

30<sup>th</sup> April 2018

## MAIDEN DRILL PROGRAM COMMENCES AT HYLEA COBALT PROJECT IN THE FIFIELD DISTRICT OF NSW

### Key Points:

- Drilling underway at the Hylea Cobalt Project, which sits ~50km from CleanTeq's Sunrise project in the heart of the Fifield 'Battery Metals' District.
- Approximately 50 RC holes for ~3,000m planned at the advanced Tiger's Creek Cobalt-Nickel-Platinum-Scandium Prospect.
- Drilling to target high-grade laterite hosted cobalt & scandium intersected in historical drilling, which was targeting platinum



RC drilling has commenced at the Hylea Cobalt Project, NSW

Hylea Metals (ASX: HCO) is pleased to advise that the Company's maiden drilling campaign is underway at its recently-acquired **Hylea Cobalt Project** in NSW.

The program will comprise approximately 50 holes for 3,000m of Reverse Circulation (RC) drilling at the Tiger's Creek prospect within the Hylea Ultramafic Intrusive Complex, where significant cobalt, scandium, nickel and platinum mineralisation was intersected in historical drilling targeting platinum.

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The Hylea Project is located in the heart of the world-class Fifield cobalt-nickel-scandium district, host to CleanTeq's (ASX: CLQ) Sunrise project, Australian Mines' (ASX: AUZ) Flemington project, and Platina Resources' Owendale project (Fig. 1).

First assay results are expected in late May.

Hylea Managing Director David Berrie said the Company was pleased to confirm the start of drilling just two months after securing the rights to the Hylea Project from a private consortium which has retained an ongoing interest in managing the exploration and drilling as part of the transaction.

"The Hylea Project meets all the key criteria that a Company hoping to progress quickly to a maiden JORC Resource requires," he said.

"It has one of the best addresses imaginable for cobalt exploration in Australia, as shown by the huge success of our near-neighbours.

"We are aiming to get first results back within 4 to 5 weeks, followed by regular updates as further results come to hand".

### **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.

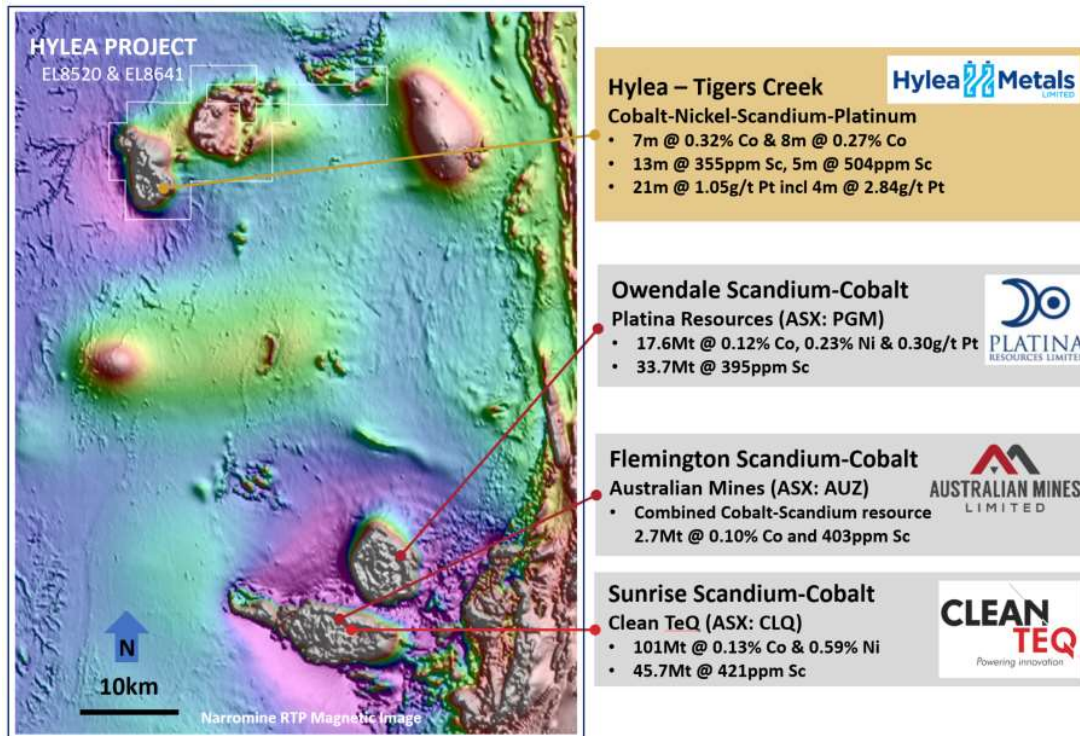
This drilling also intersected significant nickel, platinum and scandium including 5m @ 504ppm Scandium, within 13m @ 355ppm Sc from 12m (hole HRC009), and 4m @ 460ppm Scandium from 9m, within 17m @ 323ppm Scandium (hole HRC004)\*.

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 principally targeted platinum, nickel and vermiculite but not cobalt.

The proposed drilling program 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.



**Figure 1:** Hylea Project (EL8520 & 8641) location in relation to high profile peers.

#### 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.