



ASX/Media Release

(ASX: MZN)

19th October 2016

Marindi Metals Ltd
ABN 84 118 522 124

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Australia

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Issued Capital:

1,165m fully paid ordinary shares,
236.8m listed options Ex. 2.0c Expiring
31 December 2016
64m unlisted options Ex. 2.5c Expiring
31 December 2019

UPDATE ON ACQUISITION OF ROX RESOURCES' 49% INTEREST IN THE REWARD ZINC JOINT VENTURE

Key Points:

- Marindi notes the Rox Resources Limited (ASX: RXL; "Rox") announcement dated 19 October 2016 and the assertion that Teck Australia Pty Ltd ("Teck") has on 12 October 2016 exercised its pre-emptive right under the Earn-in and Joint Venture Agreement between Rox and Teck ("JVA")
- Marindi views the development as a strong endorsement by a leading global base metal miner of its strategy to acquire this world-class zinc asset, as well as the robust outlook for the zinc market
- Marindi will continue to advance its 100%-owned Newman Zinc Project in WA and its 100%-owned Caranbirini Zinc Project in the NT, where major new exploration programs are being planned
- In parallel with its zinc strategy, Marindi is also progressing its lithium exploration activities in the Forrestania region of WA where mapping and sampling programs are currently underway
- A maiden drill program is planned to commence at the Gem Pegmatite (located on a granted Mining Lease) in the Forrestania region in mid-to-late November
- Marindi remains well funded to progress both its lithium and zinc strategies.

Marindi Metals Limited (ASX: MZN; "Marindi" or "the Company") advises that it has been informed by Rox that Teck has purported to exercise its pre-emptive right in respect of the Company's proposed acquisition of Rox's 49% interest in the Reward Zinc Project in the Northern Territory. Marindi is seeking legal advice on the validity of the purported pre-emption by Teck and is reserving all of its rights until it has had time to consider its position.

Marindi announced a Binding Heads of Agreement with Rox on 16 August 2016 to acquire its 49% interest in the Reward Joint Venture with Teck.

Under the terms of the JVA, Teck had a pre-emptive right to match Marindi's offer within 60 days of 16 August 2016.

Teck's desire to acquire Rox's 49% stake in the Reward Project is seen as a strong endorsement both of the validity of Marindi's strategy to acquire the asset and of the outstanding long-term outlook for zinc, which has been one of the top performing commodities of 2016.

Teck's actions also highlight the exceptionally strong outlook for Marindi's extensive existing nearby land-holding in the McArthur River Basin of the NT and its advanced Newman Base Metal Project in the Pilbara region of WA – both of which represent attractive zinc exploration and development assets.

Major exploration programs are planned across the Company's base metals exploration portfolio, with exploration also underway at the recently acquired Forrestania Lithium Project.

Update on Zinc Exploration Activities

Newman Base Metal project

Marindi is currently advancing its zinc exploration activities on several fronts, including:

- Moving to acquire 100% of the Prairie deposit having paid \$325,000 in September of the renegotiated final payment of \$650,000 in total;
- The development of a 3D model of the Wolf and Prairie deposits at the Newman Base Metal Project, including a structural geology review and the re-logging of all historical drilling;
- The re-logging of historical drilling at the Wolf and Prairie deposits is progressing well, with 5600m of diamond drill core re-logged and a further 5000m remaining, and 31,000m of RC drilling re-logged to date with 20,000m of RC logging still outstanding;
- A total of 8000m of RC chips have been scanned using the Terra Spec analyser, which detects alteration assemblages and helps identify vectors to mineralisation; and
- Southern Geoscience Consultants has compiled all aeromagnetic data over the Newman Base Metal Project area and completed an interpretation of the recent gravity survey data which highlights anomalies on the Prairie Downs Fault Zone (PDFZ) and several other structural zones for follow-up.

All data will be integrated and reviewed with the results to be used to direct drilling and exploration programs in the coming calendar year.

Northern Territory Zinc Projects

Marindi commenced a 500m by 500m gravity survey over the 100% owned Caranbirini tenement in early October. The survey will take approximately three weeks to complete and this work will be conducted as part of a collaborative program with the CSIRO.

The joint program will see the CSIRO use the newly acquired gravity data and combine it with the Marindi airborne EM data flown some years back. The CSIRO will then conduct geological logging of historical drill holes and undertake geochemical resampling with the resulting data to be combined to produce a 3D model of the host unit to the McArthur River deposit, the Barney Creek Formation, within the Company's tenement.

This work will be delivered within a 6-month timeframe and that will allow Marindi to plan follow-up exploration drilling in the next dry season.

Update on Lithium Exploration Activities

Marindi has recently commenced field exploration activities at its Forrestania Lithium Project in Western Australia.

A field crew has been mobilised to site to commence mapping and sampling of the **Gem Pegmatite**, located within the centrally located Mt Hope Mining Lease (ML 77/549), which Marindi recently secured under an option and joint venture agreement with a private mining group.

The Mt Hope Mining Lease is located in the heart of Australia's newest emerging lithium district, where Marindi has established a commanding 850 square kilometre exploration portfolio (see ASX Announcement – 17 May 2016)

and where recent drilling by Kidman Resources (ASX: KDR) has identified a globally significant new lithium discovery on its Mt Holland Project.

The mapping is nearly complete and the Company is on track to submit a program of work (POW) to the Department of Mines and Petroleum for permission to commence drilling in late November. Work completed so far has included orientation soil sampling and hand-held XRF surveying.

The initial data indicates a strong tantalum response over the Giant Pegmatite. This information will also be useful to help determine areas for follow-up on Marindi's surrounding 850 square kilometre tenement holding.

Marindi hereby requests the lifting of the suspension of the company's securities immediately

Joe Treacy
Managing Director and CEO

Investor Inquiries

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Competent Persons Statement

Information in this release that relates to Exploration Results is based on information prepared by Mr Joseph Treacy a Member of the Australasian Institution of Mining and Metallurgy and the Australian Institute of Geoscientists Mt Treacy is the Managing Director of Marindi Metals Ltd, a full time employee and shareholder. Mr Treacy has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities 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 Treacy consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.