

OPERATIONS UPDATE - MAY 2018

- **Substantial 15,000m drilling program set to commence late May**
- **25,000km (1,720 km²) airborne magnetic survey to generate new drill targets**
- **Diamond drill assay results from 2017 drilling have been received and metallurgical samples selected for processing**

Wollogorang Cobalt Exploration

Based on the successful drilling and geophysical campaigns undertaken last year, the Northern Cobalt exploration team has identified 37 new drill targets that will be drilled tested this field season. Preparation is currently underway for a **major 15,000m drilling program** at the Wollogorang Cobalt Project.

The style of drilling will be modified to use smaller, lighter and more mobile drilling rigs, which will allow more prospects to be drilled in a shorter time and at significant cost savings. A portable XRF has been purchased and will assist in speeding up the news flow to the market.

Preparations are now under way to mobilise the drillers to site as soon as the conditions allow, this is expected later in May. The first mapping crews will be heading to site in a couple of weeks.

Airborne magnetic survey

The company has contracted Aerosystems Australia Pty Ltd to fly a detailed 25,000 line km (which equates to 1,720 km²) airborne magnetic and radiometric survey over the most prospective ground at the Wollogorang Cobalt Project. A detailed survey completed late last year covered approximately 90 km² and generated 37 "high priority" drill targets from 120 overall targets. These targets will be the focus of the initial drilling in the 2018 field season. The new survey will be **approximately 20 times larger** and will be used to identify additional cobalt drill targets over the remaining outcropping areas of Gold Creek Volcanics, host to the Stanton Cobalt Deposit. High priority targets from the new survey will be incorporated into the 2018 drilling campaign.

2017 Diamond Drilling Results

The final assay results from the 2017 diamond drilling within the Stanton Cobalt Deposit have been received. The results are currently being compiled and are undergoing QA/QC analysis. The results will be available for reporting in coming days.

CAPITAL STRUCTURE

Ordinary Shares
Issued 50.2 M

Options
Listed 7.0 M @ 20c
Unlisted 12.3 M @ 25c

Performance Shares
Class A 9.6 M
Class B 3.6 M

Last Capital Raise
24 April 2018 - SPP
\$0.6 M @ 35c

BOARD

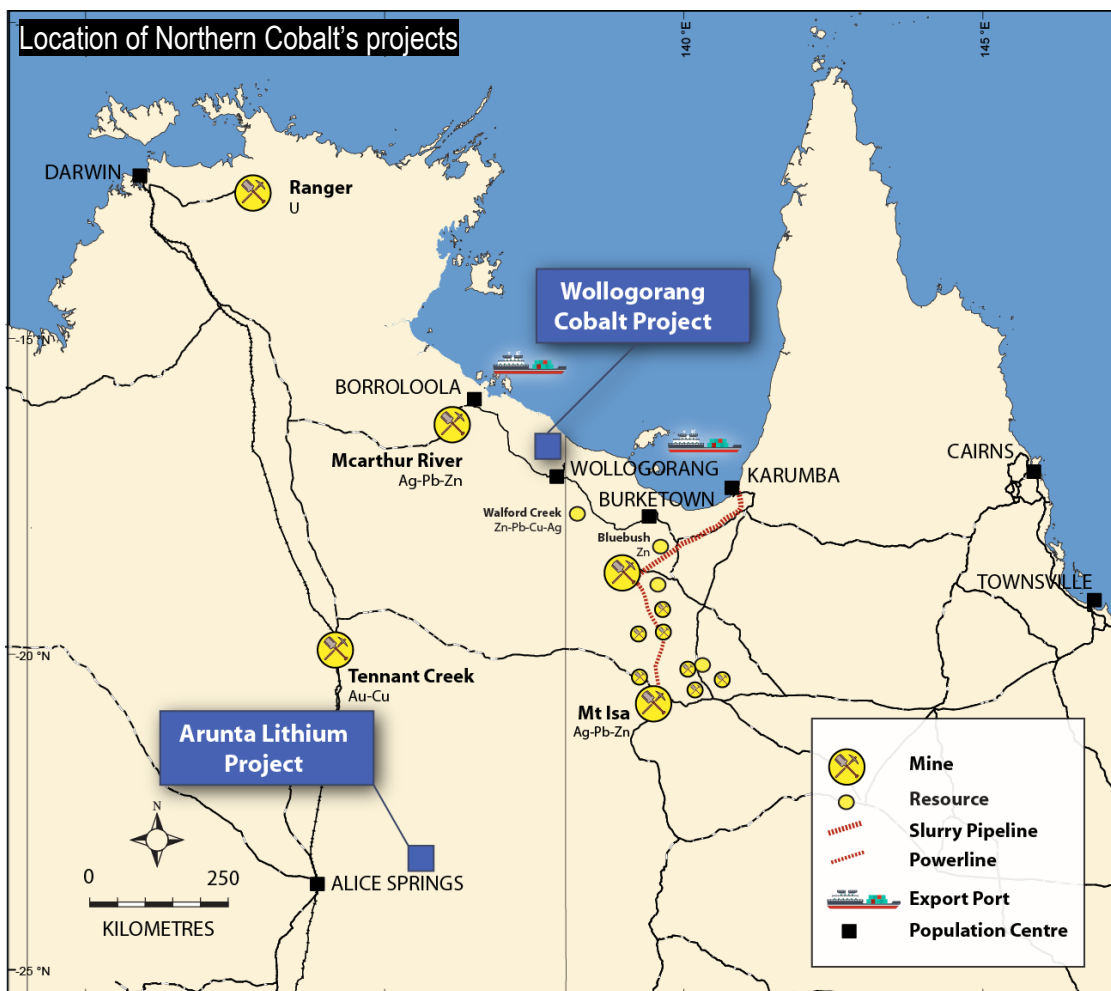
Len Dean - Chair
Michael Schwarz - MD
Duncan Chessell - Exec Dir
Andrew Shearer - NED
Jarek Kopias - Co Sec



Helicopter to be used for Magnetic and Radiometric Survey – shown flying last year's survey for Northern Cobalt

Competent Person Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Mr Michael Schwarz who is a member of the Australian Institute of Geoscientists. Mr Michael Schwarz is a full-time employee of the company and has sufficient experience that is relevant to the style of mineralisation 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Michael Schwarz consents to the inclusion in the report of the matters based on his information in the form in which it appears. The information in this announcement is an accurate representation of the available data and studies of the material mining project.



Project Location

The Wollogorang Cobalt Project occurs in the far north-eastern corner of the Northern Territory, a mining friendly jurisdiction. The Project area is 180 km to the south-east of the population centre of Borroloola. The capital city of Darwin is 870 km to the north-west and the McArthur River Mine is approximately 150 km to the west-northwest.

The Arunta Lithium Project occurs in the south-east of the Northern Territory, a mining friendly authority. The Project area is 180 km to the north-east of the population centre of Alice Springs. The capital city of Darwin is 1250 km to the north-west.

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