

21 May 2018

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

EXPLORATION DRILLING UPDATE

HIGHLIGHTS

- **Collerina Cobalt (ASX: CLL) has completed its exploration drilling program at the Collerina Project in NSW.**
- **The drilling was designed to test a series of north-west trending aeromagnetic highs where limited previous drilling recorded high-grade cobalt (to 0.44%) and scandium (to 232ppm).**
- **The Company is very encouraged with the drilling recording deep laterite profiles over ultramafic rocks in four of the five targets tested.**
- **Assay results expected in 3 to 4 weeks.**

Discussion

The Directors of Collerina Cobalt Limited ('Collerina' or 'the Company') are pleased to announce that the exploration drill program at the Collerina Project in central NSW is now complete. The program comprised 42 vertical air-core holes for a total of 1,668 metres drilled.

The drilling was designed as a series of drill traverses to test a number of aeromagnetic highs within a broad northwest trending structural zone, located approximately 10 kilometres north of the Homeville HPA-nickel-cobalt deposit. The drilling was targeting high grade nickel-cobalt mineralisation in laterite profiles.

The Company is very encouraged that four of the five target areas tested recorded deep and strongly ferruginous (iron enriched) laterite profiles over ultramafic basement. Within the district, iron-enriched laterites over ultramafic are typically associated with elevated cobalt.

On the C1 anomaly, a deep, ferruginous laterite profile of average 25 metres thickness was recorded over 700 metres of strike. Previous exploration on the C1 anomaly (1988, Lachlan Resources) confirmed high-grade cobalt mineralisation in drill holes approximately 400 metres apart, recording high-grade cobalt results at the end-of-hole of 0.44% and 0.35% cobalt.

The other targets tested in the program include the C3A, C8, C9 and C12 aeromagnetic anomalies (refer Figure 1 below). Each of these target areas, with the exception of C8, recorded deep, ferruginous laterite profiles over ultramafic basement rocks.

Drill samples from the drilling have been submitted for assaying, with results expected in three to four weeks.

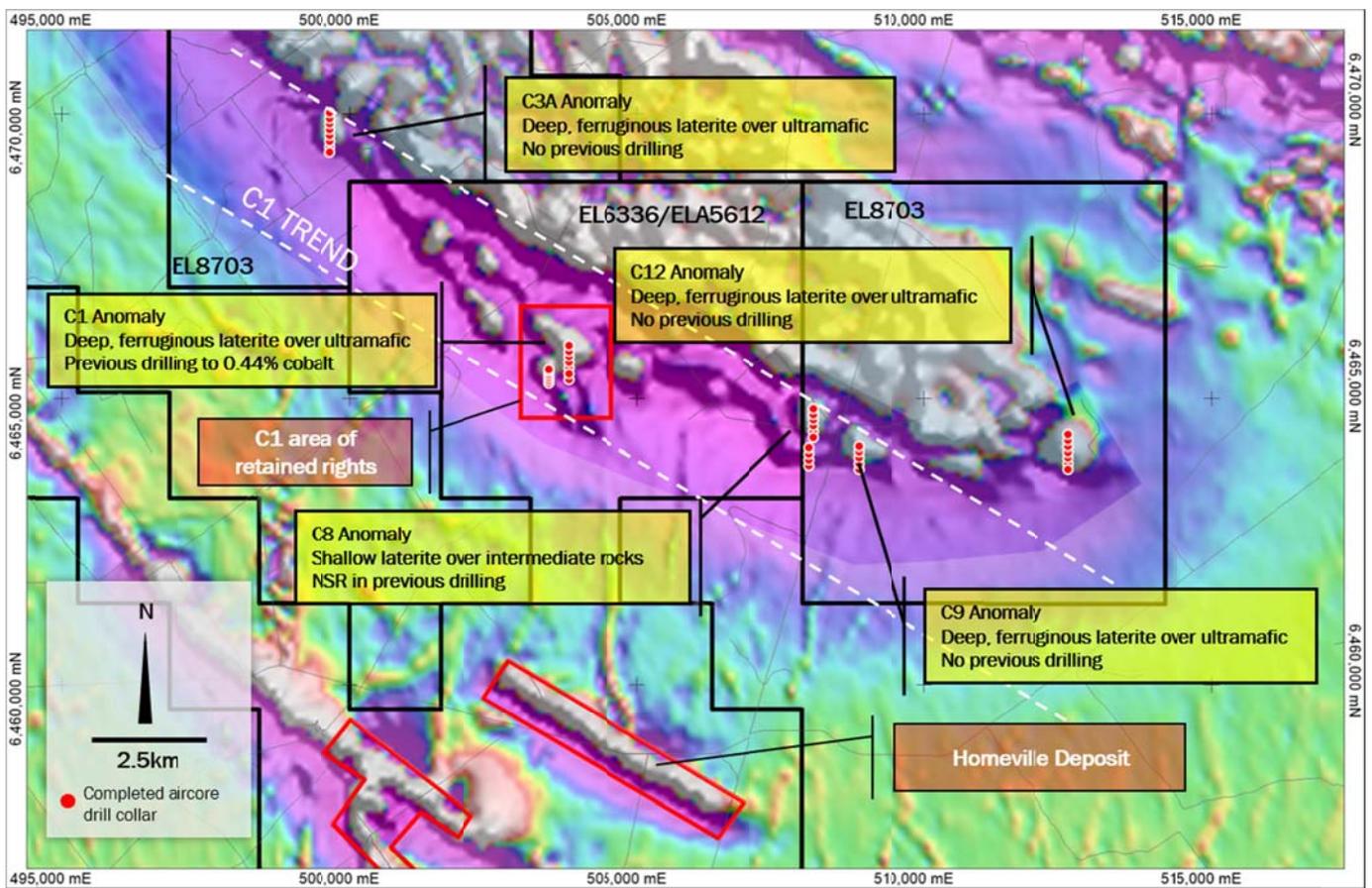
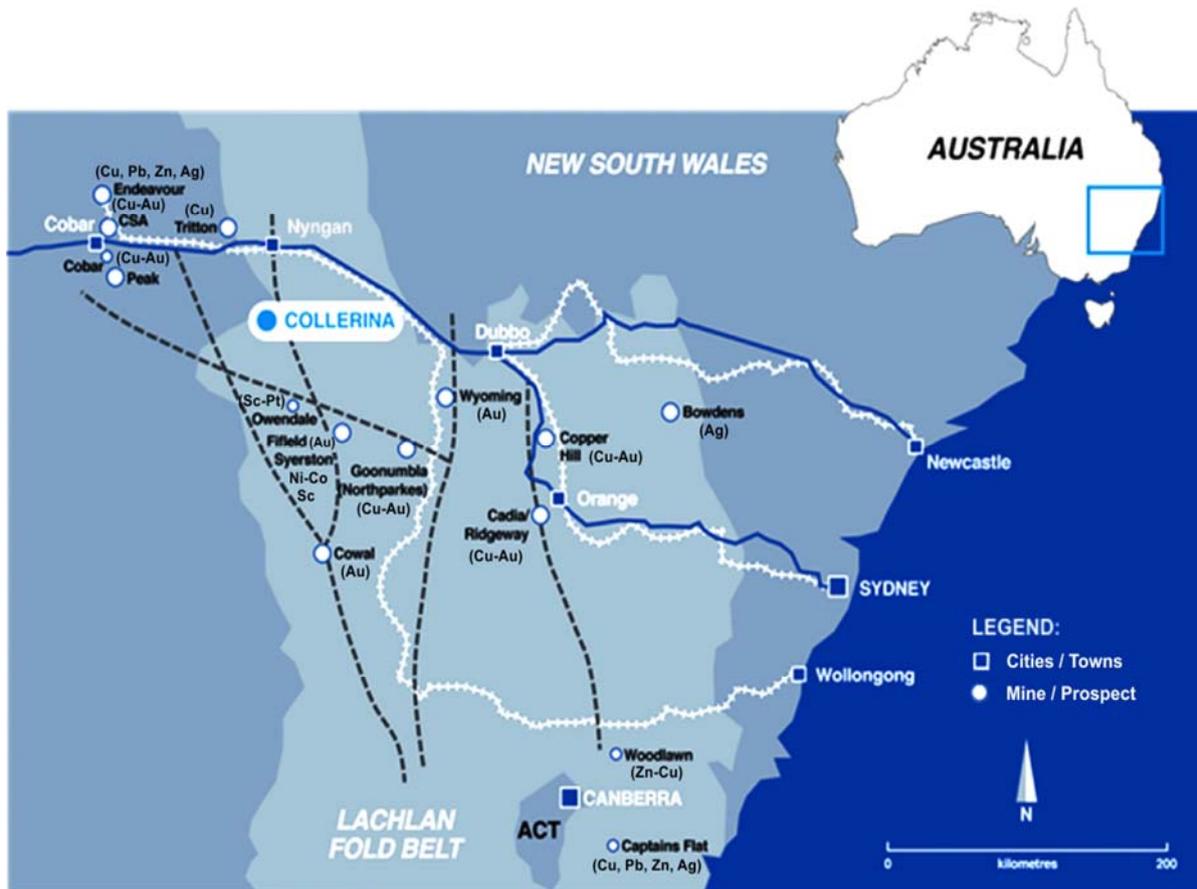


Figure 1: Location of completed air-core drill collars over aeromagnetics.

About the Collerina Project

The Collerina Project lies about 40 kilometres south of Nyngan in central NSW within the world class Lachlan Fold Belt. Collerina is currently progressing a Pre-Feasibility Study on the Homeville nickel-cobalt laterite deposit for the production of nickel, cobalt and, using proprietary process technology, High Purity Alumina (HPA).



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

The information in this report that relates to Exploration Results is based on information compiled by Rimas Kairaitis, who is a Member of the Australasian Institute of Mining and Metallurgy. Rimas Kairaitis is a Director of Collerina Cobalt Limited 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 Kairaitis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information relating to previous Exploration Results is extracted from the report entitled Disclosure Document announced on 9 August 2007 and is available to view on www.collierinacobalt.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.