

30 May 2017

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(5 pages by email)

Dear Madam,

COMMENCEMENT OF COLLERINA PROJECT DRILLING

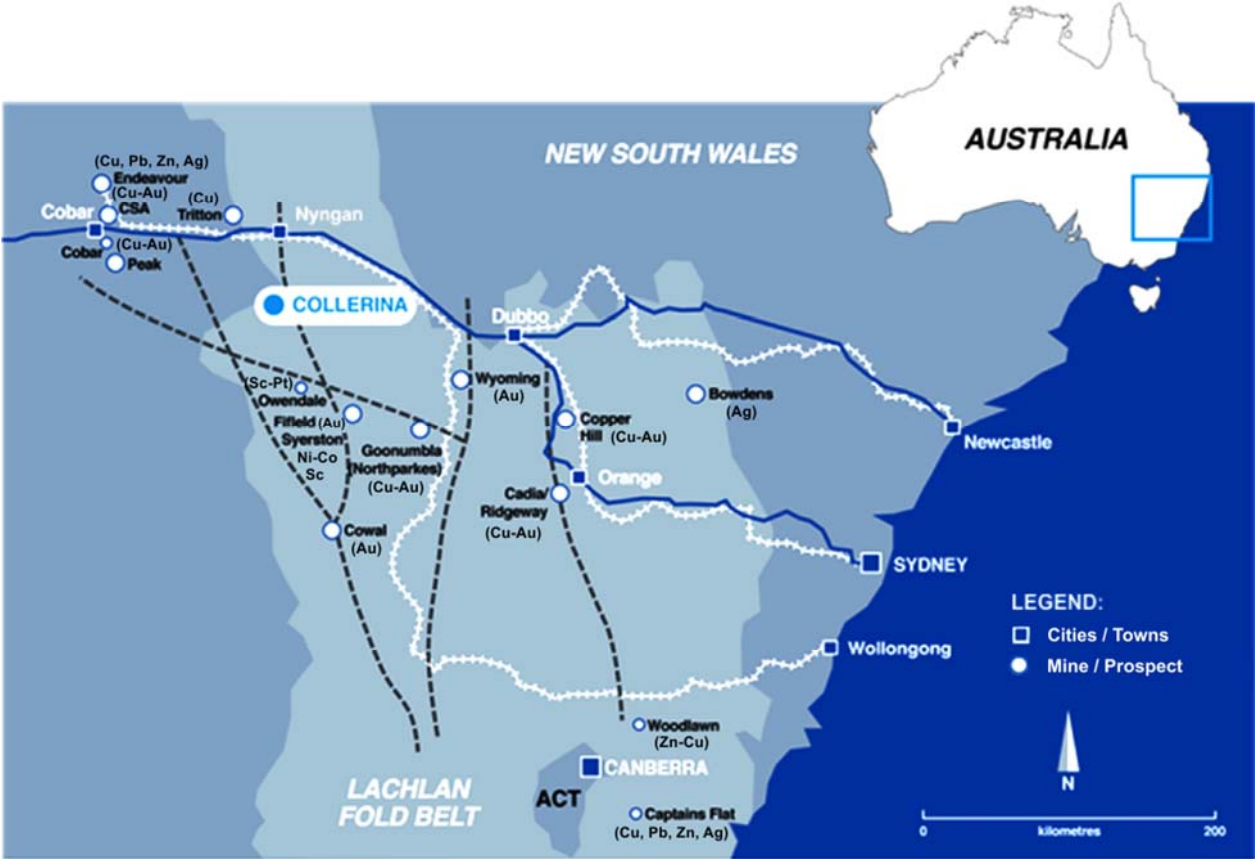
HIGHLIGHTS

- Collerina Cobalt has commenced a 45 hole, 2,700 metre, reverse circulation ('RC') drill program at its 100% Collerina cobalt-nickel-aluminium project.
- The program objectives are to increase the size of the cobalt-nickel resource, identify areas of high grade cobalt and also delineate a potentially high grade aluminium resource.
- Upon completion of the program the Company will progress the Collerina project scoping study, with a particular focus on the recovery of cobalt and nickel, and also aluminium to produce a high purity alumina ('HPA') product.
- The Company has made considerable advances in respect of the Collerina project and looks forward to updating the market in the short term on its progress

Collerina Project Area

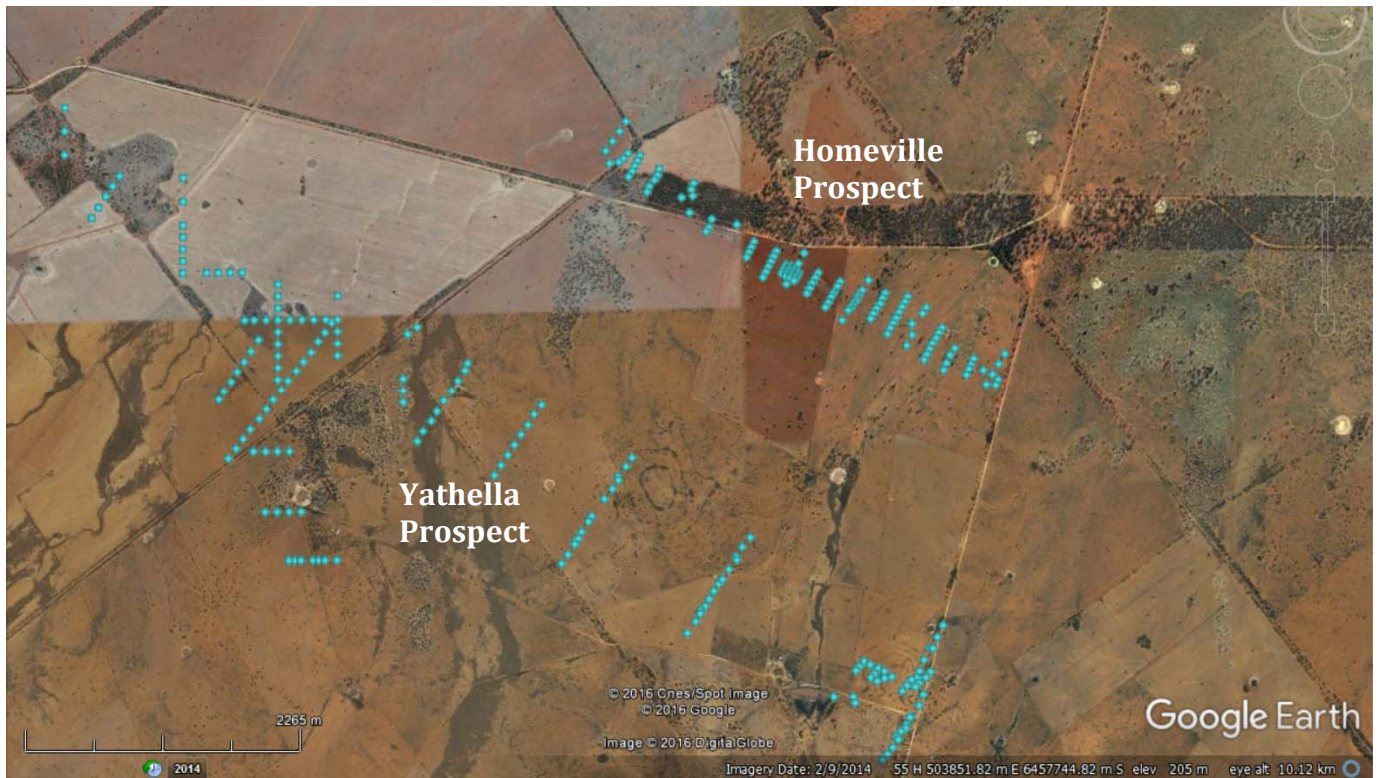
The Collerina project is located 40 kilometres south of Nyngan in the central west of New South Wales and within trucking distance of the main Western railway line of New South Wales which connects to major east coast ports. Access is provided by a series of all-weather secondary roads the closest of which passes adjacent to the main zone of cobalt mineralisation.

The project is situated within the Lachlan Fold Belt, a geological feature that is host to several world-class metal mines including Northparkes, Cadi-Ridgeway and Cobar. It is also host to Clean Teq’s, Syerston project which is a large laterite-hosted nickel-cobalt-scandium deposit currently under feasibility. Syerston is situated approximately 130 kilometres southeast of Collerina and is hosted within similar ultramafic laterite.



Collerina project situated about 40 kilometres south of Nyngan, NSW.

Collerina Drill Program

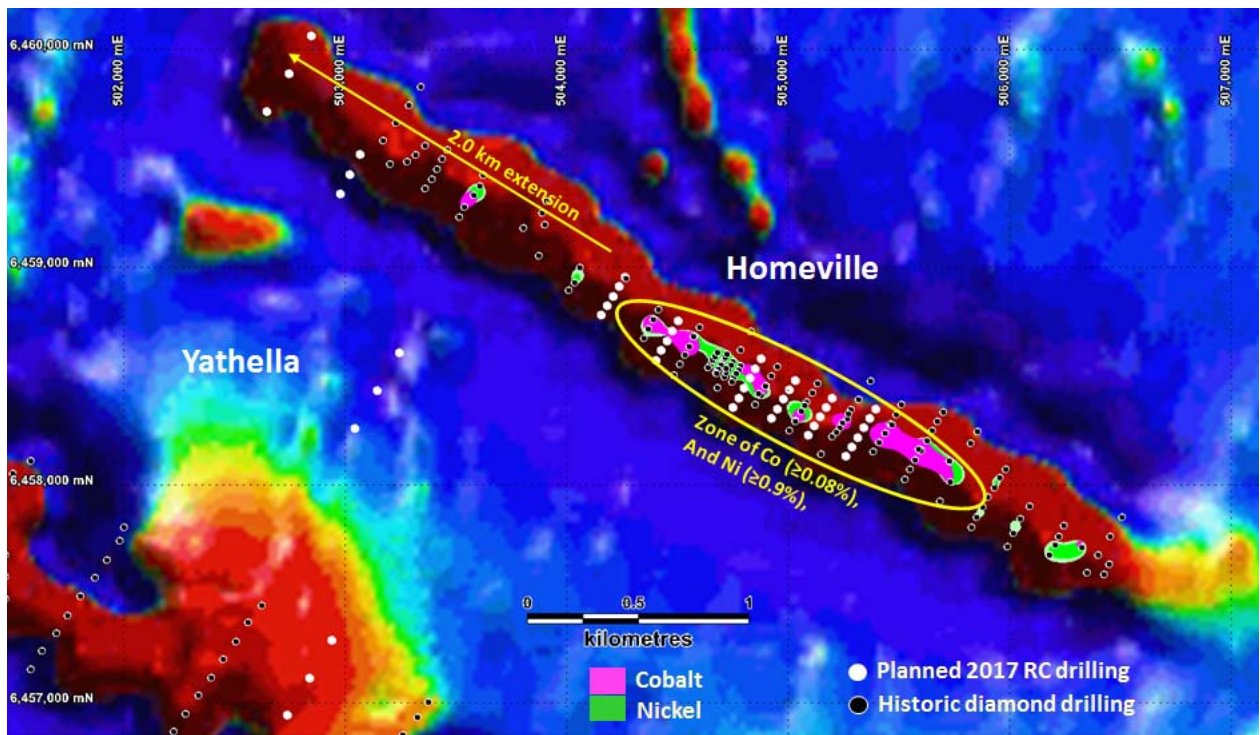


**Location of previous (2008 -2010) drill holes completed in the Collerina project area.
Access is provided by several all-weather secondary roads.**

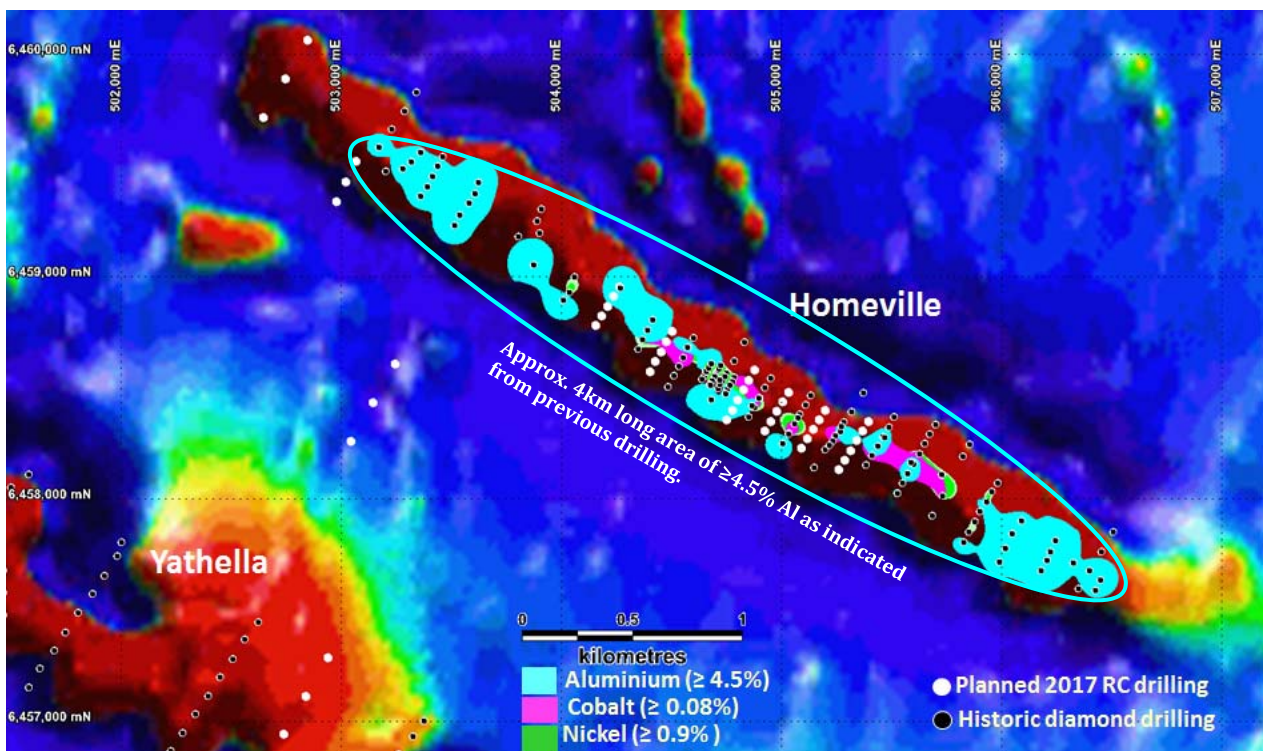
Approximately 2,700 metres of RC drilling is planned within 45 drill holes. Drilling will be completed along 50 to 100 metre spaced intervals along 100 to 500 metre spaced lines. Samples will be composited at 2 metre intervals and submitted to ALS in Orange, NSW for sample preparation and then forwarded to ALS Brisbane for XRF analysis.

39 holes are planned for the Homeville prospect area to confirm continuity of the high cobalt zones intersected by previous drilling and to test for additional high grade cobalt mineralisation. Several holes are also located to test for high grade, cobalt and aluminium within the undrilled northwestern extension of the high magnetic linear at Homeville.

The current JORC compliant resource estimate for the Collerina project contained within the Homeville deposit is 16.3 million tonnes at 0.93% nickel and 0.05% cobalt (at 0.7% nickel cut-off), containing an estimated 151,000 tonnes of nickel and 8,100 tonnes of cobalt (4.4 million tonnes Indicated resource of 0.99% nickel and 0.06% cobalt and 11.9 million tonnes Inferred resource of 0.91% nickel and 0.05% cobalt).



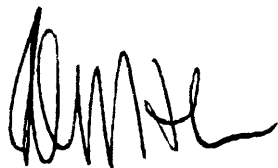
Interpreted magnetic map with locations of previous and planned RC holes. Areas of current defined higher grade cobalt and nickel hosted laterite mineralisation are indicated.



The area of indicated higher grade aluminium (≥4.5%) mineralisation within the Homeville prospect area.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', with a stylized, cursive script.

Peter J. Nightingale

Director

Statement of Compliance

Information regarding the Mineral Resource at the Collierina project was prepared and first disclosed under the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Augur 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.

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