

26 April 2018

## **REGIONAL EXPLORATION PROGRAMS UNDERWAY AHEAD OF MAIDEN DRILL CAMPAIGN AT HYLEA COBALT PROJECT, NSW**

### **Maiden RC drill program on track to commence at Tiger's Creek in late April**

- Aerial survey commenced today, flying a tenement-wide 175km<sup>2</sup> high-resolution aeromagnetic and radiometric survey.
- Results will facilitate targeting and focus field work across the entire Hylea and Bulbodney intrusive complexes, analogous host rocks to CleanTeq's Sunrise and Australian Mines' Flemington deposits to the south.
- An orientation soil geochemical survey has also commenced to the north-west of the advanced Tiger's Creek Cobalt Prospect, prior to the roll-out of regional soil campaigns.
- Both surveys are designed to define regional cobalt drill targets similar to Tiger's Creek, where a maiden RC drill program remains on target to commence in late April.

Hylea Metals (ASX: HCO) ("Hylea" or the "Company") is pleased to advise that key regional exploration activities have commenced at its 100%-owned Hylea Cobalt-Nickel-Scandium-Platinum Project, located in the Fifield 'Battery Metals' District of NSW ahead of the Company's maiden drill program.

A high-resolution aerial magnetic & radiometric survey has commenced today. The survey has been designed, landowners notified and will be flown over the Company's entire ~175km<sup>2</sup> tenement package in the Fifield district.

The survey, is being undertaken by Thomson Aviation at a flight height of 40m on 50m line spacings, is expected to take 10 days to complete (see Figures 1 and 2). The survey will commence immediately having been designed to avoid disruption to local farming activities. The aeromagnetic and radiometric survey is designed to map geology, including regolith and structures considered to be prospective for laterite-hosted cobalt deposits.



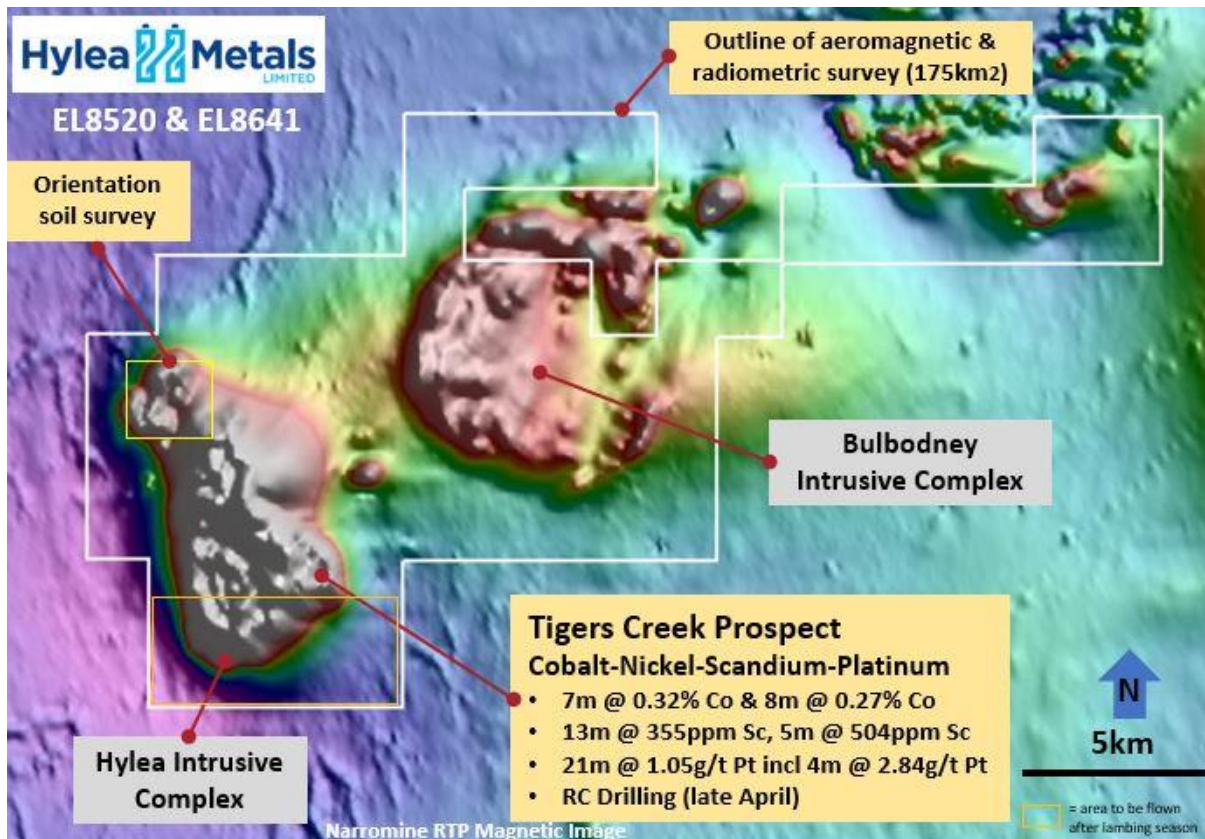
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#### **HYLEA METALS LIMITED**

ABN 38 119 992 175 Phone: +61 8 9322 6009

Suite 8, 1297 Hay Street West Perth WA 6005

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



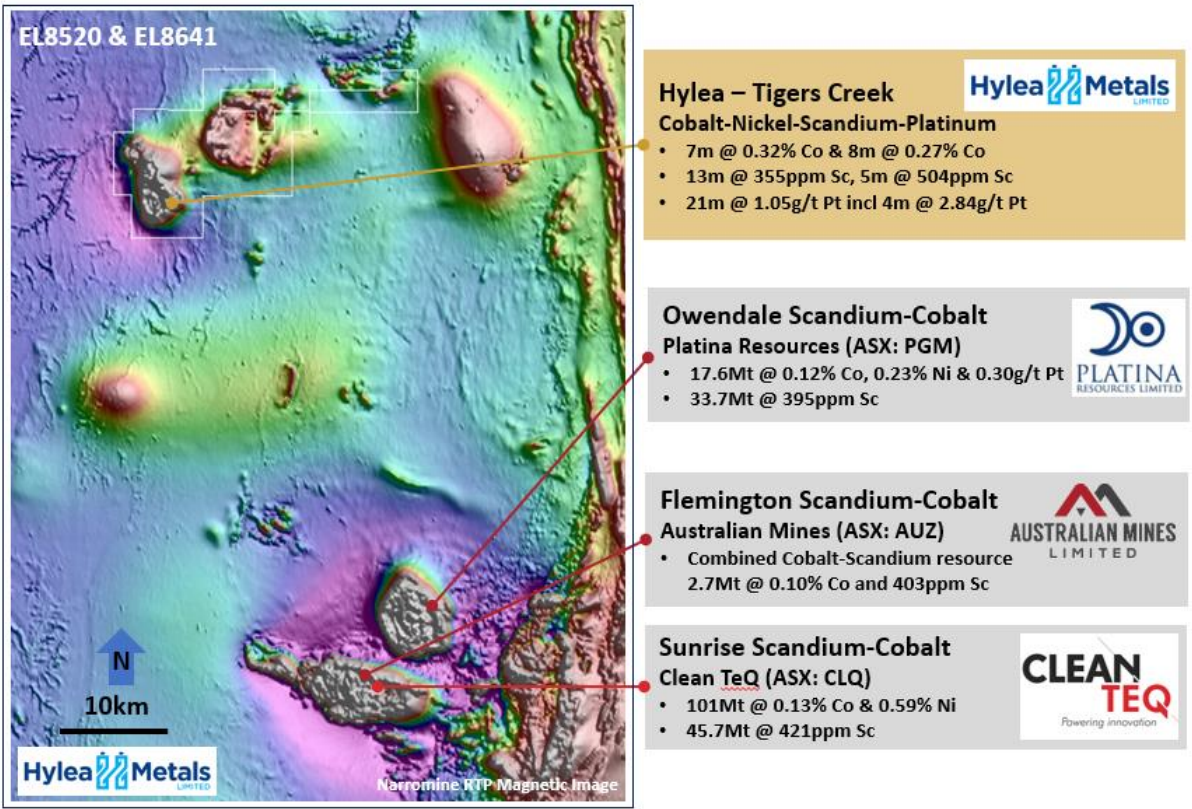
**Figure 1:** Hylea Cobalt-Nickel-Scandium-Platinum Project, NSW, illustrating the outline of the proposed aeromagnetic and radiometric survey, and proposed orientation soil geochemical survey in relation to the Tiger’s Creek Prospect, where drilling will commence shortly. Yellow polygon delineates area to be flown after lambing season.

A review of available surface geochemistry data, field inspection and design of an orientation soil program was completed by a principal geochemist in late March. The soil geochemical sampling program has now commenced and will cover an area of 5.8km<sup>2</sup> in the north-west corner of the Hylea Intrusive Complex (Figure 1), where prospective iron-rich residual soils and ironstone float have been observed (Figure 3).

The survey will comprise conventional soil sampling on a 200m x 200m grid and is designed to delineate robust cobalt-nickel-scandium-platinum soil geochemical anomalies for in-fill soil sampling and future RC drill testing.

The program is expected to take 1-2 weeks to complete with a further 3-4 weeks for multi-element analysis to be carried out.

Integration of the geophysical and geochemical data-sets will be undertaken to delineate a pipeline of high-quality regional cobalt targets for RC drill testing to complement the advanced Tiger’s Creek cobalt prospect, where a maiden drill program is scheduled to commence in late April.



**Figure 2:** Hylea Cobalt-Nickel-Scandium-Platinum Project illustrating outline of the proposed aeromagnetic and radiometric survey in relation to high profile peers.

The Hylea Project is located in the heart of the world-class Fifield cobalt-nickel-scandium district, which also hosts CleanTeq’s (ASX: CLQ) Sunrise project, Platina Resources’ Owendale project and Australian Mines’ (ASX: AUZ) Flemington project (Figure 2).



**Figure 3:** Iron-rich residual soils and ironstone float where orientation soil sampling is underway.

## About Tiger's Creek

High-grade cobalt has been intersected in 19 of the 31 holes drilled at Tiger's Creek by previous explorers who targeted platinum, with results such as 7m at 0.32% cobalt, including 1m @ 0.64% Co (hole HRC007) and 8m at 0.27% cobalt, including 1m @ 0.85% Co (hole HRC003)\* returned.

This drilling also intersected significant nickel, platinum and scandium including 5m @ 504ppm Scandium, within 13m @ 355ppm Sc from 12m (hole HRC009), and 4m @ 460ppm Scandium from 9m, within 17m @ 323ppm Scandium (hole HRC004)\*.

The Tiger's Creek prospect is located on the eastern edge of the zoned 8km x 3.5km Hylea Ultramafic Intrusive Complex, which is comprised of dunite – pyroxenite – hornblendite – monzonite rock types, overlain by a 10m to 70m thick in-situ regolith profile including laterite. The laterite sequence hosts cobalt – nickel – platinum and scandium mineralisation consistent with the nearby Sunrise (CleanTeq), Flemington (Australian Mines) and Owendale (Platina Resources) resources.

The Hylea Intrusive Complex is a comparable scale intrusive complex with very similar source geology and laterite development as Sunrise, Flemington and Owendale. However, Hylea has received comparably very little exploration, which historically mainly targeted platinum, nickel and vermiculite but not cobalt.

As previously advised (ASX release 26/03/18: Drilling to start at Hylea Cobalt Project), the Company is about to commence a proposed drilling program consisting of approximately 50 holes for ~3,000m at the Tiger's Creek Prospect. The drilling has three main objectives:

- Confirm the thickness, tenor and location of results reported by previous explorers;
- Expand out from currently identified cobalt mineralisation into areas where laterite has been drilled but not assayed for cobalt; and
- Apply modern exploration techniques especially with respect to sample analysis which has advanced significantly since the historical drilling was completed.

### COMPETENT PERSONS STATEMENT

The information in this document that relates to Exploration Results is based on information compiled by Mr. Darren Glover who is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr Glover has over 20 years' experience in the mineral and mining industry. Mr Glover is a consultant to Hylea Metals, and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken 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 Glover consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

\* For full details on drill results refer to ASX release "Acquisition of NSW Cobalt Nickel Project, 6<sup>th</sup> Dec 2017, also available on the company website [www.hyleametals.com.au](http://www.hyleametals.com.au)