

11 October 2017

ASX CODE: BSX

Speculative Buy

Pro-Forma Capital Structure

Sector	Materials
Share Price	A\$0.40
Fully Paid Ordinary Shares (m)	60.8
Options (ex 20c, exp 23/1/2020) (m)	2.0
Performance Rights (Direct +Vend) (m)	24.3
Market Capitalisation (undil) (m)	A\$24
Share Price Year High-Low	A\$0.35-0.165
Approx Cash (m)	A\$2.6

Directors & Management

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

Major Shareholders

Goldbridge Mining Ltd	9.5%
Colestar Management Corp	12.1%
KM Dorji	4.1%
Stephen A Parsons	4.0%
LT Radonjic	4.0%
HP Halliday	4.0%

Analyst

GT Le Page +61 8 6380 9200

Share Price Performance



Blackstone Minerals Limited

High grade Co-Au-Cu acquisition in British Columbia to drive growth

Little Gem returns high grade cobalt-copper-gold assays

- Rock chip sampling as part of the due diligence program at Little Gem Project ("the Project") has confirmed the occurrence of high grade cobalt-copper-gold mineralisation that was the focus of previous underground mining activity in the 1930's.
- The Project covers approximately 195km² and is situated near Whistler in British Columbia (approximately 3½ hours drive north of Vancouver).
- Little Gem represents a walk up start for a junior with existing headings on high-grade cobalt-gold-copper mineralisation. The business strategy is to outline a JORC Indicated resource and produce a high-grade concentrate suitable for toll treatment/mine gate sale.
- Rock chip sample SOLG019A from the Roxey Prospect (ASX Announcement 6/9/2017) situated 1.5km along strike from Little Gem, returned up to 24g/t gold and 1.94% copper from outcropping iron stained quartz-pyrite altered diorites.

Mining complex has significant metal endowment

- The Project is situated 15km along strike from the Bralorne-Pioneer mining complex that has an endowment, over 60 localities, of approximately 4.4Moz of gold @ 17g/t, making it the sixth largest mining camp in Canada.

Limited modern-day exploration

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

General Meeting to approve acquisition scheduled for October 2017

- The acquisition of **Cobalt One Energy** (which has rights to acquire a 100% interest in the Little Gem cobalt-gold-copper Project and the Cartier cobalt-nickel project through an option agreement) is scheduled for approval at a General Meeting on 12/10/2017. **Cobalt One** representative Michael Konnert will also join the board as a non-executive director;
- Consideration for the acquisition includes the issue of 25 million **BSX** shares and 8 million Performance Shares (based on drill intersection milestone) to the **Cobalt One Energy** shareholders. In addition, **BSX** will assume staged option payments totalling C\$700,000 as part of the Little Gem Option Agreement.

Stars in alignment as commodity surge set to enhance project economics

- Gold has recently risen to 12 month highs of over US\$1,340 per ounce on the back of tensions on the Korean peninsula while battery demand and looming supply deficits have recently seen cobalt reach all time highs above US\$60,000 per tonne. Some market commentators are projecting prices reaching US\$100,000 in the medium term.
- Copper has staged a strong recovery putting on over US\$1.0 per pound in the last 12 months. A weak US dollar, supply disruptions, strong Chinese trade data and increasing Chinese copper imports have contributed to this turnaround.

Price Catalysts

- Completion of the acquisition, followed by diamond drilling to confirm high grade mineralisation ahead of detailed geophysical and geochemical coverage. Further regional exploration success is also highly likely after recent reconnaissance exploration.

Action and Recommendation

- RMR** is maintaining its speculative buy on this high-grade near term production opportunity. Approval of **Cobalt One** acquisition at GM should see a re-rating of **BSX**.

High grade cobalt-gold-copper assays have highlighted the potential of Little Gem as a near term production plan ...

...low cost processing could support the sale of high-grade cons

*Tight structure with only 60 million shares on issue following the acquisition of **Cobalt One***

Little Gem is strategically situated just off the main highway in British Columbia ...

***BSX** listed in early 2017 on the back of a suite of WA exploration assets...*

*...focus will be on the high-grade cobalt-gold assets of **Cobalt One***

INVESTMENT CASE

- **WALK-UP TARGETS:** Extensive outcrops, previous drilling and geophysics together with existing underground exposures should provide numerous brownfield exploration targets for **BSX** in the coming months. Presence of existing adits should lead to very low CAPEX in the event of near term development of the Project. The Roxey discovery has opened up the prospectivity outside the old workings and we are confident of further exploration success.
- **HIGH GRADE MINERALISATION:** Historical diamond drilling and mining together with recent high-grade cobalt-gold-copper rock chip results have highlighted the potential of Little Gem as a low cost, boutique underground mining operation with excellent logistics capable of sustaining a direct shipping/mine gate sale operation.
- **SURGING COMMODITY PRICES:** As the mining boom unfolds, surging cobalt-copper-gold prices are likely to further strengthen the business case for this potential cash cow. With limited cobalt supply outside of the DRC, end users will be looking for stable jurisdictions for longer term supply.
- **TIGHT STRUCTURE AND STRONG CASH POSITION:** **BSX** is well funded with over A\$2.5 million in cash and is well placed to deliver some positive exploration results ahead of any further capital raisings. With only 60.8 million Shares on issue (following the **Cobalt One** acquisition), the capital structure remains tight and provides excellent leverage for an exploration/development success.



COMPANY OVERVIEW

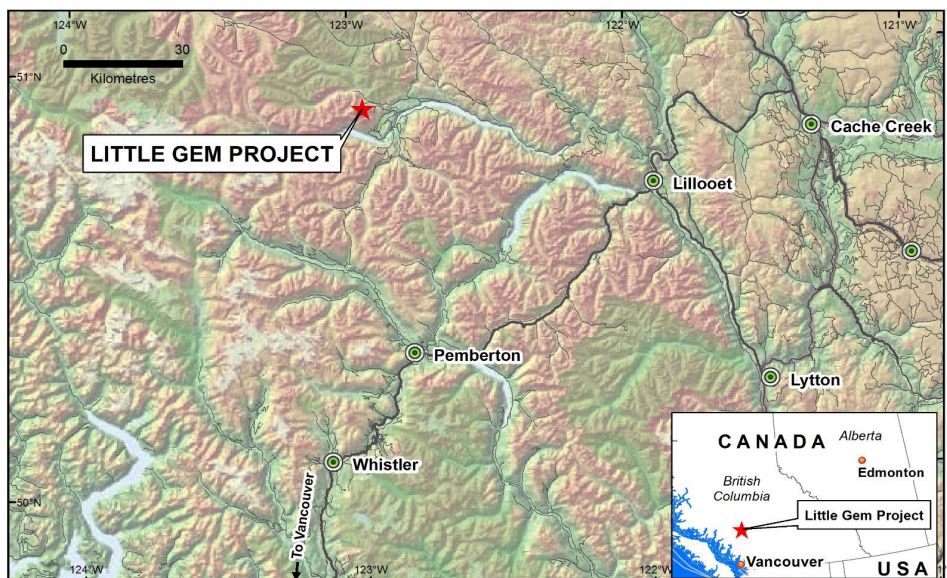


FIGURE 1: Little Gem cobalt-gold-copper project location plan (British Columbia, Canada)
(source. **BSX** website, October 2017).

Blackstone Minerals Limited ("**Blackstone**", "**BSX**" or "the Company") listed on ASX on 23/01/2017 raising \$3.5 million via the issue of 17.50 million Shares at A\$0.20 each on the back of three West Australian exploration projects, namely Red Gate (gold), Middle Creek (gold) and Silver Swan South (gold, nickel). Since listing, the Company's focus has shifted to the exploration of cobalt-gold-copper resources in British Columbia (Canada) through the proposed acquisition (at the upcoming **BSX** General Meeting on 12/10/2017) of the Little Gem Cobalt Gold project. Recent exploration has returned high-grade assays from surface including 24 g/t gold and 1.90% copper at the Roxey Prospect (Figure 2, 3).

The Company is Chaired by exploration veteran Hamish Halliday and includes the recently appointed Scott Williamson (MD), Andrew Radonjic (Technical Director) and Bruce McFadzean. They have over 90 years of experience between them together with multi-million ounce gold discoveries, significant public company and operation experience.

Little Gem is located in the Dickson Range

Gold-cobalt mineralisation associated with narrow lenses within two parallel shoots

EXPLORATION PORTFOLIO

Little Gem Project

Location and Access

The Little Gem Project is located within the Dickson Range near the head of Roxey Creek, 8 kilometres northwest of Gold Bridge. The mine workings are at the 1,900 metre elevation, 2.3 kilometres northeast of Dickson Peak, 2.5 kilometres north of Mount Penrose and 5 kilometres northwest of Gun Lake. The town of Bralorne is located 17 kilometres southeast of the property.

Access to the property from Gold Bridge is via Gun Lake and thence on the Slim Creek logging road. At 12.9 km on the Slim Creek road, a mountain road leads up Roxey Creek to the mine workings for a distance of 3 kilometres.

Geology and Mineralisation

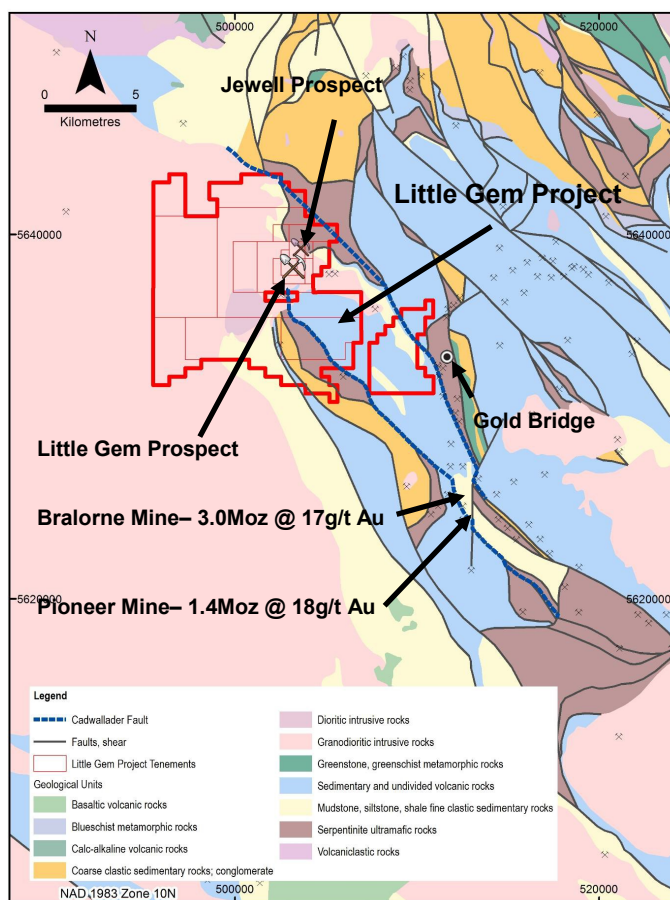


FIGURE 2: Little Gem Project geological setting (source: BSX 25 August 2017).

Little Gem is a hypothermal cobalt-sulpharsenide and gold veins lying within the margin of the Coast Plutonic Complex. This complex comprises a suite of felsic intrusives intruded by feldspar porphyry dykes which in turn is cross cut by an east trending, steeply south dipping fault near the eastern contact with an older sedimentary/volcanic assemblage of the Bridge River Complex (Group).

Two parallel shoots, surrounded by strongly altered granodiorite, ranging from 10cm to several metres contain cobalt-gold bearing sulphide lenses. Gold occurs mostly as microscopic veins within and adjacent to sulpharsenide minerals.

Little Gem, is interpreted to lie on the northern extension of the Cadwallader fault zone (Figure 2), an important structure that may provide the source of the mineralizing fluids.

Recent Exploration

Reconnaissance exploration at the Little Gem, Roxey and Jewell prospects over August—September 2017 has returned numerous high-grade cobalt-gold results that are summarised in Figure 3. Better results included 5.0% cobalt and 34 g/t gold and 0.65% cobalt and 137g/t gold at Little Gem. These results were in line with historical drill results that had returned 1.8 metres @ 2.4% cobalt, 112 g/t gold and 3.3 metres with 1.4% cobalt and 12.3 g/t gold.

Fields inspections together with these rock chip results also confirmed that Little Gem remains open along strike and down dip.

Historical drilling at Little Gem has returned impressive results including 1.8m @ 2.4% Cobalt

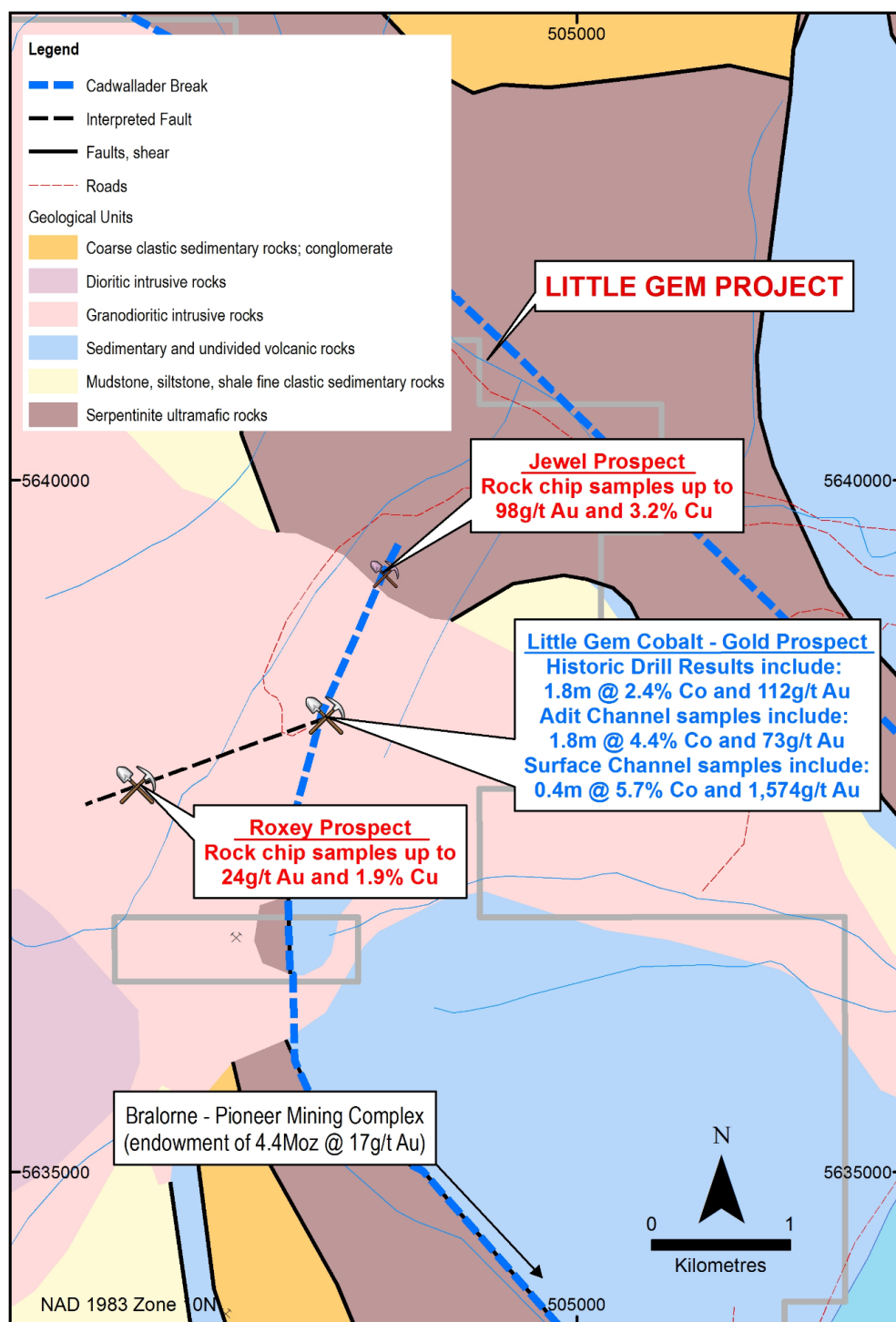


FIGURE 3: Little Gem Project showing results from recent reconnaissance and verification rock chip sampling with historic drill and channel results (source: **BSX**, ASX Announcement 6/9/2017).

Roxey, a new prospect identified by **BSX** in the course of the due diligence program, returned rock chip assays up to 24g/t gold and 1.94% copper. This prospect is situated 1.5 kilometres west south-west of Little Gem and represents an extension of the Little Gem mineralisation along strike. As with Little Gem, mineralisation was found to be associated with quart-pyrite altered diorites that also contained chalcopyrite.

Sampling and field inspections at Jewel (situated 1.1 kilometres north north-east of Little Gem) returned 98 g/t gold and 3.2% copper. Again these samples were of similar tenor to previous historical underground and surface channel rock chip samples.

Prospectors identified surface cobalt blooms in the 1930's...

...historical drilling has returned high-grade Co-Au intercepts

Porphyry granitoid intrusions represent the primary target at Red Gate...

Near term exploration includes shallow RC drilling on the Porphyry South area

Discovery and Previous Exploration

The project was discovered by prospectors in the 1930's. A total of 1,268 m of drilling completed from underground and detailed channel sampling was taken from the adits. Numerous high-grade results were returned including 1.8 m @ 2.4% cobalt & 112 g/t gold, 3.3 m @ 1.4% cobalt & 12.3 g/t gold, 2.9 m @ 0.9% cobalt & 12 g/t gold, 4.1 m @ 1.4% cobalt & 11.3 g/t gold and 3.3 m @ 1.4% cobalt & 80 g/t gold. Rock chips from underground and surface exposures returned 1.8 m @ 4.4% cobalt & 73 g/t gold, 2 m @ 3.1% cobalt & 76 g/t gold, 1.5 m @ 5.4% cobalt & 26 g/t gold and 1.3 m @ 4.0% cobalt & 29 g/t gold and 0.4 m @ 5.7% cobalt & 1,574 g/t gold, 1.8 m @ 5.1% cobalt & 17.8 g/t gold and 0.1 m @ 4.6% cobalt & 800 g/t gold (Figure 3).

There has been very little modern day exploration at Little Gem with the main activities being airborne geophysical surveys (including magnetic, radiometric and electromagnetic surveys) in the 1970's and a further two drill holes were completed in 1986.

The second mineral occurrence at the Little Gem Project is the historic Jewel Gold Prospect located only 1.1 km north-northeast of the Little Gem Mine. Historical samples taken at Jewel of up to 0.6 m @ 75 g/t gold and 0.45m @ 153 g/t gold from underground and surface channel sampling and up to 6.9 g/t gold, 19.25% copper & 137 g/t silver from underground rock chip sampling.

OTHER PROJECTS

Red Gate Project (BSX: 100%)

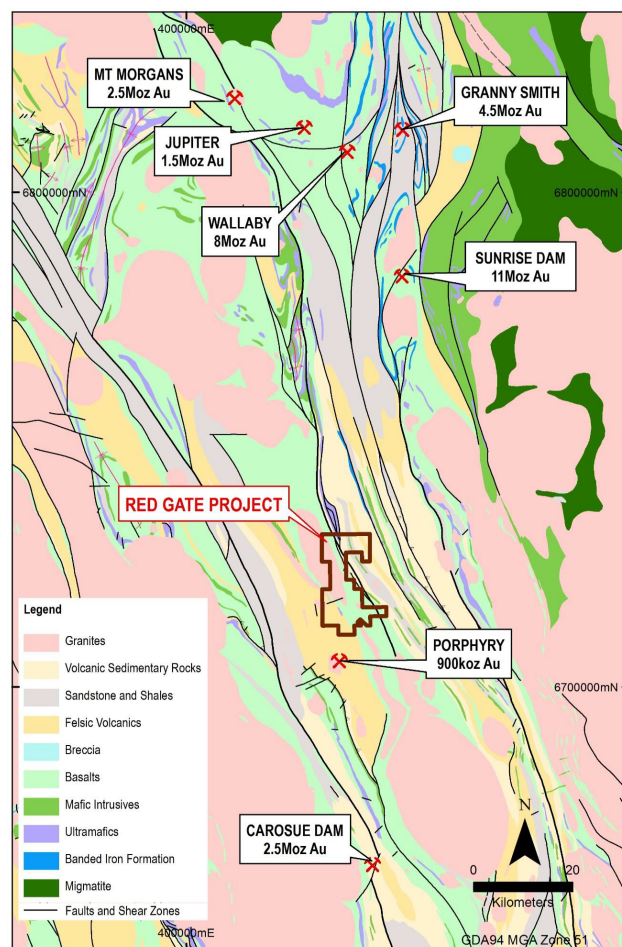


FIGURE 4: Blackstone Minerals Red Gate Project (source. BSX June 2017 Quarterly Report, 21/7/2017).

Immediate exploration plans include further drilling at the Porphyry South Area and completion of further geochemical sampling ahead of a shallow RC drilling program (Figures 5, 6).

The project consists of 1 granted exploration licence (E 31/1096) covering 45.2 km², situated 10 km north of the Porphyry Gold Mine (0.9Moz gold endowment), 140 km northeast of Kalgoorlie (Figure 4).

The targets are the porphyry granitoid intrusions, similar in their geology to the intrusives that host the Porphyry Gold Mine that are buried under shallow cover (80% of the tenement is covered by recent sediments). Sampling over the June Quarter identified a second porphyry occurrence coincident with a 600m long untested IP anomaly undertaken by Sons of Gwalia over 2002-2003 (Figures 5, 6).

A new gold prospect known as the Red Gate Shear Zone (Figure 6) was also identified and strike for over 4km with peak rock chip values of up to 79g/t gold. The mineralisation appears to be consistent with a resistive zone of silica-pyrite alteration with better drill intersections including 13 metres @ 3.1 g/t gold.

Immediate exploration plans include further drilling at the Porphyry South Area and

Data review highlighted previous unknown IP survey

Gold mineralisation at Porphyry North and Porphyry West is associated with IP anomalism

Newly identified Porphyry South prospect has identified a substantial IP anomaly that is yet to be drill tested...

...rock chip samples have returned up to 79g/t gold

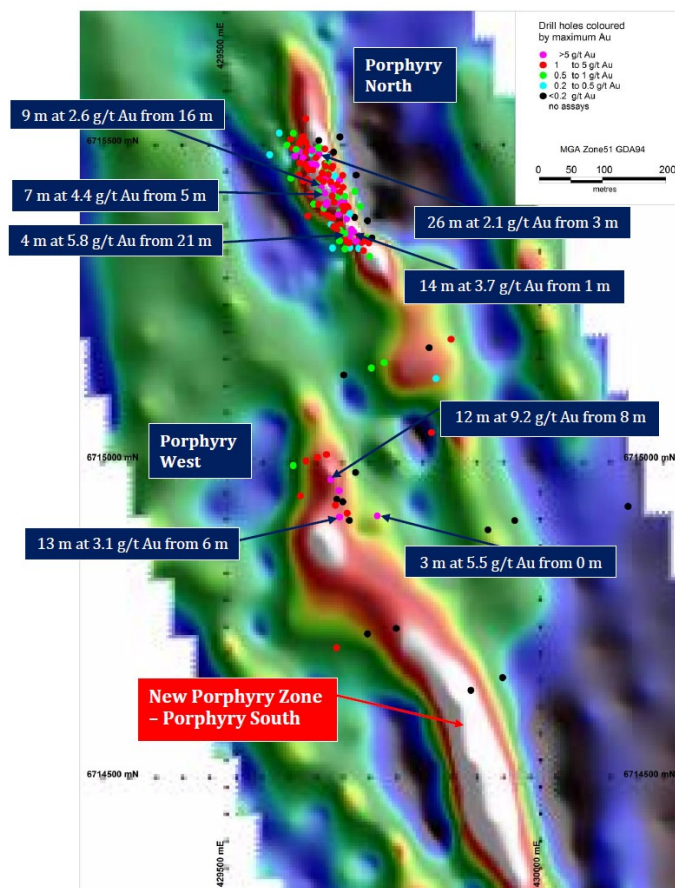


FIGURE 5: Red Gate Project IP anomalies and significant drill intersections (source. BSX June 2017 Quarterly Report, 21/7/2017).

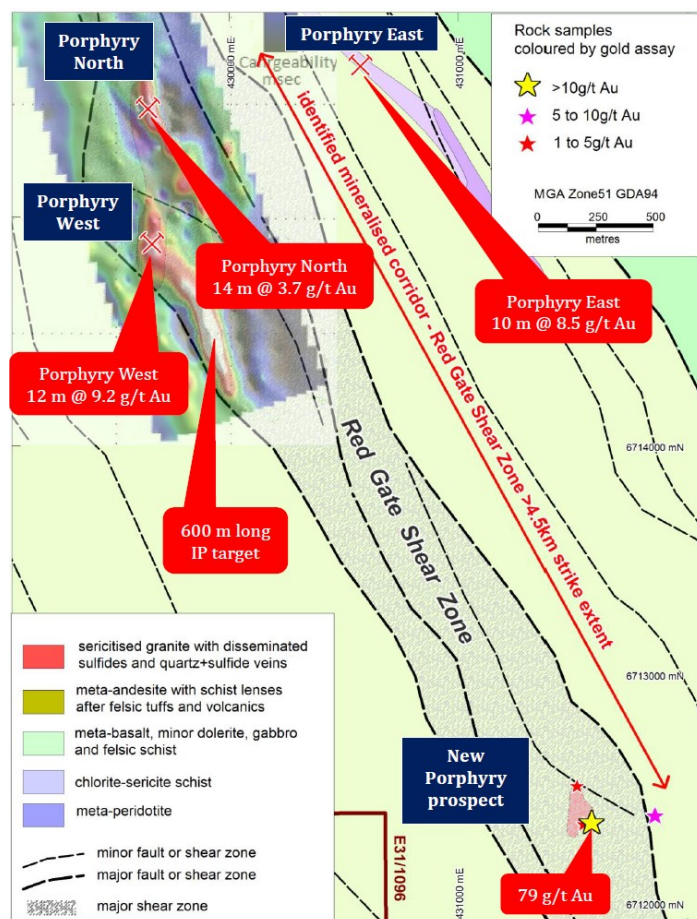


FIGURE 6: Red Gate Project showing rock chip samples >1g/t gold from new porphyry project (source. BSX June 2017 Quarterly Report, 21/7/2017).

A deeper RC program is planned at Silver Swan South

Neither the massive sulphide nickel or primary gold mineralisation potential has been adequately tested

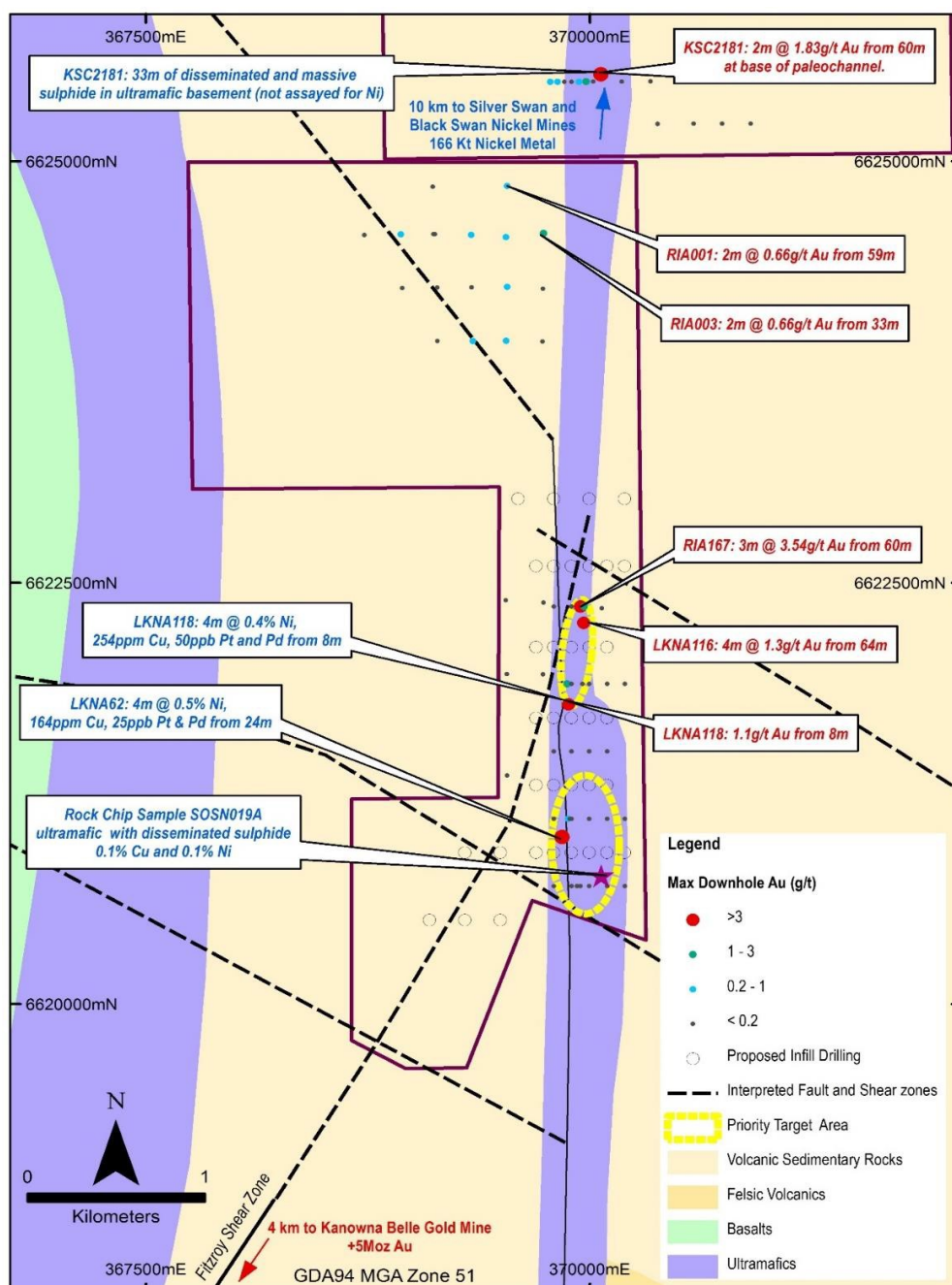
FIGURE 7: Silver Swan South bed-rock geology plan (source. **BSX** June 2017 Quarterly Report, 21/7/2017).

Silver Swan South Project (BSX: 100%)

The project comprises one granted exploration licence (E27/545) and six granted prospecting licenses (P 27/2191 – 2196), situated along trend of the Silver Swan nickel sulphide deposit (pre-mining ore reserve of 655,000t @ 9.5% nickel) and associated deposits (pre-mining resource of 10.4 Mt at 1.0% nickel). Kanowna Bell is situated 8 km south-east (5 Moz gold endowment).

Previous exploration has failed to adequately test both the komatiite hosted massive nickel sulphide and primary gold potential. The mis-interpretation of supergene enriched gold for alluvial gold opens the door for the discovery of primary gold mineralisation on the tenements.

Reconnaissance aircore during the June quarter was focussed on lithological identification of gold and nickel bearing mafic and ultramafic lithologies ahead of proposed deeper RC drilling program designed to penetrate paleo channels that could be masking blind sulphide occurrences.



Porphyry granitoid intrusions represent the primary target at Red Gate...

Gold is trading near 12 month highs...

...weak US dollar has provided a recent lift in gold prices

Middle Creek Project (BSX: 100%)

The Middle Creek Project is situated in the Pilbara (Western Australia) 15 km north-east of Millennium Minerals Limited's (**Millennium**) Nullagine Gold Project (gold production of approximately 300,000ozs gold since 2012), and 10 km west of **Millennium's** latest high grade discovery at the Little Wonder Deposit (better intersections include 31 metres at 3.4g/t gold). The Project consists of 21 prospecting licence applications covering 39.6 km² within the Mosquito Creek Belt, that is known to host a number of gold and gold antimony deposits such as the Blue Spec and Gold Spec (combined endowment of 300,000ozs gold at 18 g/t).

The project remains undrilled and previous exploration has defined a number of geochemical anomalies with rock chip sampling returning up to 2.7 g/t gold. Preliminary prospecting of the western gold-in-soil anomaly by Black Eagle identified visible gold in sub-cropping quartz veins. The tenements remain in application and should be granted in early CY 2018.

COMMODITY OUTLOOK

Gold

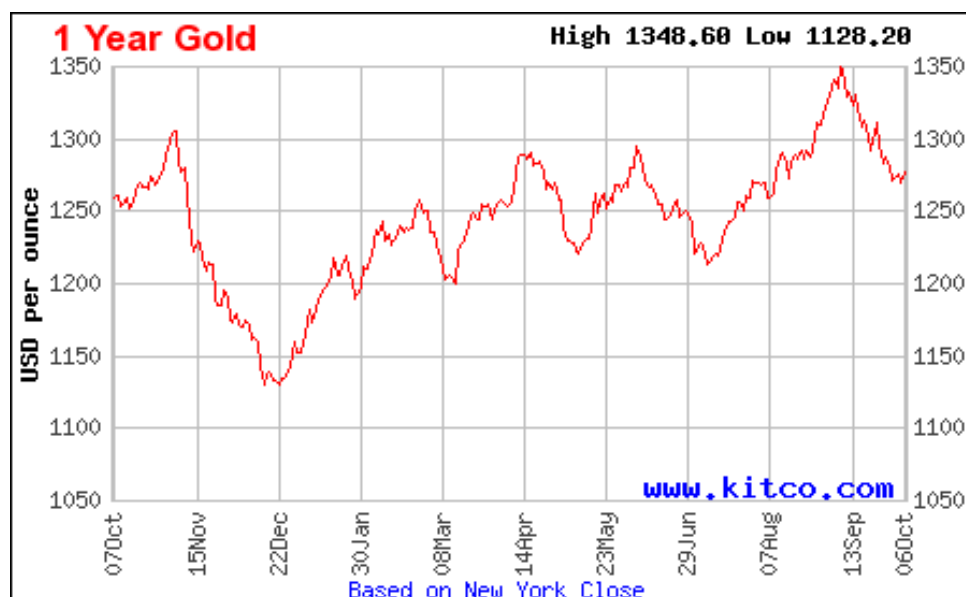


FIGURE 8: 1 year Gold price chart (source: **Kitco.com**, 7 October 2017).

Gold (Figure 8) has recently pulled back from 12 month highs of US\$1,350/ounce with the opposing forces of geo-political risk and a hawkish U.S. Federal Reserve keeping pricing flat throughout the 1H 2017. More recently gold has been boosted by a weaker US dollar and lower yields, with the US currency falling against the euro after ECB President Mario Draghi expressed only moderate concern about the strength of the single currency. The short to medium term drivers for gold looks strong.

Copper

Strong economic data and tightening supply/demand fundamentals together with net imports from China continue to play an important role in the copper rally (Figure 9). Examining the historical relationship between copper prices and global growth and trade-weighted US Dollar, copper looks to be have overshot fair value. Futures positioning data also suggest that copper investors are getting ahead of data. On this basis, **RM Research** expects lower copper prices over the medium term, although momentum and technical's pose upside risks in the short-term. CY18 copper forecast of US\$2.49/lb is approximately 20% below spot prices.

Strong economic data and Chinese imports have underpinned the recent copper rally...

...this is expected to slow in the medium term

Cobalt has been one of the stellar performers of 2017...

...driver by battery demand and projected supply side shortages

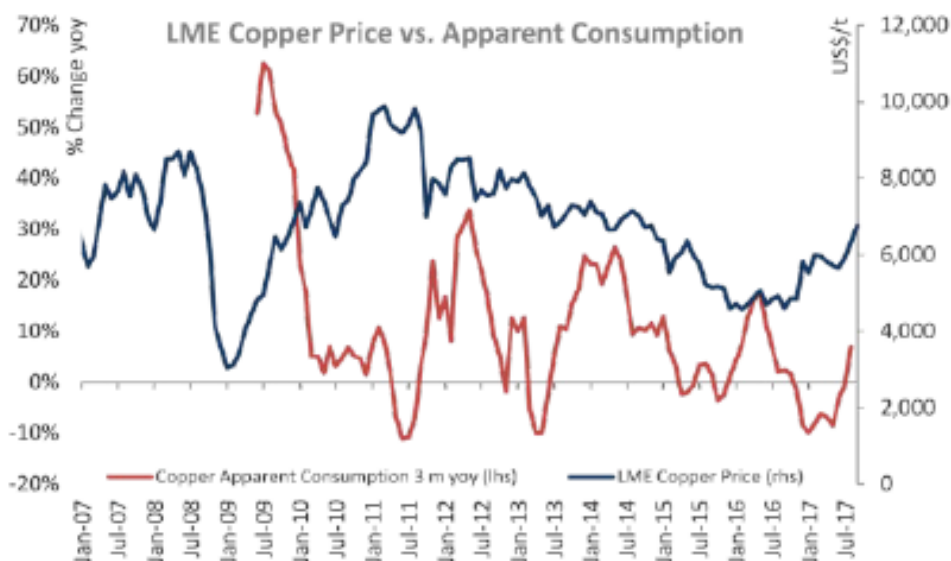


FIGURE 9: Copper price vs apparent Chinese consumption 2007 to 2017 (source: **Morgan Stanley Research**, 11, September 2017).

Cobalt



FIGURE 10: LME Cobalt prices, 2010 to 2017 (source: **LME.com**, 14, September 2017).

Cobalt has been one of the star performers over 2017 (Figure 10), with a 70% price rise since January 2017 and is now trading at over US\$60,000/t (~US\$27/lb). Much of this price rise is driven by forecast CAGR for lithium-iron batteries of over 11.7% (Figure 11). The market remains in slight oversupply; in 2015 global demand for refined cobalt of ~87,000t was met by refined production of ~98,000t, with this oversupply likely narrowing in 2016.

While the outlook for cobalt prices remains strong, we also note the following;

- (a) Forecasting cobalt demand is challenging due to the recent advances in battery technology. These advances are almost certainly negatively affecting the demand for cobalt in its main growth area — lithium-ion battery cathodes.
- (b) **RM Research** still anticipate a deficit in cobalt in the short-medium term. A ramp-up in production from a number of Democratic Republic of Congo-based developments should reduce that deficit, but the DRC remains an intensely volatile country in which to do business.

Lithium-Ion batteries driving cobalt demand...

- (c) Outside the DRC, other near-term supply avenues are limited at best and on a relatively small scale:
 - (i) Traditional copper and nickel mines that produce a cobalt as a by-product are still subject to copper and nickel market dynamics, which are currently unfavourable for new large scale investment.
 - (ii) Pure-play cobalt production, lacking the economies of scale of traditional copper-cobalt and nickel-cobalt production and subject to obstacles in processing technology, may be prohibitively expensive to develop and operate.
- (d) A longer-term shortfall in supply is likely to lead to demand destruction rather than a supply increase:
 - (i) A supply shock (eg, due to the outbreak of any conflict in the DRC) will in all likelihood push cobalt prices up substantially in the short term, but will consequently hasten demand destruction as battery producers.

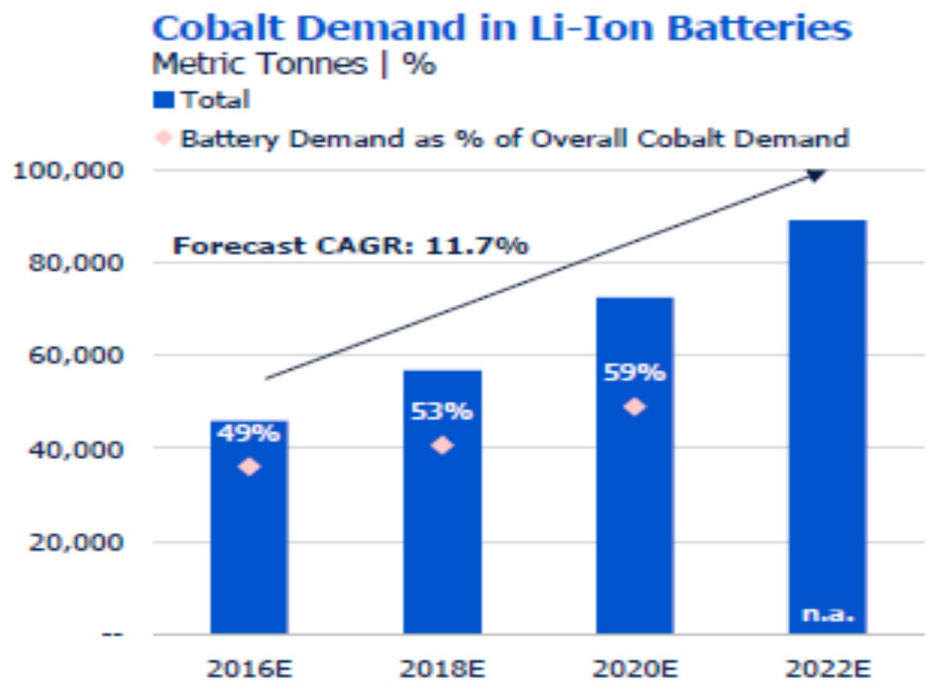


FIGURE 11: Cobalt demand in lithium-ion batteries 2016E to 2022E (source: Darton Commodities, July 2017).

BSX have executed definitive agreements to acquire a 100% interest in the Little Gem Project that should be voted through at the upcoming General Meeting

Canada and British Columbia are considered relatively low risk jurisdictions...

...while ruling NDP Party is not considered mining friendly Little Gem is already on a mining lease and has a small footprint

Little Gem is likely to be a low capital intensity project with relatively small finance risks

CORPORATE

Since the 23 January 2017 ASX listing, raising A\$3.5 million via the issue of 17.5 million Shares at 20 cents each.

Since listing, the Company executed a definitive agreement to acquire a 100% interest in Cobalt One Corp ("**Cobalt One**") situated in British Columbia (Canada). **Cobalt One** have rights (via an option agreement) to acquire the Little Gem Project in British Columbia Canada.

Consideration for this acquisition includes the following;

- Issue of 25 million **BSX** Shares at a deemed issue price of 18 cents each, and
- 8 million Performance Shares in **BSX**, and
- Payment to the current owner of the Project of 20% of all profits from the first 10,000 tonnes of ore mined from the Project together with a 1% Net Smelt Return, and
- A 2.5% NSR on ore treated in excess of 10,000 tonnes from the Project.
- Assumption by **BSX** of **Cobalt One's** obligations under the Little Gem Option Agreement comprising staged option payments totalling C\$700,000.

The transaction including various issues of securities is likely to take place at the upcoming General Meeting of the Company on 12 October 2017.

KEY RISKS

POLITICAL RISK: British Columbia (Canada) is considered a relatively stable mining jurisdiction however the local governing NDP party have been perceived as less mining friendly. The political risks are considered relatively low on a world scale with title risks considered to be very low.

PERMITTING/APPROVALS/LICENSING: Given the Little Gem project is on a granted mining lease with a small footprint, we consider the permitting/approval/licensing risk to be low.

COMMODITY PRICE OUTLOOK: Little Gem is exposed to cobalt-gold and copper prices and being a potentially small tonnage, boutique underground operation, the Project is highly leverage to metal prices. Given the outlook for gold and cobalt in particular, **RM Research** consider these risks are skewed to the upside.

METALLURGY/PROCESS RISK: Polymetallic ores have historically presented metallurgical challenges however the processing of sulphide ores in these terrain has not historically proved challenging and **RM Research** considers the risks to be low to moderate.

FINANCE RISK: Given this is a low capital intensity project that could be suitable for the production of high grade direct shipping ores/concentrates, **RM Research** considers the finance risks to be relatively low.

Hamish was previously CEO of Adamus...

...now in production

Scott was previously an Investor Relations Manager at Resolute Mining

Michael is the founder and CEO of Cobalt One

Andrew has been involved in the discovery of in excess of 3Moz of gold during his career

...experience includes the start-up of five new mining operations

DIRECTORS

Mr Hamish Halliday, B.Sc. MAusIMM

NON-EXECUTIVE CHAIRMAN

Hamish is a geologist with over 20 years of experience in the mining industry. He co-founded **Venture Minerals Ltd (ASX: VMS)** and was instrumental in the acquisition of its Company's current tenement portfolio. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities. He has founded and held executive/non-executive directorships with a number of successful listed exploration companies including **Adamus Resources Ltd ('Adamus')**. He was CEO of **Adamus** from its inception through to the commencement of mining in Ghana.

Mr Scott Williamson, B.Min.Eng., B.Comm., MAusIMM

MANAGING DIRECTOR

Mr Williamson is a Mining Engineer with over 10 years' experience in the mining and finance sectors. Scott has experience in operations management in gold and base metals projects across Australia and Africa, having worked with major resources companies, mining contractors and small to mid-cap miners. Mr Williamson recently held the role of Investor Relations Manager at **Resolute Mining Limited**. Prior to this he was a Resources Analyst at **Hartleys Limited**. Mr Williamson is a member of the Australasian Institute of Mining and Metallurgy and holds a WA First Class Mine Managers Certificate of Competency.

Mr Michael Konnert B.Comm., Dip Entr.

NON EXECUTIVE DIRECTOR

Mr Konnert is the founder and CEO of **Cobalt One** and has nearly a decade of experience in the natural resources industry, specifically in executing successful corporate strategies for leading mining companies. Mr Konnert started his career with **Pretium Resources (TSX-PVG)** following their \$265 million initial public offer. Following that, he spent three years with **Riverside Resources (TSX.V-RRR)**, where he managed the corporate development/investor relations for the company. Since then, he has assisted both listed/private enterprises including **SNL Financials'** Metals and Mining arm, the industry's largest database, research and consulting group, toward their \$2 billion merger with Standard and Poor's Capital IQ. Mr Konnert's specific skill set includes corporate strategy, capital raises, and business development. Mr Konnert is currently a director of **Benz Mining Corp (TSX-V:BZ)** and **Fitch Street Capital (TSX-V:FSC.H)**.

Mr Andrew Radonjic, B.App.Sc. M.Sc. MAusIMM

TECHNICAL DIRECTOR

Mr Radonjic is a geologist and mineral economist with over 25 years of experience in mining and exploration, with a specific focus on gold and nickel. He began his career at the Agnew Nickel Mine before spending over 15 years in the Paddington, Mount Pleasant and Lady Bountiful Extended gold operations north of Kalgoorlie. He has been associated with three gold discoveries, totalling in excess of 3 million ounces of gold and in the development of over 1 million ounces.

Mr Bruce McFadzean, Dip. Mining.

NON-EXECUTIVE DIRECTOR

Mr McFadzean has 30 years of management, mining and processing experience which included stints at **BHP Billiton** and **Rio Tinto**, the "start up" of 5 mining operations, and covers a broad range of commodities. Mr McFadzean is the Managing Director of **Sheffield Resources Limited**, prior to which he was the Managing Director of **Mawson West Ltd**, **Catalpa Resources Limited** and **Evolution Mining Limited** following the merger with **Conquest Mining Limited**. He was also General Manager Operations and then Operations Director with **Territory Resources Ltd**.

Mr Jamie Byrde, B.Com., CA

COMPANY SECRETARY

Mr Byrde is a Chartered Accountant with over 13 years' experience industry experience encompassing accounting, company secretarial, and corporate advisory. Previously Mr Byrde held Financial Controller and Corporate Advisory positions specialising in Financial Accounting and Reporting as well as ASX/ASIC compliance across a broad range of ASX and private companies. Mr Byrde is also currently Company Secretary for **Venture Minerals Limited** and **Alicanto Minerals Limited**.

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RM Research Recommendation Categories

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

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

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