

DECEMBER 2018 | QUARTERLY ACTIVITIES REPORT

High-grade results from the Company's maiden drilling program and soil sampling at Hylea Cobalt Project in NSW

Corporate Snapshot

ASX: HCO
Shares on Issue: 2.8bn
Share Price: Ac 0.1
Mkt Cap: A\$2.8m

Board and Management

Tim Kestell
Mark Milazzo
Simon Andrew

Projects

Hylea Metals has a portfolio of cobalt, gold, iron ore and base metal projects in NSW and Western Australia.

Hylea's flagship asset is the Hylea Cobalt Project in the Fifield District of NSW. The Project represents a significant cobalt, platinum, nickel and scandium exploration target in both scale and grade potential, as demonstrated by the Company's maiden drilling program.

The Fifield District is Australia's premier cobalt address with CleanTeq, Australian Mines and Platina Resources all with JORC Cobalt-Scandium Resources

The Hylea Intrusive Complex, host to the Hylea Project, is one of the last ultramafic intrusive complexes in the region yet to have a JORC compliant Cobalt – Scandium resource.

ACTIVITY HIGHLIGHTS

The December Quarter saw Hylea Metals (ASX: HCO) ("Hylea", "Company") continue to evaluate its maiden 54-hole for 3,621m drill program and extensive soil sampling survey at its flagship asset, the Hylea Cobalt Project in NSW. When these activities are combined with the multi-disciplinary exploration programs consisting of detailed tenement wide airborne aeromagnetic and radiometric surveying these data sets offer a powerful tool for the definition and pursuit of a pipeline of exploration targets outside of the advanced Tiger's Creek prospect.

With the maiden program having identified high grade Cobalt, Platinum, Scandium and Nickel, including outstanding grades of up to 0.61% Cobalt, 10.55g/t Platinum, 720ppm Scandium and 1.38% Nickel, the Company remains focussed on the Hylea Project

The previously announced soil sampling results outlined three significant scale, high tenor Cobalt, plus Nickel, Platinum, Palladium, Scandium and Vanadium soil geochemical anomalies defining a >5km long multi-element geochemical corridor, open in multiple directions including to the south towards Tiger's Creek. The Company has been considering the most efficient and value accretive method of further exploring these trends

The discreet Vanadium soil anomaly which adds to the regional picture has also been further considered with plans being prepared to conduct further testing on the anomaly

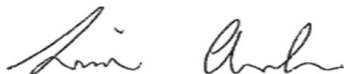
CORPORATE HIGHLIGHTS

At the end of the December Quarter the Company held a cash balance of \$231,438.

The Board continues to explore funding options to progress the Tiger's Creek Prospect and conduct additional work on the broader tenement package.

Subsequent to the end of the December Quarter, Managing Director David Berrie resigned his position with the Company. The Board wishes to thank Mr Berrie for his service.

Simon Andrew



Managing Director

HYLEA METALS LIMITED

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About Hylea Metals

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The recently completed drill program is the first cobalt, scandium, platinum, nickel focused exploration on the Intrusive Complex. Having confirmed high grade cobalt, scandium, platinum and nickel in the drilling at Tiger's Creek, the soil sampling suggests that the regional picture is even more promising with the additional of a significant vanadium anomaly.

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.

HCO Tenement Schedule as of 31 December 2018

Tenement ID	Status	Granted Date	Project	HCO Interest	Holders	Expiry Date
E08/2209-I	GRANTED	02-Mar-12	ASHBURTON	100%	RIVA	01-Mar-22
E08/2210-I	GRANTED	02-Mar-12	ASHBURTON	100%	RIVA	01-Mar-22
E08/2211-I	GRANTED	28-Jul-11	ASHBURTON	100%	RIVA	27-Jul-21
E47/2417-I	GRANTED	02-Dec-11	ASHBURTON	100%	RIVA	01-Dec-21
E53/1891	GRANTED	13-Jan-17	TABAC	100%	Gianni, PR	12-Jan-22
E53/1895	GRANTED	01-Mar-17	TABAC	100%	Gianni, PR	28-Feb-22
EL5689	GRANTED	16/10/2018	HYLEA	100%	Providence	16-Oct-24
L8520	GRANTED	21/02/2017	HYLEA	100%	Providence	20-Feb-19
EL8641	GRANTED	31/08/2017	HYLEA	100%	Providence	20-Feb-19

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