province, building on its existing investments in Corazon and Flying Nickel with the potential to deliver 30+ years of nickel supply (refer to Figure 10).

**Low Cost, Renewable Power**

Wabowden is favourably connected to the Manitoba Hydropower network, which also supplies power to parts of the USA. Power costs are typically US\$0.025 to US\$0.035/kWh, which is one of the lowest cost power supplies in the world and provides a significant cost advantage for Wabowden and is consistent with Blackstone’s strategy to deliver low-cost Green Nickel™ concentrates for the Ta Khoa Refinery.

**Supportive Government Policies**

Wabowden is well positioned to benefit from supportive government policies including the Manitoba Critical Minerals Strategy, the Canadian Critical Minerals Infrastructure Fund, the US Inflation Reduction Act and the US Defence Production Act.

The Manitoba Critical Minerals Strategy is intended to coordinate the work of the government, indigenous people, local communities, and the private sector to capitalise on the province’s strategic advantages.

The Canadian Critical Minerals Infrastructure Fund will make C\$1.5 billion available to support clean energy and transportation infrastructure projects, and an additional C\$1.5 billion available

<sup>2</sup> ASX Announcement, 3 Mar 2022, “Strategic Investment in Corazon Adds to Manitoba Footprint”

<sup>3</sup> Company Website - Accessed 9 September 2023 “Minago-Nickel”, <https://www.flynickel.com/projects/minago-nickel/>

<sup>4</sup> ASX Announcement 28 Feb 2022, “Blackstone Completes PFS at Ta Khoa Nickel Project”

<sup>5</sup> ASX Announcement 23 Dec 2021, “Ta Khoa Mineral Resource Increases 73% to 485kt of Nickel”

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## **2. REVIEW OF OPERATIONS (continued)**

through the Strategic Innovation Fund to support advanced manufacturing, processing, and recycling.

The US Inflation Reduction Act is designed to promote clean energy and support a US transition away from fossil fuels, including for transportation and to increase US processing rates of key battery materials and critical minerals.

In addition, the US last year announced US\$250 million in Defence Production Act funding for US and Canadian companies to mine and process critical minerals for electric vehicles and stationary storage batteries.

### **Permitting**

Wabowden has a positive permitting situation and a straightforward re-permitting pathway. An existing Manitoba Environment Act License, issued in September 2011, requires the submission and approval of a Notice of Alteration to restore and upgrade the Bucko mine. Once a Notice of Alteration has been issued for the Bucko mine, then applications for other permits and licenses can be submitted for specific Bucko revitalisation-related activities such as mine dewatering and underground rehabilitation, petroleum storage, and hazardous waste management. The only federal permit or approval required is related to the storage and management of explosives.

### **Next Steps**

Blackstone intends to use the 12-month option period to continue to evaluate and optimise the acquisition and development of Wabowden. Key activities will include:

1. Development of JORC resources for key deposits, including addition of all available drilling data,
2. Completion of preliminary/scoping level mining studies to identify possible operating scenarios,
3. Progressing of negotiations with Glencore with respect to the off-take and other historical agreements,
4. Engagement with the Manitoban government organisations and local Wabowden community, and
5. Progressing Blackstone's strategic partnership process for its Ta Khoa Refinery as well as other strategic financing alternatives.

### **Blackstone's Wabowden Deal Sparks Global JV Partner Interest**

During the period, the Company provided an update on the Joint Venture partner process for its Ta Khoa Project in Vietnam following Blackstone's execution of an option agreement to acquire 100% of the Wabowden nickel sulphide project in Manitoba, Canada sparked global interest.

Being the culmination of many years of work conducted by Blackstone to develop strong relationships with prospective partners, the Company will now complete the JV partner process to ensure a successful partnership that will satisfy financiers' requirements to fund the development of the Ta Khoa Project.

**2. REVIEW OF OPERATIONS (continued)**



**Figure 11:** Blackstone's Proposed Ta Khoa Project JV Structure

**JOINT VENTURE OVERVIEW**

**General**

Over the last five years, Blackstone's management has developed key relationships with primarily Asian lithium-ion battery material and cathode makers. These relationships have given Blackstone an in-depth understanding of the fundamentals of the intermediate product (MHP, and Sulphate), mid-stream (pCAM) and downstream (CAM) products and supply chains.

The Company has hosted site visits for potential partners, many of whom have expressed strong interest in the project. Potential JV partners have asked for a greater level of technical certainty as well as feedstock security for the Ta Khoa Refinery. Both of these key risks have now been addressed through advancing the project studies and Blackstone's recent option to secure the Wabowden Project (230Mt @ 0.56% Ni for 1.3Mt Ni contained<sup>6</sup>) enabling the Company to complete the process to identify and secure the preferred partner for the project.

**JV Structure**

The preferred Ta Khoa Project JV Structure will be framed around the relevant strengths of each JV party, and as such, allows flexibility in the final structure. Blackstone intends to retain a controlling interest and is open to sell down of up to 49% of the project to the JV partner(s) (refer to Figure 11).

The JV businesses will be grouped under an ownership structure reflecting the upstream and downstream aspects of the business. The Ta Khoa Nickel subsidiary will operate the mining and concentrate production facilities, and the Ta Khoa Refinery subsidiary will operate the refining and pCAM production facilities. It is Blackstone's intention to have equal ownership across these two businesses, but due to the different tax structures, they will be separated at a subsidiary level.

<sup>6</sup> Blackstone Release 5 December 2023, "[Blackstone Secures Option To Acquire Major Nickel Asset](#)"

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## **2. REVIEW OF OPERATIONS (continued)**

### **Attraction to JV Partners**

In addition to the potential long-term operation of the Ta Khoa Refinery processing secured feedstocks to produce IRA compliant critical mineral products, and pCAM, the key benefits to JV partners include:

### **Low Carbon Footprint and High ESG**

The proposed Ta Khoa Project flowsheet has the lowest carbon footprint emissions for pCAM production globally. In September 2022, Blackstone released the outcomes of an independent life cycle assessment ("LCA") based on pre-feasibility study data, conducted by LCA Practitioners, Minviro (refer to ASX announcement 15 September 2022). The LCA study confirmed a result of 9.8 kg CO<sub>2</sub> equivalent (eq.) per kg pCAM which is substantially lower global warming potential than existing production pathways.

Blackstone is exploring opportunities to further reduce its carbon footprint. A pipeline of opportunities is illustrated above, which will be investigated and implemented where practicable. Key near-term opportunities are to lock in power purchase agreements for renewable energy and to seek supply agreements for nickel sulphide concentrates that meet specific greenhouse gas emissions criteria and ESG credentials.

### **Low-Cost pCAM Production**

Ta Khoa Refinery's current estimated operating cost ranks in the lowest cost quartile of nickel sulphate producers, driven by:

- Low labour cost base of US\$2.99 per hour (Source: US Trade Office, 2022), approximately half that of China,
- Access to low-cost, hydroelectric power (US\$0.06 to 0.10 per kWh),
- Streamlined pCAM focused hydromet flowsheet,
- Low-cost concentrate from Blackstone mining operations,
- Opportunistic access to low cost, off-spec nickel concentrates,
- Low neutralisation requirements (reagents) compared to other ore types (e.g. nickel laterites),
- Byproduct credits for copper, magnesium sulphate and sodium sulphate,
- Able to source the majority of construction materials and reagents within Vietnam. Close proximity to other S.E. Asian supply chains.

### **A. Developing Vietnamese Economy**

Vietnam has been a development success story. Economic reforms since the launch of Đổi Mới in 1986, coupled with beneficial global trends, have helped propel Vietnam from being one of the world's poorest nations to a middle-income economy in one generation. Between 2002 and 2022, GDP per capita increased 3.6 times, reaching almost US\$3,700. Up to the end of October 2023, Vietnam had received US\$25.8B in foreign direct investment, 14.7% higher than the same time last year, and up 6,450% since 2010. Chinese investment has led this growth, but it has been closely followed by Singapore and South Korea. Vietnam is the only country in 2023 that hosted heads of state from both the United States and China, confirming the strategic and opportunistic value that Vietnam currently presents.

### **B. Ta Khoa Refinery Feed Flexibility**

The Ta Khoa Refinery hydromet flowsheet provides an opportunity to process a variety of different nickel feed stocks, enabling Blackstone and its partners to source the lowest cost nickel units available. For example, nickel concentrates sold into the conventional pyrometallurgical stainless industry are heavily penalised for high levels of magnesium contaminants. The Ta Khoa Refinery is not sensitive to this material and can access lower cost nickel concentrates.

## **2. REVIEW OF OPERATIONS (continued)**

Other feed types which can be considered for the Ta Khoa Refinery include:

- MHP: may be fed within the Ta Khoa Refinery flowsheet. The flowsheet can support 100% MHP feedstock, or a blend of MHP and nickel concentrate,
- High copper / cobalt concentrates: which historically have poor recovery and payability in smelting operations would be suitable,
- Nickel matte: may be blended with nickel concentrate feed and provides a significant upgrade in sulphur content which is required for efficient pressure oxidation operation,
- Potential future feedstocks for consideration pending further studies include, but are not limited to, battery recycle products (black mass). These feed stocks will require additional processing steps within the Ta Khoa Refinery flowsheet and require further investigation.

### **Blackstone Signs Renewable Energy MOU for The Ta Khoa Project**

During the reporting period, Blackstone entered into a Memorandum of Understanding with Limes Renewables Energy S.r.l. ("Limes") to collaborate on the supply of wind renewable energy to the Company's Ta Khoa Project via a direct power purchase agreement ("DPPA").

Limes is an independent power producer with a focus on renewable energy. Limes has a global footprint with a number of solar, wind and battery projects underway. Limes is currently advancing a 200 MW wind farm in the province of Son La, Vietnam, where the Ta Khoa Project is located. The Project was recently included in Vietnam's National Power Master Plan, demonstrating that renewables projects such as this are considered as 'significant value' for Vietnam (refer to ASX announcement 15 June 2023).

Blackstone continues its pursuit to be one of the greenest nickel producers in the world. As an extension to its announcement about investigating the carbon capture potential at the Ta Khoa Project via carbon mineralisation (refer to ASX announcement 29 September 2023), the Company has identified it can significantly reduce its carbon footprint further by securing up to 100% renewable power for the Ta Khoa Project. Securing DPPA's with renewable power suppliers allows for a pathway to net zero mining and positions the Company to meet the growing global demand for low carbon intensity battery raw materials.

The parties have agreed to collaborate on the following initiatives;

- Direct power purchase agreements: when the new legislation is implemented, negotiate and execute a DPPA for the provision of renewable energy,
- Permitting and licensing assistance: both companies are operating in Son La and work with the same authorities. Where possible, the companies will assist each other with the permitting, licensing and promotion of their respective projects,
- Renewable energy optimisation: The parties will work together to develop strategies to allow Blackstone to maximise the use of renewable energy which could include strategies such as energy storage batteries.

### **Blackstone Identifies Ta Khoa Refinery Nickel Supply Target**

During the period, Blackstone announced that it entered into a Memorandum of Understanding with Cavico Laos Mining ("CLM") to collaborate in a number of areas associated with CLM's nickel mine in Lao People's Democratic Republic ("Laos") and supply of nickel products for Blackstone's Ta Khoa Refinery in Vietnam.

CLM owns and operates the Ban Bo Mine located in the Province of Bolikhamxay in Laos. Mining activities commenced in 2022 and just recently CLM commissioned a small hydrometallurgical plant to produce MHP, an intermediate product that can be processed at Blackstone's Ta Khoa Refinery. Geologically, the Ban Bo Mine and its surrounds are highly prospective with Iron Ore, Rare Earths, Cobalt, Chromium, Gold and Silver having been discovered.

**2. REVIEW OF OPERATIONS (continued)**

Under the MOU, the following initiatives will be explored:

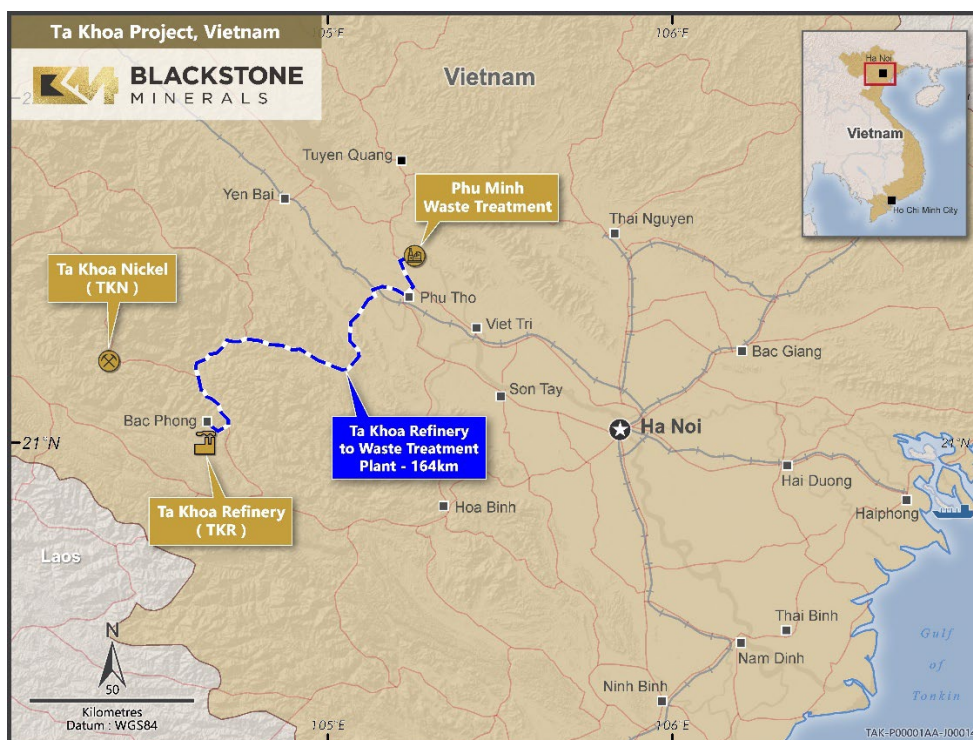
1. Negotiate offtake agreements for MHP for Ta Khoa Refinery and to assist with the marketing of MHP in the short to medium term,
2. Blackstone to assist CLM in certifying their resources and reserves to JORC standards,
3. Investigate technological solutions to help improve MHP recovery and quality to allow for its sale to global refineries such as Ta Khoa Refinery,
4. Review CLM's current operation with an ESG lens and develop necessary actions to meet global expectations,
5. Explore investment opportunities that are mutually beneficial for both parties,
6. Investigate opportunities to identify new regional exploration targets in Laos.

**Blackstone Signs Offtake MOU For Refinery Byproduct**

During the period, Blackstone entered into a Memorandum of Understanding with Phu Minh Vina Environment and Viet Trung Refractory Material Construction to research opportunities to repurpose and trade waste material (or residue) from its Vietnamese Ta Khoa Refinery into construction material products.

The MOU demonstrates that the refinery residue not only holds value but will result in less residue treatment and storage for Blackstone during the life of the operation, significantly improving financial metrics for the project.

Phu Minh owns and operates a waste treatment plant in the Phu Tho Province, which is adjacent to the Son La Province in Vietnam, where Blackstone is building the refinery. Phu Minh commenced in 2007 working in the fields of environmental management and waste treatment.



**Figure 12:** Location of Phu Minh Waste Treatment Plant

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## **2. REVIEW OF OPERATIONS (continued)**

Viet Trung owns and operates a refractory material company in Hoai Duc, Vietnam. Viet Trung commenced in 2017, licenced to produce construction refractory materials in Vietnam and manage hazardous waste treatment.

Under the MOU, the following initiatives will be explored:

1. Negotiate offtake agreements for Ta Khoa Refinery residue,
2. Research and provide solutions/processes/business for repurposing residue from the refinery, ensuring that any developed construction material meets or exceeds Vietnamese standards,
3. Collaborate on strategic solutions to ensure construction material products meet Son La Provincial People's Committee ("SLPPC") development strategy,
4. Confirm waste treatment capacity, ensuring it can match or exceed Ta Khoa Refinery's maximum waste production volume,
5. Identify technology and equipment to process Ta Khoa Refinery residue for construction material products (such as, but not limited to, bricks, pavers, blocks etc.) or feed material for other plants.

In 2021 Blackstone identified the potential for conversion of refinery residue into building materials. In mid-2023 the Company commenced investigations into the repurposing of its residue into construction material, specifically if the material would be suitable for the manufacturing of residential bricks. Blackstone saw this as a significant opportunity as the repurposing of residue material would:

- Generate additional industry opportunities for the people of Son La Province, Vietnam,
- Reduce the dependency of a residue storage facility, ultimately yielding both capital and operating cost benefits to the Ta Khoa Project,
- Significantly reduce the environmental impact of the project and thus improve permitting timelines,
- Improve social licence to allow Blackstone to operate within Son La Province, Vietnam,
- Generating a new circular economy within Vietnam.

## **CORPORATE**

### **Sustainability Report FY 23**

Sustainability and ESG performance are a defining focus for Blackstone. As the Company evolves from a nickel exploration business to becoming one of the cleanest and lowest-carbon nickel producers globally, it continues the Green Nickel™ journey, advancing ESG commitments and performance. Blackstone has an opportunity to engrain best practices into the Company's development strategy, to start from zero with respect to emission targets, and to align Blackstone with industry leaders. Our strategy is built on supplying low-carbon nickel to a world grappling with climate challenges. Our focus is addressing the social and environmental consequences of our business activities. Every aspect of our approach is guided by strong values and robust corporate governance.

Our third sustainability report, covering the reporting period 1 July 2022 to 30 June 2023 (FY23), provides stakeholders with an accurate and transparent account of our efforts, impacts and achievements around material ESG topics. These topics were defined through a comprehensive stakeholder engagement program and materiality assessment conducted from January to March 2023. This report builds on corporate and operational initiatives that position us as an ESG leader among peers in the global mining sector.

## **2. REVIEW OF OPERATIONS (continued)**

### **Blackstone Receives Funding from Acuity Capital Facility**

During the period, the Company announced that it has utilised its At-the-Market Subscription facility (ATM) with Acuity Capital to raise \$1,100,000 by agreeing to issue 7,600,000 fully paid ordinary BSX shares to Acuity Capital at an issue price of \$0.145 per share.

The settlement of funds occurred in October 2023. The issue price of \$0.145 represented a premium to the 15-trading day VWAP to 27 October 2023 (inclusive).

### **Blackstone Completes Institutional Component of Entitlement Offer**

During the period, the Company successfully completed the institutional component ("Institutional Entitlement Offer") of its accelerated non-renounceable pro rata entitlement offer as announced on 5 December 2023 ("Entitlement Offer").

The Institutional Entitlement Offer opened on Tuesday, 5 December 2023 and closed on Wednesday 6 December 2023 raising approximately \$3m at the offer price of \$0.07.

### **Retail Entitlement Offer**

Retail shareholders with a registered address in Australia or New Zealand as of 5.00 pm (AWST) on Thursday, 7 December 2023 ("Record Date") ("Eligible Retail Shareholders") were invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer.

The Entitlement Offer closed on 29 January 2024 with results with respect to the acceptances published on the ASX on 30 January 2024 and new shares were issued on 2 February 2024.

### **MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR**

- On 30 January 2024, the Company announced that it had completed its Accelerated Non-Renounceable Entitlement Offer as per the terms of the Prospectus dated 6 December 2023. The Company closed the retail component of the Entitlement Offer with applications totalling 3,614,425 shares including additional acceptances issued at \$0.07 on top of the 42,349,422 shares issued under the institutional entitlement offer on 7 December 2023.
- On 31 January 2024, the Company announced the signing of a non-binding MOU with Yulho and EN Plus. The Parties will investigate the feasibility of establishing a strategic partnership, focusing on project specifics:
  - Yulho, via the creation of a joint venture in Tanzania, will engage in nickel mining, primarily to supply concentrate to Blackstone's facilities in Vietnam
  - Blackstone's Vietnamese refining facility will be tasked with producing NCM811 precursor.
- On 6 March 2024, the Company announced that it had received \$4.25m from the Australia R&D Tax Incentive Scheme for the 2023 financial year. Following the receipt of the \$4.25m, the \$2.8m advance received in July 2023 was fully repaid to Asymmetric Innovation Finance. Additionally, the company announced it recently received \$2m in cash from the sale of its shareholding in NiCo Resources Ltd.

No other matters or circumstance has arisen since 31 December 2023 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. AUDITOR'S INDEPENDENCE DECLARATION & NON-ASSURANCE SERVICES**

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

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, 15 March 2024

#### **Competent Persons Disclosure Statement**

##### Exploration Results, Mineral Resources and Ore Reserves

No new Exploration Results, Minerals Resources or Ore Reserves are included in this report. Information in this report that refers to such items is taken from information previously presented to the public and remains relevant. Where previous information is re-stated or referred to, the original report and report data is referenced.

##### New Information

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings as presented have not been materially modified from the relevant original market announcement.

##### Forward Looking Statements

This report contains certain forward-looking statements. The words "expect", "forecast", "should", "projected", "could", "may", "predict", "plan", "will" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings, cash flow costs and financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results or trends to differ materially. These variations, if materially adverse, may affect the timing or the feasibility of the development of the Ta Khoa Project.

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**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Blackstone Minerals Limited**

As lead auditor for the review of the half-year financial report of Blackstone Minerals Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Blackstone Minerals Limited and the entities it controlled during the financial period.

*Ernst & Young*

Ernst & Young

V L Hoang  
Partner  
15 March 2024

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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 2023 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 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 5, 600 Murray Street  
West Perth WA 6005

A description of the nature of the Company's operations is included in the directors' report on pages 2 to 21, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 15 March 2024. 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).

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



For the Half-Year Ended 31 December 2023	Notes	Consolidated	
		31 December 2023	31 December 2022
		\$	\$
Revenue from continuing operations	3	63,191	256,413
Other income	3	-	9
Administrative costs		(2,348,254)	(2,273,077)
Consultancy expenses		(725,402)	(679,910)
Employee benefits expense	4a	(1,937,897)	(2,282,225)
Share based payment expenses	20	(240,097)	(1,099,666)
Occupancy expenses	4b	(122,193)	(115,645)
Compliance and regulatory expenses		(161,160)	(168,015)
Insurance expenses		(61,982)	(69,200)
Exploration expenditure		(5,696,706)	(12,222,407)
Depreciation expense	4c,7	(424,195)	(464,766)
Depreciation on rights of use assets	4c,9	(161,153)	(139,368)
Interest expense on lease liabilities	4d,9	(11,819)	(9,776)
Finance and Interest Costs	4d	(235,142)	(15,054)
Revaluation of share investments in listed entities	10	(1,394,411)	(1,658,016)
Asset write-offs		(18)	(87,158)
<b>(Loss) before income tax</b>		<b>(13,457,238)</b>	<b>(21,027,861)</b>
Income tax benefit/(expense)		-	-
<b>(Loss) for the half-year</b>		<b>(13,457,238)</b>	<b>(21,027,861)</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		106,580	86,657
<i>Total - Items that may be reclassified to profit or loss</i>		106,580	86,657
<i>Items that will not be classified to profit or loss</i>		-	-
<b>Total comprehensive (loss)</b>		<b>(13,350,658)</b>	<b>(20,941,204)</b>
<b>Loss for the half-year attributable to:</b>			
Non-controlling interests		(875,743)	(1,194,682)
Owners of Blackstone Minerals Limited		(12,581,495)	(19,833,179)
		<b>(13,457,238)</b>	<b>(21,027,861)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Non-controlling interest		(765,443)	(1,217,386)
Owners of Blackstone Minerals Limited		(12,585,215)	(19,723,818)
		<b>(13,350,658)</b>	<b>(20,941,204)</b>
<b>Earnings per share for loss attributable to the owners</b>			
Basic and Diluted (loss) per share (cents per share)	19	(2.6)	(4.2)

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

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 December 2023	Notes	Consolidated	
		31 December 2023	30 June 2023
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	4,897,640	12,382,285
Receivables and other assets	6	2,258,410	2,508,403
<b>Total Current Assets</b>		<b>7,156,050</b>	<b>14,890,688</b>
<b>Non-Current Assets</b>			
Other assets	6	2,108,440	816,587
Property, plant and equipment	7	4,171,157	4,645,538
Exploration and evaluation expenditure assets	8	7,400,000	7,548,095
Right-of-Use assets	9	409,002	415,623
Investment held in listed entities	10	7,144,312	8,402,715
<b>Total Non-Current Assets</b>		<b>21,232,911</b>	<b>21,828,558</b>
<b>Total Assets</b>		<b>28,388,961</b>	<b>36,719,246</b>
<b>Current Liabilities</b>			
Trade and other payables	11	2,224,403	4,878,517
Provisions	12	504,449	491,440
Lease liabilities	13	303,364	303,084
Short Term Loan	21	2,800,000	-
<b>Total Current Liabilities</b>		<b>5,833,216</b>	<b>5,673,041</b>
<b>Non-Current Liabilities</b>			
Provisions	12	467,218	521,386
Lease liabilities	13	99,522	133,834
<b>Total Non-Current Liabilities</b>		<b>566,740</b>	<b>655,220</b>
<b>Total Liabilities</b>		<b>6,399,956</b>	<b>6,328,261</b>
<b>Net Assets</b>		<b>21,989,005</b>	<b>30,390,985</b>
<b>Equity</b>			
Issued capital	14	131,174,442	127,366,410
Reserves	16	10,120,721	9,960,254
Accumulated losses		(118,392,767)	(105,811,272)
<b>Equity attributable to the owners</b>		<b>22,902,396</b>	<b>31,515,392</b>
Non-controlling interest	17	(913,391)	(1,124,407)
<b>Total Equity</b>		<b>21,989,005</b>	<b>30,390,985</b>

The above consolidated 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 2023	Contributed Equity	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Equity Reserve	Attributable to Parent Entity	Non-controlling interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	127,365,110	(73,659,062)	679,562	5,095,467	3,170,280	62,651,357	861,346	63,512,703
Total comprehensive income for the period:								
Loss for the period	-	(19,833,179)	-	-	-	(19,833,179)	(1,194,682)	(21,027,861)
Foreign Exchange Differences	-	-	109,361	-	-	109,361	(22,704)	86,657
	-	(19,833,179)	109,361	-	-	(19,723,818)	(1,217,386)	(20,941,204)
Transactions with owners in their capacity as owners:								
Contributions of equity (net of transaction costs)	1,300	-	-	-	-	1,300	-	1,300
Equity settled share based payment transactions	-	-	-	858,534	-	858,534	242,633	1,101,167
Issue of share capital during the period in controlled entity	-	-	-	-	11,895	11,895	13,594	25,489
<b>Balance at 31 December 2022</b>	<b>127,366,410</b>	<b>(93,492,241)</b>	<b>788,923</b>	<b>5,954,001</b>	<b>3,182,175</b>	<b>43,799,268</b>	<b>(99,813)</b>	<b>43,699,455</b>
Balance at 1 July 2023	127,366,410	(105,811,272)	637,900	6,139,581	3,182,773	31,515,392	(1,124,407)	30,390,985
Total comprehensive income for the period:								
Loss for the period	-	(12,581,495)	-	-	-	(12,581,495)	(875,743)	(13,457,238)
Foreign Exchange Differences	-	-	(3,720)	-	-	(3,720)	110,300	106,580
	-	(12,581,495)	(3,720)	-	-	(12,585,215)	(765,443)	(13,350,658)
Transactions with owners in their capacity as owners:								
Contributions of equity (net of transaction costs)	3,808,032	-	-	-	-	3,808,032	-	3,808,032
Equity settled share based payment transactions	-	-	-	178,683	-	178,683	61,414	240,097
Issue of share capital during the period in controlled entity	-	-	-	-	(14,496)	(14,496)	915,045	900,549
<b>Balance at 31 December 2023</b>	<b>131,174,442</b>	<b>(118,392,767)</b>	<b>634,180</b>	<b>6,318,264</b>	<b>3,168,277</b>	<b>22,902,396</b>	<b>(913,391)</b>	<b>21,989,005</b>

The above consolidated 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 2023	Notes	Consolidated	
		31 December 2023	31 December 2022
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Payments to suppliers and employees		(2,584,794)	(3,644,421)
Interest received		65,941	122,744
Interest and other finance costs paid		(246,961)	(24,830)
Corporate restructure costs		-	(315,895)
Payments for exploration and evaluation		(9,657,220)	(15,608,742)
<b>Net cash (outflow) from operating activities</b>		<b>(12,423,034)</b>	<b>(19,471,144)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment		(5,258)	(3,476)
Purchase for Investments		(136,008)	-
Payments for option payment for exclusivity to acquire non-current assets		(1,250,000)	-
<b>Net cash (outflow) from investing activities</b>		<b>(1,391,266)</b>	<b>(3,476)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and other equity securities		4,064,460	1,300
Proceeds from exercise of options		-	-
Share issue transaction costs		(256,427)	-
Payments for lease liabilities		(171,251)	(134,298)
Proceeds from short-term loan funding		2,674,000	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>6,310,782</b>	<b>(132,998)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,503,518)</b>	<b>(19,607,618)</b>
Cash and cash equivalents at the start of the period		12,382,285	40,752,510
Effect of exchange rate		18,873	81,255
<b>Cash and cash equivalents at the end of the period</b>	5	<b>4,897,640</b>	<b>21,226,147</b>

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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

This interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2023.

### Going Concern

These interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As at 31 December 2023, the Group has a net working capital surplus of \$1,322,834 (30 June 2023: \$9,217,647) and cash and cash equivalents of \$4,897,640 (30 June 2023: \$12,382,285). During the half-year ended 31 December 2023, the Group comprising the Company and its subsidiaries had incurred a loss for the period attributable to the owners of Blackstone amounting to \$12,581,495 (31 December 2022: \$19,833,179) and had cash outflows from operating activities of \$12,423,034 (31 December 2022: \$19,471,144).

Management has prepared cash flow forecasts for the period ending 31 March 2025, under various scenarios, which reflect that the Group will require additional working capital during this period to enable it to continue to meet its ongoing administration and planned exploration activities.

The Group has potential options available to manage liquidity, including one or a combination of, a placement of shares, option conversion, entitlement offer, joint venture arrangements or sale of certain assets, and as such, the Directors have a reasonable basis to believe that the Group will be able to raise sufficient working capital as and when required to enable it to meet its commitments and pay its debts as and when they fall due.

In the event that all of the funding options available to the Group do not transpire to enable the Group to be able to raise additional working capital as and when required, there is material uncertainty about whether it would be able to continue as a going concern and, therefore, realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

The interim financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

### Summary of significant accounting policies

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

### New accounting standards and interpretations adopted by the Group

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 a 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.

## 2. Segment Information

### (a) Description of segments

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 amounts provided to the Board of directors with respect to total assets and profit or loss is measured in a manner consistent with that of the financial statements. Assets are allocated to a segment based on the operations of the segment and the physical location of the assets.

The Board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral resources within Australia, North America and Vietnam.

### (b) Segment information provided to the Board of directors

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2023 is as follows:

	North America \$	Vietnam \$	Australia \$	Corporate \$	Total \$
<b>31 December 2022</b>					
Interest revenue	-	-	-	256,413	256,413
Other income	-	9	-	-	9
Total segment revenue and other income	-	9	-	256,413	256,422
Depreciation and amortisation expense	-	-	-	(604,134)	(604,134)
Total segment loss before income tax	(525,058)	(5,294,183)	(609,396)	(14,599,224)	(21,027,861)
Total segment assets	6,059,562	3,166,807	1,600,000	38,056,250	48,882,619
Total segment liabilities	(86,716)	(1,918,902)	(30,690)	(3,146,856)	(5,183,164)

	North America \$	Vietnam \$	Australia \$	Corporate \$	Total \$
<b>31 December 2023</b>					
Interest revenue	-	-	-	63,191	63,191
Other income	-	-	-	-	-
Total segment revenue and other income	-	-	-	63,191	63,191
Depreciation and amortisation expense	-	-	-	(585,348)	(585,348)
Total segment loss before income tax	(647,051)	(2,121,940)	(621,147)	(10,067,100)	(13,457,238)
Total segment assets	7,276,849	2,917,550	1,600,000	16,594,562	28,388,961
Total segment liabilities	(151,109)	(1,023,309)	(28,885)	(5,196,653)	(6,399,956)



2. Segment Information (continued)

Significant corporate assets include: cash and cash equivalents \$4,897,640 (31 December 2022: \$21,226,147), receivables \$500,794 (31 December 2022: \$919,447), plant & equipment \$3,476,363 (31 December 2022: \$4,154,307) and investments in listed entities \$7,144,312 (31 December 2022: \$11,220,294)

Significant corporate liabilities include: trade and other payables \$1,622,214 (31 December 2022: \$2,622,468) and short term loan \$2,800,000 (31 December 2022: \$Nil)

(b) Measurement of segment information

All information presented in part (b) above is measured in a manner consistent with that in the financial statements.

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
<b>3. Revenue</b>		
(a) Revenue from continuing operations		
Interest received	63,191	256,413
<b>Total revenue from continuing operations</b>	<b>63,191</b>	<b>256,413</b>
(b) Other Income		
Other income	-	9
<b>Total Other Income</b>	<b>-</b>	<b>9</b>

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
<b>4. Expenses</b>		
Loss before income tax includes the following specific expenses:		
(a) Employee benefits expense		
Salary and wages expense	1,761,070	1,662,923
Superannuation expense	175,704	151,617
Other employee costs	1,123	467,685
<b>Total employee benefits expense</b>	<b>1,937,897</b>	<b>2,282,225</b>
(b) Occupancy expense		
Other occupancy costs	122,193	115,645
<b>Total occupancy expense</b>	<b>122,193</b>	<b>115,645</b>
(c) Depreciation of non-current assets		
Right-of-use assets	161,153	139,368
Plant and equipment - office	66,164	116,157
Plant and equipment - plant	357,310	347,336
Leasehold Improvements	721	1,273
<b>Total depreciation of non-current assets</b>	<b>585,348</b>	<b>604,134</b>
(d) Finance costs in respect of finance leases		
Other bank and finance charges	235,142	15,054
Interest expense on lease liabilities	11,819	9,776
<b>Total finance costs in respect of finance leases</b>	<b>246,961</b>	<b>24,830</b>

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<b>5. Cash &amp; Cash Equivalents</b>		
(a) Cash & cash equivalents		
Cash at bank and in hand	3,297,157	10,654,204
Cash at bank and in hand - Codrus Minerals Limited*	1,600,483	1,728,081
<b>Total cash and cash equivalents</b>	<b>4,897,640</b>	<b>12,382,285</b>

\*Cash and Cash Equivalents related to Codrus Minerals Limited are consolidated under the principals of AASB 10 *Consolidated Financial* Statements. Although the Group has de facto control of Codrus, statutory and regulatory restrictions and the protective rights of the NCI restrict the ability of the Company to access these funds and to transfer cash within the Group.

- (b) Cash at bank and on hand.  
Cash on hand is non-interest bearing. Cash at bank bears interest at rates between 0.00% and 2.10% (30 June 2023: 0.00% and 2.10%)

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$

**6. Receivables & Other Assets**

**Current - Receivables and Other Assets**

Other receivables	2,140,082	2,333,568
Short-Term Deposits	118,328	174,835
<b>Total current receivables and other assets</b>	<b>2,258,410</b>	<b>2,508,403</b>

**Non-Current - Other Assets**

Deposits <sup>1</sup>	352,704	292,482
Deposits pertaining to rehabilitation provisions <sup>2</sup>	505,736	524,105
Option exclusivity payment - prepayment <sup>3</sup>	1,250,000	-
<b>Total non-current other assets</b>	<b>2,108,440</b>	<b>816,587</b>

<sup>1</sup> Deposits include cash of \$352,704 (30 June 2023: \$292,482) held as security deposits of which \$217,893 is required as security by the relevant authority for the Group office premises, \$50,000 held as security against credit card facilities and \$84,811 of deposits held in Codrus Minerals Limited.

<sup>2</sup> Monies held at bank to address mine closure and rehabilitation provisions in Vietnam.

<sup>3</sup> During the period, the company paid \$1,250,000 related to the option agreement with CANickel for exclusivity on the Wabowden Project in Manitoba, Canada, which has been recognised as a prepayment under other assets.

**Past due and impaired receivables**

As at 31 December 2023, there were no other receivables that were past due or impaired (30 June 2023: Nil).

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Consolidated	Plant & Equipment	Leasehold Improvements	Motor Vehicles - Codrus	Mining Plant & Properties	Total
	\$	\$	\$	\$	\$

**7. Property, Plant & Equipment**

**30 June 2023**

Opening net book amount	332,492	3,289	30,537	4,845,095	5,211,413
Additions	3,476	-	-	131,972	135,448
Depreciation charge	(192,033)	(2,536)	(12,215)	(520,259)	(727,043)
Disposals	(3,149)	-	-	-	(3,149)
Net exchange differences	-	-	-	28,869	28,869
<b>Closing net book amount</b>	<b>140,786</b>	<b>753</b>	<b>18,322</b>	<b>4,485,677</b>	<b>4,645,538</b>

**At 30 June 2023**

Gross carrying amount at cost	901,170	37,720	36,353	6,046,454	7,021,697
Accumulated depreciation	(760,384)	(36,967)	(18,031)	(1,560,777)	(2,376,159)
<b>Net book amount</b>	<b>140,786</b>	<b>753</b>	<b>18,322</b>	<b>4,485,677</b>	<b>4,645,538</b>

**31 December 2023**

Opening net book amount	140,786	753	18,322	4,485,677	4,645,538
Additions	5,258	-	-	-	5,258
Depreciation charge	(62,490)	(721)	(3,674)	(357,310)	(424,195)
Disposals	(3,556)	-	-	(26,265)	(29,821)
Net exchange differences	-	-	-	(25,623)	(25,623)
<b>Closing net book amount</b>	<b>79,998</b>	<b>32</b>	<b>14,648</b>	<b>4,076,479</b>	<b>4,171,157</b>

**At 31 December 2023**

Gross carrying amount at cost	902,872	37,720	36,353	5,994,566	6,971,511
Accumulated depreciation	(822,874)	(37,688)	(21,705)	(1,918,087)	(2,800,354)
<b>Net book amount</b>	<b>79,998</b>	<b>32</b>	<b>14,648</b>	<b>4,076,479</b>	<b>4,171,157</b>

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$

**8. Exploration and Evaluation Assets**

(a) Non-current		
Opening balance	7,548,095	7,473,135
Acquisition of assets	-	70,391
Write off of assets	(143,862)	-
Effect of Exchange Rates	(4,233)	4,569
<b>Total non-current exploration and evaluation expenditure</b>	<b>7,400,000</b>	<b>7,548,095</b>

- (b) The value of the group's interests in exploration expenditure is dependent upon:
- the continuance of the Group's rights to tenure of the areas of interest;
  - the results of future exploration; and
  - the recoupment of costs through successful development and exploration of the areas of interest, or alternatively, by their sale.

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**8. Exploration and Evaluation Assets (continued)**

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people for Australian Assets and First Nations People for its Canadian Assets. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

**Acquisition of Exploration Assets - 31 December 2023**

During the period, the company recognised \$Nil acquisition costs (30 June 2023: \$70,391 (CAD 65,000)).

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<b>9. Right of Use Assets - At Cost</b>		
<b>Cost</b>		
Opening Balance	863,874	848,832
On initial recognition	159,389	-
Other Additions	-	-
Disposal of lease	-	-
Effect of exchange rates	(4,857)	15,042
<b>Closing Balance</b>	<b>1,018,406</b>	<b>863,874</b>
<b>Depreciation</b>		
Opening Balance	(448,251)	(164,363)
Depreciation for the year	(161,153)	(283,888)
Disposal of lease	-	-
<b>Closing Balance</b>	<b>(609,404)</b>	<b>(448,251)</b>
<b>Net carrying amounts</b>	<b>409,002</b>	<b>415,623</b>
<b>Amounts recognised in profit and loss</b>		
Other income - Recharges	-	-
Depreciation expense on right of use assets	(161,153)	(283,888)
Interest expense on lease liabilities	(11,819)	(17,839)
Low value asset leases expenses	-	-
Payments of lease liabilities	(171,251)	(295,537)

The Group has a lease over the premises at Level 5, 600 Murray Street, West Perth with an average estimated life of 1 year remaining.

The discount rate used in calculating the present value of the Right of Use Assets is 4.75% per annum, representing the Group's incremental cost of borrowings.

The subsidiary, Codrus, has a lease over the premises at 16 Altona Street, West Perth with an average estimated life of 3 years remaining. This lease is shared with a company external to the Group.

The Groups' lease liabilities are disclosed in Note 13.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
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	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<b>10. Investments in Listed Entities</b>		
Opening balance	8,402,715	12,878,310
Listed equity investments acquired	136,008	175,594
Fair value adjustment through profit or loss	(1,394,411)	(4,651,189)
<b>Total Investments in listed entities</b>	<b>7,144,312</b>	<b>8,402,715</b>

During the period, the Company invested \$136,008 in shares of listed entities (30 June 2023: \$175,594). The fair value of these equity shares is determined by reference to published price quotations in an active market, and the fair value movements are recognised through profit or loss. This is considered Level 1 in the fair value hierarchy.

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<b>11. Trade &amp; Other Payables</b>		
Current		
Trade Payables	1,295,585	2,861,165
Other Payables	916,451	1,983,539
Taxes Payables to foreign authorities <sup>1</sup>	12,367	33,813
<b>Total current trade &amp; other payables</b>	<b>2,224,403</b>	<b>4,878,517</b>

<sup>1</sup>The tax payable to foreign authorities are past due. These payables represent historical tax liabilities associated with previous mining activities.

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<b>12. Provisions</b>		
Current		
Employee entitlements	466,405	407,586
Other provisions	38,044	83,854
<b>Total current provisions</b>	<b>504,449</b>	<b>491,440</b>
Non-Current		
Mine Rehabilitation <sup>1</sup>	467,218	521,386
<b>Total non-current provisions</b>	<b>467,218</b>	<b>521,386</b>

<sup>1</sup>The rehabilitation provision represents the 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 100% acquisition of AMRN (and 90% of BPNM) in April 2020. Assumptions relating to cash outflows were made based on the company's assessment of its legal obligations under the laws and regulations of Vietnam. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon the timing of the cash flows and future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing and extent will depend on any further environmental responsibilities in restoring and should Vietnamese regulations change.

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	Consolidated	
	31 December 2023	30 June 2023
	\$	\$

**13. Lease Liabilities**

Maturity analysis:

Year 1	318,013	312,437
Year 2	52,787	135,137
Year 3	55,395	-
<b>Total</b>	<b>426,195</b>	<b>447,574</b>

Less: Finance charges allocated to future periods	(23,309)	(10,656)
<b>Total liabilities at balance date</b>	<b>402,886</b>	<b>436,918</b>

The lease liabilities split between current and non-current are as follows:

Current	303,364	303,084
Non-current	99,522	133,834
<b>Total lease liabilities</b>	<b>402,886</b>	<b>436,918</b>

	Consolidated		Consolidated	
	31 December 2023	31 December 2023	30 June 2023	30 June 2023
	Shares	\$	Shares	\$

**14. Contributed Equity**

(a) Issued and unissued share capital				
Ordinary shares - fully paid	516,038,330	131,174,442	473,688,908	127,366,410
<b>Total issued and unissued share capital</b>	<b>516,038,330</b>	<b>131,174,442</b>	<b>473,688,908</b>	<b>127,366,410</b>

Included in the above total is 12,400,000 treasury shares held by Acuity Capital (30 June 2023: 20,000,000 shares). These shares, while held by Acuity are held for the benefit of the Group and therefore represent treasury shares.

- (b) Ordinary Shares  
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.
- (c) Options  
Information relating to options including details of options issued, exercised, lapsed during the financial period and options outstanding at the end of the financial period, is set out in Note 15.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
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	Date Issued	Number of Shares	Issue Price \$	Total \$
<b>14. Contributed Equity (continued)</b>				
(d) Movements in issued capital				
<b>Opening Balance 1 July 2022</b>		<b>471,447,565</b>		<b>127,365,110</b>
Conversion of Zero Exercise Price Options - FY22 STI T1 & T3	12 Aug 2022	477,660	0.000	-
Conversion of Performance Options	12 Aug 2022	300,000	0.001	300
Conversion of Performance Options	12 Aug 2022	1,000,000	0.001	1,000
Conversion of Zero Exercise Price Options - FYT22 STI T1 & T3	29 Nov 2022	159,916	0.000	-
Conversion of Zero Exercise Price Options - FY22 Retention	24 Mar 2023	303,767	0.000	-
Less: Transaction costs				-
<b>Closing Balance at 30 June 2023</b>		<b>473,688,908</b>		<b>127,366,410</b>
<b>Opening Balance 1 July 2023</b>		<b>473,688,908</b>		<b>127,366,410</b>
Acuity Capital ATM Facility	30 Oct 2023	-	0.15	1,100,000
Institutional Component of Entitlement Offer	12 Dec 2023	42,349,422	0.07	2,964,460
Less: Transaction Costs				(256,428)
<b>Closing Balance at 31 December 2023</b>		<b>516,038,330</b>		<b>131,174,442</b>

Expiry date	Exercise price	Balance at start of period	Granted during the period	Issued/ (Exercised) during the period	Forfeited/ lapsed during the period	Balance at end of the period
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**15. Issued Share Options**

30 June 2023 unlisted share option details

20 Aug 2025	0.1 cents	2,600,000	-	(1,000,000)	(450,000)	1,150,000
20 Feb 2025	0.1 cents	900,000	-	(300,000)	-	600,000
7 Jul 2025	28 cents	-	6,000,000	-	-	6,000,000
3 Dec 2026	0 cents	2,679,739	-	(637,576)	(1,470,069)	572,094
3 Dec 2026	0 cents	3,092,235	-	-	(651,230)	2,441,005
3 Dec 2026	0 cents	1,033,988	-	(303,767)	(456,284)	273,937
3 Dec 2026	0 cents	212,465	-	-	-	212,465
20 Nov 2027	0 cents	-	5,647,533*	-	(645,780)	5,001,753
20 Nov 2027	0 cents	-	5,697,568	-	(807,224)	4,890,344
20 Nov 2027	0 cents	-	3,548,285	-	(484,334)	3,063,951
		10,518,427	20,893,386	(2,241,343)	(4,964,921)	24,205,549

31 December 2023 unlisted share option details

20 Aug 2025	0.1 cents	1,150,000	-	-	-	1,150,000
20 Feb 2025	0.1 cents	600,000	-	-	-	600,000
7 Jul 2025	28 cents	6,000,000	-	-	-	6,000,000
3 Dec 2026	0 cents	572,094	-	-	-	572,094
3 Dec 2026	0 cents	2,441,005	-	-	(455,880)	1,985,125
3 Dec 2026	0 cents	273,937	-	-	-	273,937
3 Dec 2026	0 cents	212,465	-	-	-	212,465
20 Nov 2027	0 cents	5,001,753	-	-	(3,049,318)	1,952,435
20 Nov 2027	0 cents	4,890,344	-	-	(821,560)	4,068,784
20 Nov 2027	0 cents	3,063,951	-	-	(604,870)	2,459,081
		24,205,549	-	-	(4,931,628)	19,273,921

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
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	Consolidated	
	31 December 2023	30 June 2023
	\$	\$

**16. Reserves**

(a) Option reserve		
Opening balance	6,139,581	5,095,467
Share based payments	178,683	1,044,114
<b>Total Option reserve</b>	<b>6,318,264</b>	<b>6,139,581</b>

The option reserve records the value of options and rights granted by the Company to directors, employees and contractors in share-based payment transactions. Information relating to options issued, exercised and lapsed during the financial period and options outstanding at the end of the financial period, is set out in Note 15.

(b) Foreign Currency Translation Reserve		
Opening balance	637,900	679,562
Exchange differences arising on translation of foreign operations attributable to parent entity.	(3,720)	(41,662)
<b>Closing Balance</b>	<b>634,180</b>	<b>637,900</b>

The foreign currency translation reserve is used to record exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies into the Group's presentation currency.

(c) Equity Reserve		
Opening balance	3,182,773	3,170,280
Adjustment to transaction costs allocated to parent entity	(14,496)	12,493
<b>Closing Balance</b>	<b>3,168,277</b>	<b>3,182,773</b>

The equity reserve is used to record the increase in equity attributable to the parent as a result of transaction with the NCI that does not result in the loss of control.

(d) Total reserves		
Option Reserve	6,318,264	6,139,581
Foreign Currency Translation Reserve	634,180	637,900
Equity Reserve	3,168,277	3,182,773
<b>Closing Balance</b>	<b>10,120,721</b>	<b>9,960,254</b>

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$

**17. Non-Controlling Interest**

Opening Balance	(1,124,407)	861,346
Loss for the year attributable to non-controlling interest	(875,743)	(2,331,452)
Issue of share capital during the period	915,045	15,777
Share based payments in controlled entity	61,414	448,659
Share of foreign currency translation loss on translation of foreign operations.	110,300	(118,737)
<b>Total Non-Controlling Interest</b>	<b>(913,391)</b>	<b>(1,124,407)</b>

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**18. Significant partly owned subsidiary - Codrus Minerals Limited**

On 23 June 2021, Codrus Minerals Limited ("Codrus") successfully listed on the ASX in an \$8m IPO through the issue of 40 million shares at \$0.20 raising \$8m (before costs). On 29 September 2023, Codrus completed a placement of 11,460,000 shares at \$0.08 to raise \$0.92m before costs. Blackstone did not participate in this placement, resulting in a revised holding percentage of 40.11% at 31 December 2023 of Codrus shares (30 June 2023: 46.67%). Codrus is a listed public company limited by shares, incorporated and domiciled in Australia. The principal activity of Codrus during the year was mineral exploration.

Statutory and regulatory restrictions and the protective rights of the NCI restrict the ability of the Company to access or use the assets of Codrus - see Note 5.

The summarised financial information of Codrus is provided below. This information is based on amounts before inter-company eliminations but after consolidation procedures in order to harmonise the subsidiary's accounting policies with those of the Group and to eliminate unrealised profits and losses on intercompany transactions.

	31 December 2023 \$	30 June 2023 \$
<b>Summarised Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	1,710,955	1,937,345
Non-current assets	1,840,145	1,646,243
<b>Total assets</b>	<b>3,551,100</b>	<b>3,583,588</b>
<b>Liabilities</b>		
Current liabilities	242,752	272,135
Non-current liabilities	99,522	-
<b>Total liabilities</b>	<b>342,274</b>	<b>272,135</b>
<b>Net assets</b>	<b>3,208,826</b>	<b>3,311,453</b>
<b>Equity</b>		
Contributed equity	12,007,022	11,190,473
Reserves	2,351,289	2,205,875
Accumulated losses	(11,149,485)	(10,084,895)
<b>Total equity</b>	<b>3,208,826</b>	<b>3,311,453</b>
Attributable to:		
Equity holders of parent	1,287,208	1,545,345
Non-controlling interest	1,921,618	1,766,108
	3,208,826	3,311,453
<b>Summarised Statement of Profit or Loss</b>		
Other incomes	30,273	70,689
Exploration expenditure	(621,147)	(1,499,005)
Other expenses	(473,718)	(1,267,810)
<b>Loss before income tax</b>	<b>(1,064,592)</b>	<b>(2,696,126)</b>
Attributable to:		
Equity holders of parent	(427,057)	(1,258,192)
Non-controlling interest	(637,535)	(1,437,934)
	<b>(1,064,592)</b>	<b>(2,696,126)</b>

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	Consolidated	
	31 December 2023	31 December 2022
	\$	\$

### 19. Earnings per Share

(a)	Loss		
	Loss used in the calculation of basic EPS	(12,581,495)	(19,833,179)
(b)	Weighted average number of ordinary shares ("WANOS")		
	WANOS used in the calculation of basic earnings per share:	478,159,125	472,848,743
(c)	Loss per share (in cents)	(2.6)	(4.2)
(d)	Diluted loss per share is considered to be the same as the basic loss per share, as the potential ordinary shares on issue are anti-dilutive and have not been applied in calculating dilutive loss per share.		

The balance of unexercised options and rights at the end of the period is 19,273,921 (30 June 2023: 24,205,549). As the Company incurred a loss for each period presented, these options and performance rights are anti-dilutive and are not included in the determination of diluted earnings per share for the current and comparative periods.

### 20. Share Based Payments

- (a) **Fair value of listed options granted**  
There are no Blackstone listed options on issue.
- (b) **Share-Based Payments recognised for options issued by Blackstone in prior years.**  
During the year, \$337,703 of share-based payments was recognised for unlisted options and rights issued by Blackstone in the previous years, which were being amortised over their relevant vesting periods. Additionally, \$159,020 of share-based payments were reversed during the period relating to unvested unlisted options following cessation of employment for related employees.
- (c) **Share-Based Payments recognised for options issued by Codrus in prior years.**  
During the period, \$61,414 of share-based payments was recognised for unlisted options issued by Codrus in the previous years, which were being amortised over their relevant vesting periods.

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

	31 December 2023	30 June 2023
	\$	\$
<b>Share-based payments expense</b>		
Options issued to Blackstone directors, employees and consultants <sup>1</sup>	178,683	1,044,114
Options issued to Codrus directors, employees and consultants <sup>2</sup>	61,414	448,659
<b>Total Share-based payments expense</b>	<b>240,097</b>	<b>1,492,773</b>

**20. Share Based Payments (continued)**

A portion of the share-based payments expenses for both 31 December 2023 and 30 June 2023, represent the expense related to the options issued in prior years that relate to current period of service for employees, directors and consultants.

<sup>1</sup> Expenses relating to Options issued during the current period: \$Nil (30 June 2023: \$935,518);  
Expenses relating to Options issued in prior period: \$178,683 (30 June 2023: \$110,596).

<sup>2</sup> Expenses relating to Options issued during the current period: \$Nil (30 June 2023: \$35,675);  
Expenses relating to Options issued in prior period: \$61,414 (30 June 2023: \$412,984).

**21. Short Term Loan - FY2023 R&D Pre-Funding Agreement**

During the period, the Company received \$2.8m as an advance for research and development lending fund backed by Asymmetric Innovation Finance and FiftyOne Capital, on the Company's 2023 refundable tax offset for R&D expenditure. The loan attracts monthly interest payable at a rate of 16% per annum and a 0.5% establishment fee on execution of the loan.

The \$2.8m loan was repaid on 1 March 2024 following receipt of the R&D claim under the R&D Tax Incentive Program as announced by the Company on 6 March 2024.

**22. Dividends**

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

**23. Commitments & Contingencies**

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

**24. Events Occurring Subsequent to Reporting Date**

- On 30 January 2024, the Company announced that it had completed its Accelerated Non-Renounceable Entitlement Offer as per the terms of the Prospectus dated 6 December 2023. The Company closed the retail component of the Entitlement Offer with applications totalling 3,614,425 shares including additional acceptances issued at \$0.07 on top of the 42,349,422 shares issued under the institutional entitlement offer on 7 December 2023.
- On 31 January 2024, the Company announced the signing of a non-binding MOU with Yulho and EN Plus. The Parties will investigate the feasibility of establishing a strategic partnership, focusing on project specifics:
  - Yulho, via the creation of a joint venture in Tanzania, will engage in nickel mining, primarily to supply concentrate to Blackstone's facilities in Vietnam
  - Blackstone's Vietnamese refining facility will be tasked with producing NCM811 precursor.
- On 6 March 2024, the Company announced that it had received \$4.25m from the Australia R&D Tax Incentive Scheme for the 2023 financial year. Following the receipt of the \$4.25m, the \$2.8m advance received in July 2023 was fully repaid to Asymmetric Innovation Finance. Additionally, the company announced it recently received \$2m in cash from the sale of its shareholding in NiCo Resources Ltd.

No other matters or circumstance has arisen since 31 December 2023 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 25 to 41 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 2023 and of its performance for the half-year ended 31 December 2023; and
  
- (b) Subject to the achievement of the matters listed in Note 1 Going concern, 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 Board of Directors.



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

Perth, Western Australia, 15 March 2024

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## Independent auditor's review report to the members of Blackstone Minerals Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Blackstone Minerals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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, 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 half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group 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.

### Material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibilities for the half-year financial report

The directors of the Company 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 responsibilities for the review of the half-year 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 Group's financial position as at 31 December 2023 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*.

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.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'V L Hoang', written over a faint, light-colored signature line.

V L Hoang  
Partner  
Perth  
15 March 2024

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