COLLERINA
Cobalt Limited
ABN 79 106 879 690

19 June 2018

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(11 pages by email)

EXPLORATION DRILLING CONFIRMS HIGH GRADE COBALT DISCOVERY

HIGHLIGHTS

- **Collerina Cobalt (ASX: CLL) has now received assay results from its reconnaissance exploration drilling program on the Collerina Project in NSW.**
- **The drilling was designed to test a series of north-west trending aeromagnetic highs approximately 10km north of the Homeville Deposit**
- **Drill results from the C1 Anomaly have confirmed the discovery of high-cobalt tenor nickel-cobalt laterite mineralisation beneath shallow cover, with results including:**
  - **CLAC12: 32m @ 0.26% Co, 0.52% Ni, 5.9% Al and 96ppm Sc, including 6m @ 0.69% Co, 0.73% Ni, 9.5% Al and 93ppm Sc**
  - **CLAC13: 11m @ 0.27% Co, 0.54% Ni, 8.0% Al and 248ppm Sc**
- **Drilling and aero-magnetics indicate the mineralisation remains open to the north, east and west**

Discussion

The Directors of Collerina Cobalt Limited ('Collerina' or 'the Company') are pleased to announce that assay results for the exploration drill program on the Collerina Project in central NSW, have now been received. The program consisted of 42 vertical aircore holes for a total of 1,668 metres drilled. Drill hole collar information is included as **Appendix 1**, and drill hole cross-sections as **Appendix 2**. The drilling was designed as a series of reconnaissance drill traverses to test a number of aeromagmetic highs within a broad NW trending structural zone, located approximately 10 kilometres north of the Homeville nickel-cobalt-HPA deposit. The drilling was targeting high grade nickel-cobalt mineralisation in laterite profiles. Results have confirmed the **discovery of high-cobalt tenor, nickel-cobalt laterite mineralisation beneath shallow alluvial cover on the C1 anomaly**.

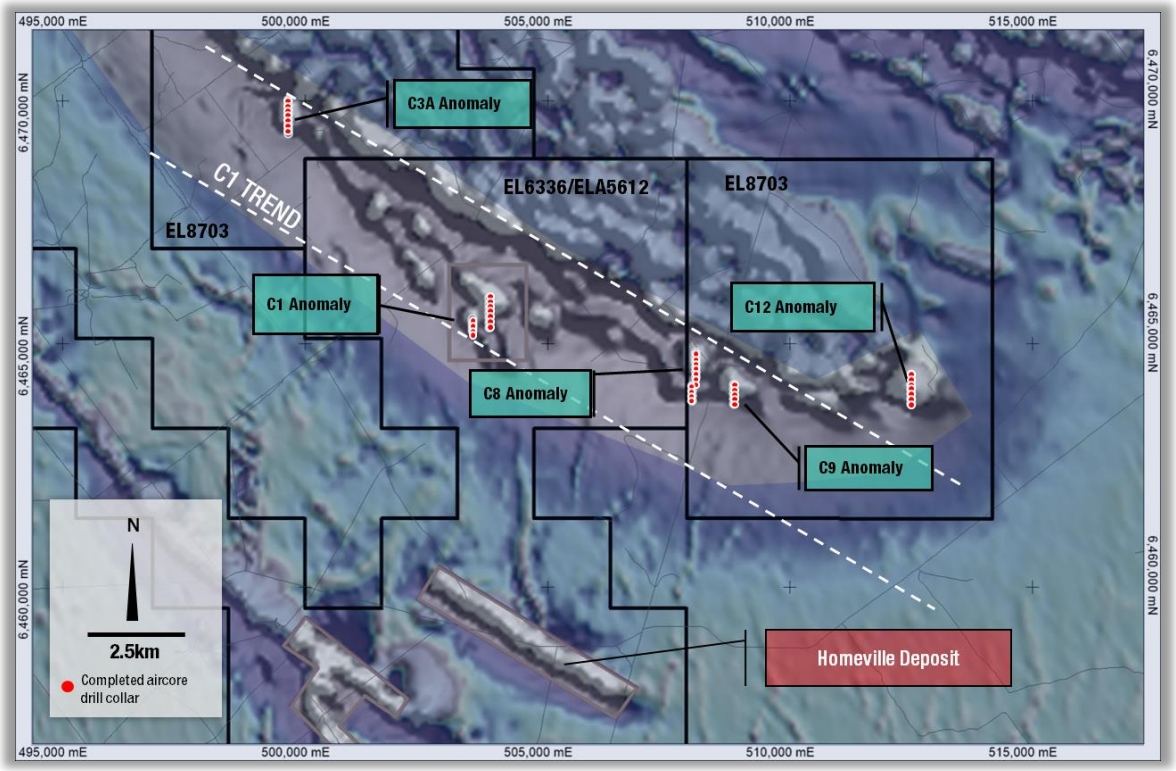


Figure 1: Drill hole collar location over aeromgnetics

Drilling over the C1 anomaly identified an ultramafic basement high, with deep, well-developed laterite profiles on the northern and southern ends of the drill traverse (**Appendix 2**). Assay results confirmed high-tenor cobalt mineralisation within the laterite profile that remain open. No other anomalies tested returned significant results. Significant results (>0.1% Co), are listed in **Table 1** below:

Hole	Target	From (m)	To (m)	Interval (m)	Al %	Co %	Ni %	Sc ppm	Comments
CLAC05	C1	32	33	1	6.7	0.12	0.09	260	
CLAC05	C1	36	37	1	2.7	0.12	0.17	70	
CLAC06	C1	22	23	1	8.2	0.25	0.22	50	
CLAC07	C1	39	40	1	8.2	0.14	0.17	60	
CLAC08	C1	26	27	1	4.4	0.16	0.32	120	
CLAC09	C1	14	17	3	2.56	0.23	0.49	97	
CLAC10	C1	5	7	2	5.5	0.11	0.48	65	
CLAC12	C1	4	36	32	5.9	0.26	0.52	96	To EOH
Includes	C1	13	19	6	9.5	0.69	0.73	85	
CLAC13	C1	9	36	27	6.5	0.15	0.53	215	To EOH. Open to North
Includes	C1	14	25	11	8.0	0.27	0.54	248	Open to North

Table 1: Significant intervals (>0.1% Co)

NB: All drill holes were vertical, and down hole widths are also considered true widths.

A re-interpretation of the C1 area aero-magnetics (**Figure 2**) indicates both C1 drill traverses intersected the flanks of target magnetic high and that considerable scope exists to extend the wide, high-grade mineralisation intersected in holes CLAC012 and CLAC013 to the north, east and west.

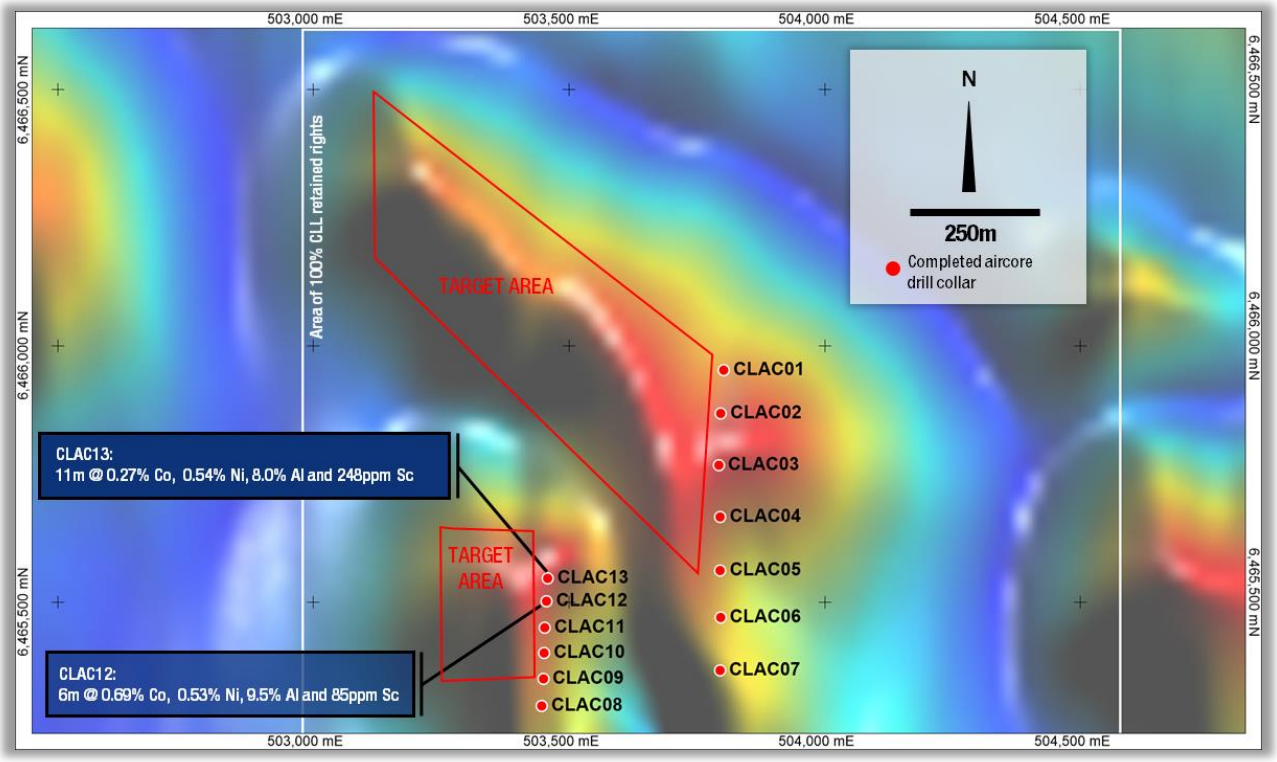


Figure 2: C1 Anomaly. Drill hole collar location over tilt-filtered aeromagnetics

Yours sincerely

Peter J. Nightingale

Director

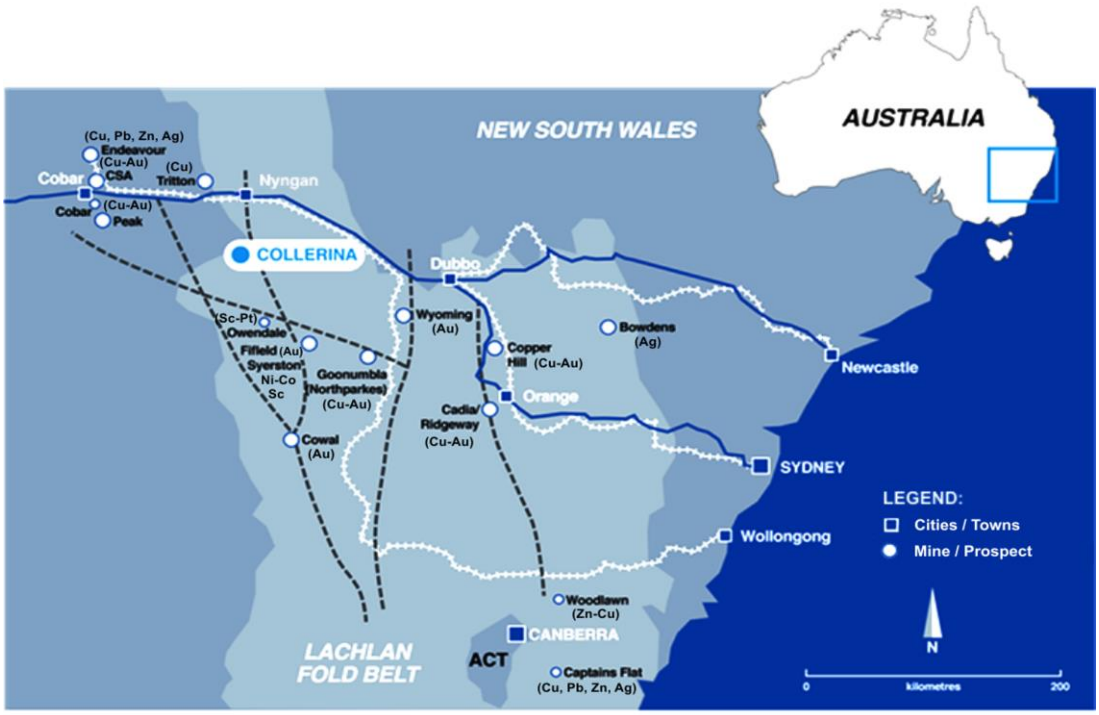
pjn9435

Statement of Compliance

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Collerina Cobalt Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About the Collerina Project

The Collerina Project lies about 40 kilometres south of Nyngan in central NSW within the world class Lachlan Fold Belt. Collerina is currently progressing a Pre-Feasibility Study on the Homeville Ni-Co laterite deposit for the production of Nickel, Cobalt and High Purity Alumina (HPA) using proprietary process technology.

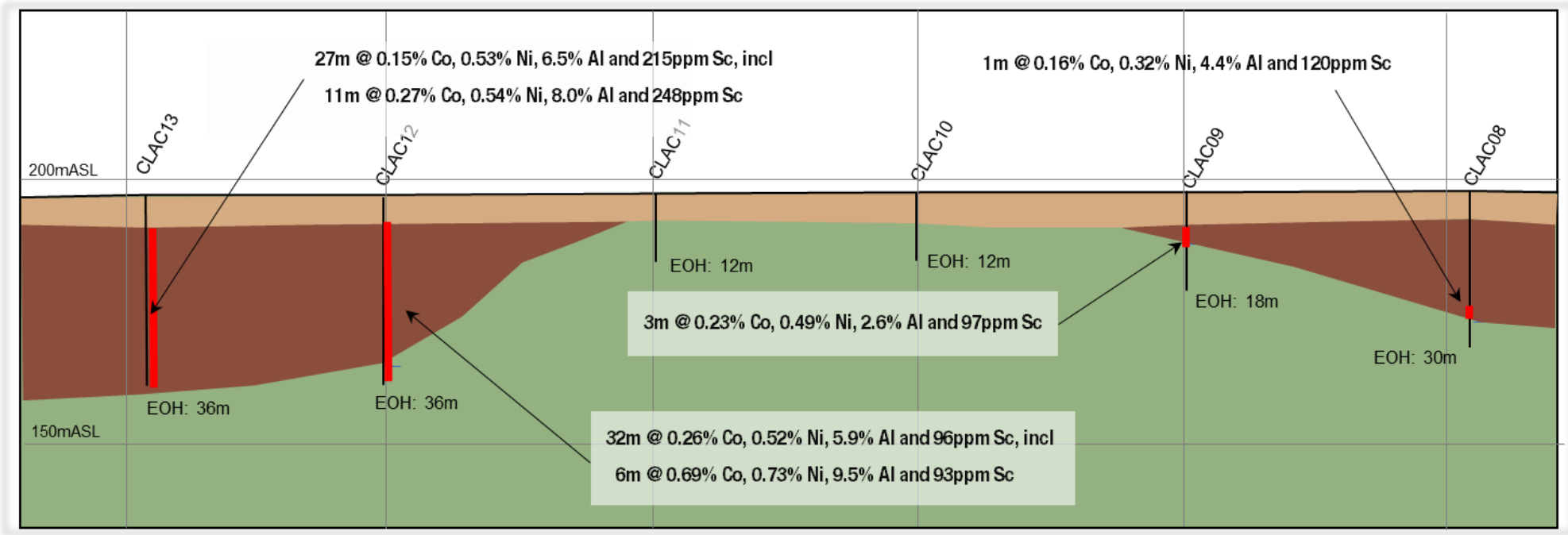


For further information, please contact Peter Nightingale on +61 2 9300 3310.

Appendix 1: Drill Hole Collar Locations

Hole_ID	TARGET	GDA_EAST	GDA_NORTH	RL (m ASL)	Azimuth	Dip	Depth
CLAC01	C1	503,802	6,465,956	190	0	-90	75
CLAC02	C2	503,796	6,465,871	190	0	-90	72
CLAC03	C3	503,792	6,465,770	190	0	-90	41
CLAC04	C4	503,795	6,465,669	190	0	-90	51
CLAC05	C5	503,795	6,465,565	190	0	-90	48
CLAC06	C6	503,796	6,465,472	190	0	-90	36
CLAC07	C7	503,794	6,465,370	190	0	-90	42
CLAC08	C8	503,446	6,465,300	190	0	-90	30
CLAC09	C9	503,449	6,465,353	190	0	-90	18
CLAC10	C10	503,451	6,465,404	190	0	-90	12
CLAC11	C11	503,452	6,465,453	190	0	-90	12
CLAC12	C12	503,455	6,465,505	190	0	-90	36
CLAC13	C13	503,458	6,465,550	190	0	-90	36
CLAC14	C3A	499,650	6,469,350	190	0	-90	72
CLAC15	C3A	499,649	6,469,446	190	0	-90	36
CLAC16	C3A	499,650	6,469,550	190	0	-90	42
CLAC17	C3A	499,651	6,469,646	190	0	-90	36
CLAC18	C3A	499,650	6,469,748	190	0	-90	34
CLAC19	C3A	499,646	6,469,948	190	0	-90	66
CLAC20	C3A	499,644	6,470,045	190	0	-90	75
CLAC21	C8	499,646	6,469,852	190	0	-90	51
CLAC22	C8	508,051	6,464,451	190	0	-90	39
CLAC23	C8	508,054	6,464,352	190	0	-90	30
CLAC24	C8	507,987	6,464,167	190	0	-90	30
CLAC25	C8	507,981	6,463,965	190	0	-90	30
CLAC26	C8	507,973	6,463,873	190	0	-90	36
CLAC27	C8	508,054	6,464,553	190	0	-90	33
CLAC28	C8	508,050	6,464,656	190	0	-90	30
CLAC29	C8	508,052	6,464,751	190	0	-90	36
CLAC30	C8	508,056	6,464,852	190	0	-90	30
CLAC31	C12	512,496	6,463,803	190	0	-90	30
CLAC32	C12	512,499	6,463,898	190	0	-90	30
CLAC33	C12	512,497	6,463,996	190	0	-90	30
CLAC34	C12	512,499	6,464,097	190	0	-90	46
CLAC35	C12	512,499	6,464,200	190	0	-90	36
CLAC36	C12	512,499	6,464,302	190	0	-90	33
CLAC37	C12	512,499	6,464,402	190	0	-90	33
CLAC38	C9	508,840	6,464,201	190	0	-90	30
CLAC39	C9	508,844	6,464,102	190	0	-90	30
CLAC40	C9	508,844	6,464,000	190	0	-90	45
CLAC41	C9	508,846	6,463,898	190	0	-90	72
CLAC42	C9	508,845	6,463,800	190	0	-90	38

Appendix 2: Drillhole Cross Sections



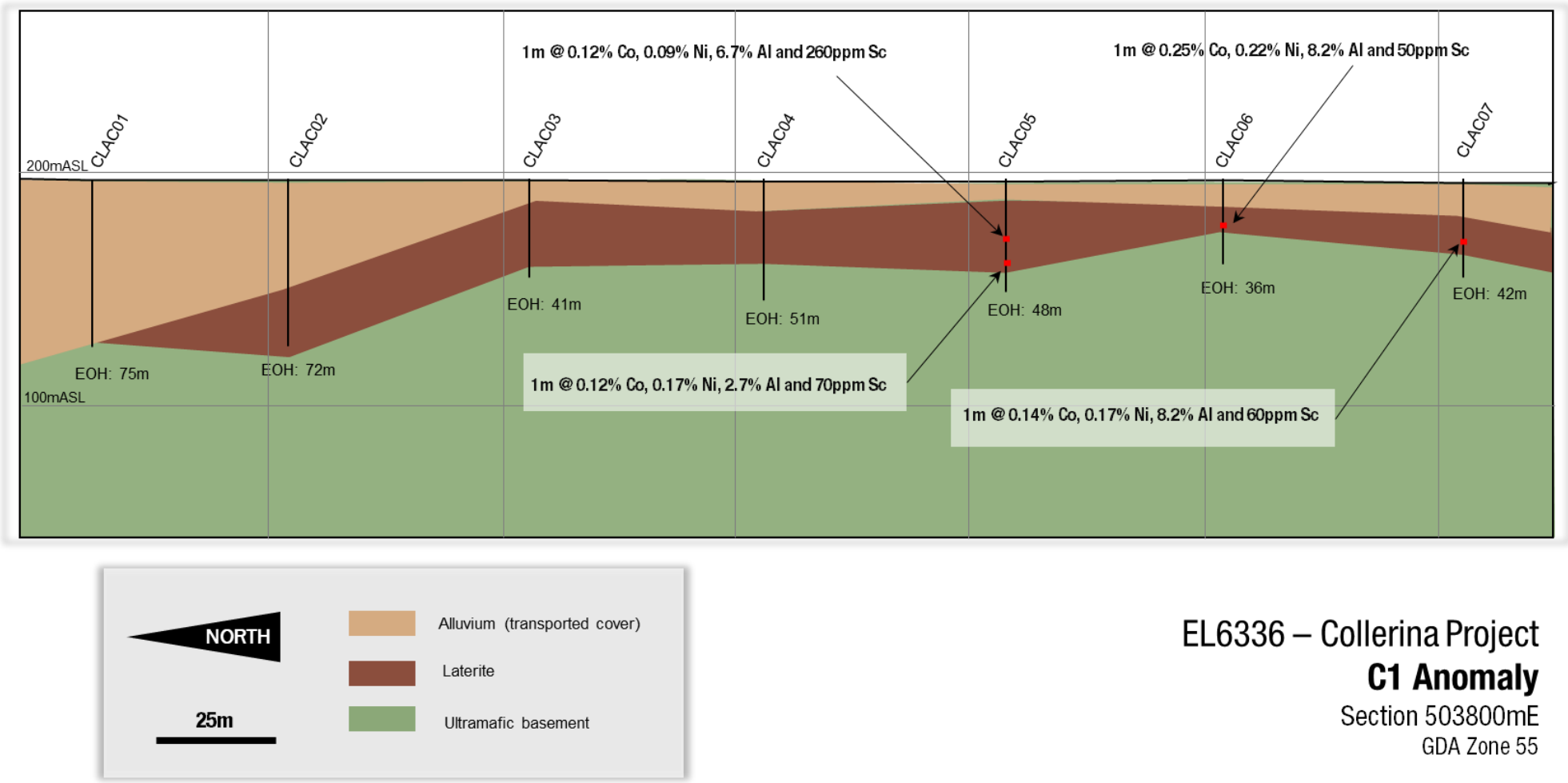
EL6336 – Collerina Project

C1 Anomaly

Section 503460mE

GDA Zone 55

Appendix 2: Drillhole Cross Sections



EL6336 – Collerina Project

C1 Anomaly

Section 503800mE

GDA Zone 55

1. JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Aircore drilling using 0.82m bit. • 1m samples were collected in bulk bags. • Bulk bags were 'speared' to collect approximately 1kg through the entire sample and placed into a calico bag. • Calico bags were numbered based on drill hole ID and sample depth, ie. CLAC01 0-1m • Calico bags were sent to ALS Global in Orange for preparation before going to ALS Global in Brisbane for analysis.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Aircore drilling using 0.82m bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Every 1m sample collected in bulk bags were weighed. • Chip trays were filled taking a sieved sample from each bulk bag and placed into each corresponding depth interval in a chip tray. • All chip trays are labeled according to Hole ID and depth interval and stored in a secure location in Orange, NSW. • All chip trays have been photographed
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Holes logged by qualified geologist using sample logging template.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sub-sampling was done using a PVC spear with a representative sample taken through each sample to ensure homogeneity. • Samples were numbered with a unique 4 digit number starting at CL2000. A sample register was created which has the corresponding Hole ID and depth interval relating to each Sample ID. i.e. CL2000 is CLAC037 15-16m • If sample was wet then a 1 kg 'grab' sample was collected in 3 different parts of the bulk sample to ensure representivity. •
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• For holes CLAC01 to CLAC13 Blanks, Standards and Duplicate samples were inserted in each Hole which provide an acceptable internal level of QA/QC. • ALS Global also have their own internal QA/QC procedures which provide additional and acceptable levels of QA/QC.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Twinned holes have not been used since this work is intended to test areas not previously explored by the Company • Elemental values for Fe and Al back calculated from oxide assays
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole locations were pegged using a handheld GPS. • Hole locations were verified after they were drilled using a handheld GPS and plotted. • All holes were located in GDA94 Zone 55 on a metric grid system.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was reconnaissance only, has not been used for Mineral Resource Estimation
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes were located based on aeromagnetic grids supplied by the NSW State Government data.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• All samples were managed by the drilling supervising team from sample collection to delivery to ALS Global in Orange for preparation.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	•

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All drilling was completed on EL8703 and 6336. • EL 8703 is 100% owned by the Company • The drilling within EL6336 was completed within an area where the Company retains 100% rights to nickel laterite mineralisation
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The C1 anomaly area was previously tested in RAB drilling by Lachlan Resource 1988. Most holes did not reach target depth, however two drill holes record individual values to >0.2% Co
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The drilling has been designed to target laterite hosted nickel, cobalt scandium and aluminum

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• See attached table of drill hole collars.
		• All intervals >0.1% Co are reported
		• The report notes that no other significant intersections were recorded

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Most assays were completed on 1m sample intervals. • Some holes were assayed using 3m composite samples.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All holes were drilled vertically based on the assumption that the mineralisation occurs in sub-horizontal bodies. • It is not known at this stage if the mineralisation intersected in all holes is horizontal so sample intervals may not represent true widths of the intersected mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See attached maps and drill sections.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• See attached maps and drill sections.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not Applicable
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling is planned to ascertain the extent of mineralisation.