



ASX/Media Release

(ASX: MZN)

9 December 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

ZINC EXPLORATION UPDATE

Marindi Metals Ltd (ASX:MZN) is pleased to update the market on its zinc exploration programs at the Newman base metal project in Western Australia and the 100% owned Caranbirini project and the Yalco joint venture, with Teck Australia Limited, in the Northern Territory.

Newman Base Metal Project

Due to mine shutdowns and production shortages over the past 12 months, the global zinc price has increased substantially from US\$1550 per tonne in December 2015 to current levels around US\$2700 per tonne. Recent analyst commentary has also indicated the potential for further zinc price improvement over the next few years. In light of strong prevailing prices and the encouraging market outlook, Marindi considers it prudent to re-examine the economics of the Prairie deposit.

Prairie Deposit – Indicated and Inferred Resource of 3mt at 5% Zn, 1.6% Pb and 15g/t, including an Indicated Resource of 1.24Mt at 6.4% Zn, 1.7% Pb and 21g/t Ag (see ASX Release 25 May 2015).

Prior to Marindi's ownership, approximately \$16 million was expended on the Newman Base Metal Project in the period 2006 - 2008¹. During this period, the Prairie Downs deposit was the subject of a feasibility study, however the Global Financial Crisis and falling metal prices meant the study was never completed. Marindi retains the benefit of the data generated from the substantial geological, metallurgical and other work that was undertaken at this time.

Subsequent to this work, Marindi updated the independent ore resource estimation to comply with JORC 2012 standard and completed a review of the structural setting of the mineralisation at both Wolf and Prairie Downs deposits². A major drill hole re-logging exercise is nearly complete and this data,

¹ Refer ASX release dated 25 May 2015

² Refer ASX release dated 25 May 2015

along with geophysical and geochemical data, is being interpreted to produce a 3D model of the two deposits to be used in mining studies.

Marindi considers it can complete a scoping study on the economics of mining the Prairie Downs deposit in a relatively short time frame.

Wolf

The Wolf prospect is located approximately 3km north west of the Prairie Deposit, and has been a primary focus of Marindi's attention due to the identification of a very large accumulation of zinc metal, primarily in the form of the zinc chlorite mineral baileychlore.

Metallurgical test work on the zinc chlorite mineral baileychlore is ongoing, and is being managed by Core Resources. Core Resources is Brisbane based specialty process and resource consultancy business with specific experience in zinc oxides. Beneficiation test work, including heavy media separation and flotation test work has begun and results are expected in the next quarter. The baileychlore mineralisation has been identified over a distance of 1.75km and occurs in zones up to 400m in width. The results of the metallurgical program have the potential to impact significantly on the economics of the project.

Northern Territory Projects

Caranbirini Project (Marindi 100%)

Marindi, in collaboration with the CSIRO, has completed a detailed ground based gravity survey over the project area, located 5km from McArthur River in the Northern Territory. The data is currently being processed and interpreted with results due in the first quarter of calendar 2017. In addition, the airborne electromagnetic Induction (EM) survey completed by Marindi in 2010 has been reprocessed using CSIRO expertise and modelling algorithms. This information, along with geochemical and geological data collected by the CSIRO, will be used to generate a 3D model of the Barney Creek formation, the mineralised formation which hosts the MacArthur River and Teena lead-zinc deposits. This model will be used to target exploration drilling in the coming field season.

Yalco (Teck Australia earning 70%)

In the past 12 months, approximately \$1.3million has been spent on the Yalco joint venture project, located 10 km north of McArthur River in the Northern Territory. Several high-quality targets have been identified and an application to the Northern Territory Geological Survey (NTGS) for co-funding has been submitted. If successful, the drilling will be undertaken in the coming field season.

Corporate

As previously disclosed on the 30th November 2016 Marindi was required to file its Statement of Claim by the 8th December. The date for filing the Statement of Claim has now been set at 13th December by mutual agreement.

Joe Treacy
Managing Director and CEO

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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.

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