

21 March 2018

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

PREFEASIBILITY STUDY TESTWORK UPDATE

HIGHLIGHTS

- Pregnant Leach Solution (PLS) generated from the bulk leach testwork has now successfully undergone partial neutralisation (PN) to generate an iron depleted PLS.
- Co-precipitation results for retained aluminium, cobalt and nickel were **significantly improved** from the previous round of testwork with **80.6%**, **99.4%** and **97.9%** respectively versus the last program which returned 67.6%, 90.4% and 91.5% respectively.
- Best recorded results across the range of tests were aluminium **88.5%**, cobalt **99.9%** and nickel **99.0%**.
- 167 kg of partially neutralised solution has been shipped for solvent extraction (SX) mini rig testing.
- Confirmatory testing and commissioning of the SX mini rig circuit has commenced.

The Directors of Collerina Cobalt Limited ('Collerina' or 'the Company') are pleased to announce the final results from Partial Neutralisation of the PLS produced from the Counter Current Atmospheric Leach (CCAL) test work program has been completed in 4 bulk tests, ranging in batch size from 40 to 60 kg.

The purpose of the PN process is to neutralise excess free acid and precipitate most of the iron to produce a satisfactory aluminium to iron ratio for the subsequent SX stage, while at the same time minimising associated reduction in aluminium, cobalt and nickel.

The PLS retained **80.6%**, **99.4%** and **97.9%** aluminium, cobalt and nickel respectively through the partial neutralisation stage. These tests produced 167 kg of partially neutralised solution which has been shipped for SX mini rig testing. A further 131 kg of solution produced from the PLS from the synthetic liquor CCAL tests and the CCAL wash filtrates has been shipped for the purpose of commissioning the SX circuit.

Collerina PFS Update

The prefeasibility study is progressing in parallel with the testwork program. Key deliverables, such as the Project Design Basis, Mass and Energy Balance and Process Flow Diagrams are complete. The equipment list has been compiled, including preliminary equipment sizing which is maturing as the testwork results are becoming available.

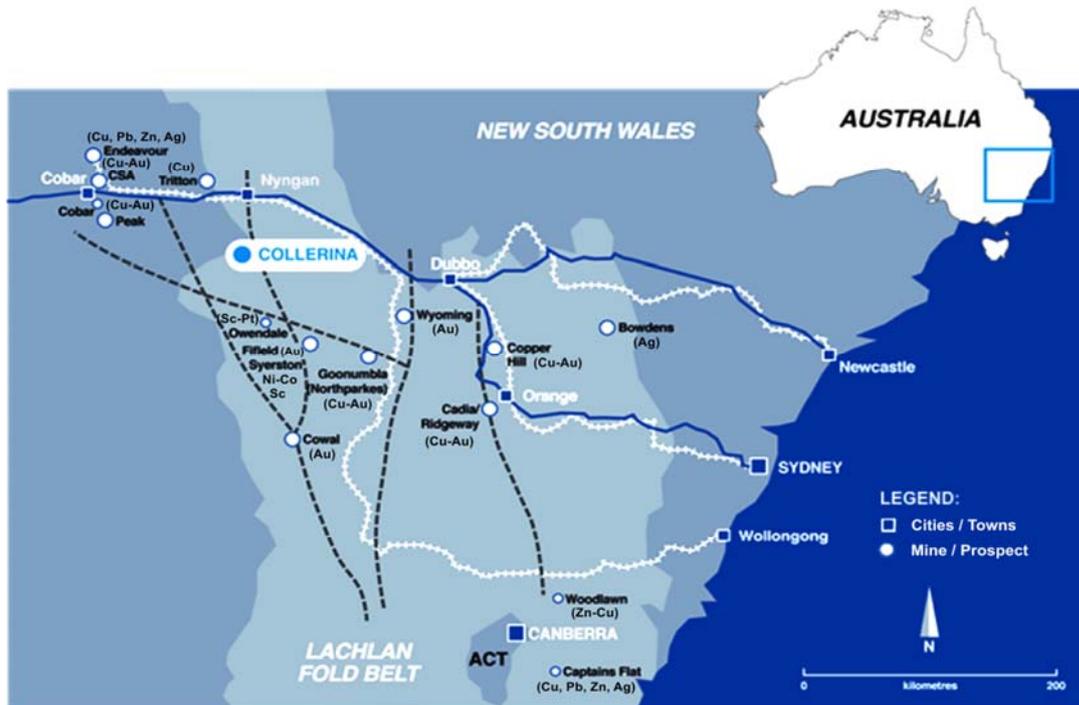
The sizing of a number of major equipment items is finalised, including the mill, scrubber, lime and limestone packages and approximately half of the Requests for Budget Quotations have been released to vendors. Some of the outstanding equipment sizing and selection will continue as the SX mini rig testing results become available to ensure the most accurate sizing basis is used.

Key trade-off studies on reagent usage and supply have been completed, with the selected options showing significant positive effect on the project's NPV.

Collerina Project Location

The Collerina project lies about 40km south of Nyngan in the central and western region of NSW within the Lachlan Fold Belt which hosts a number of world class copper-gold mines including the Cadia, Ridgeway and Northparkes operations. The district also hosts the globally significant Syerston Co-Ni deposit owned by Clean Teq Holdings Limited (ASX: CLQ) which contains a reported 109 million tonnes of 0.10% Co and 0.65% Ni. The deposit is currently under definitive feasibility study.

The mineralisation identified by the Company's current drilling program is spatially associated with the previously announced JORC compliant high grade cobalt and nickel resource of 16.3 million tonnes of 0.93% Ni and 0.05% Co at a 0.7% Ni cut-off grade (4.4 million tonnes Indicated resource of 0.99% Ni and 0.06% Co and 11.9 million tonnes Inferred Resource of 0.91% Ni and 0.05% Co).



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

Yours sincerely

Peter J. Nightingale

Director

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Statement of Compliance

Information regarding the Mineral Resource at the Collerina project was prepared and first disclosed under the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. See ASX announcement 23 June 2011. It has not been updated since to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that the Company is not aware of any new information or data that materially affects the information and, in the case of the resource estimate, all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

For further information on testwork results and processes see ASX announcements dated 6 March 2018, 21 February 2018, 8 December 2017, 30 November 2017, 29 November 2017, 24 November 2017 and 13 November 2017.

Competent Person Statement (Mineral Resources)

The information in this report that relates to Mineral Resources is based on information compiled by Collerina Cobalt staff and contractors and approved by Mr Michael Corey, PGeo., who is a Member of the Association of Professional Geoscientists of Ontario (APGO) in Canada. Mr Corey is employed by the Company 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 Corey has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Competent Persons Statement (Process Development Testwork)

Information in this announcement relating to the Process Development Testwork is based on testwork results compiled by Mr Boyd Willis, an Independent Consultant trading as Boyd Willis Hydromet Consulting. Mr Willis is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Willis has sufficient experience which is relevant to metal recovery from the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 21 years of experience in metal recovery from Laterite ore. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears.