MARINDI METALS LTD

ASX/Media Release

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Issued Capital:

1,327m fully paid ordinary shares,
64m unlisted options Ex. 2.5c Expiring 31 December 2019

DRILLING COMMENCES AT NEWMAN BASE METAL PROJECT

HIGHLIGHTS

- Major drill program underway with up to 10,000m planned
- Significant soil anomaly and gossanous material of up to 54.3% Pb, 0.2% Cu, 543g/t Ag and 0.27g/t Au at Husky South to be tested
- Significant soil anomaly and gossanous material of up to 5.6% Pb, 1180ppm Zn, 700ppm Cu, 55g/t Ag, 105ppm Sb, 0.24% V2O5 at Husky to also be tested

Marindi Metals Limited ("Marindi", ASX: MZN) are pleased to advise that reverse circulation (RC) exploration drilling has commenced at the Newman base metal project, located 60km west of the town of Newman in the Pilbara, Western Australia.

The drill program will be divided into two parts. Stage1 will test the Prairie Downs Fault Zone ("PDFZ") north west of the Prairie deposit and Stage 2 will focus on the south east portion of the PDFZ. It is expected that drilling will continue into early December and the program will range between 6000m-10000m of RC drilling, dependent on results.

The drilling has been designed to test for zinc-lead-silver mineralisation along 23km of the prospective Prairie Downs Fault Zone, (PDFZ). Initial drilling will be focused north west of the Prairie Deposit (3mt @ 5% Zn, 2% Pb and 15g/t Ag) and the Wolf Zn-Pb-V prospect (see figure 1).

No drilling has previously been undertaken on the PDFZ along strike of the Wolf prospect and Marindi will be testing 8km of this structure. Detailed soil sampling has outlined several strong targets and these will be the subject of close spaced drilling. In those areas where soil sampling was ineffective, Marindi will test the PDFZ by drilling fence lines of overlapping RC holes on lines

spaced approximately 1 km apart. Two of the better anomalies are discussed in more detail below.

Husky South

Follow up soil sampling at the newly discovered Husky South prospect (ASX release 23rd August 2017) has more than doubled the strike length of the lead anomalism to 1.6km, as shown on Figure 2. The anomaly is masked in several places by surficial cover but where residual soil samples have been obtained, lead values can reach 1100ppm. Husky South is located 6km north west of the Prairie Deposit on the same structure, it has similar structural setting occurring in a flexure in the PDFZ and like Prairie on the northern side of the PDFZ it has mineralised epithermal quartz veining in the Fortescue age basalt, including rock chips up to **54.3% Pb, 0.2% Cu, 543g/t Ag and 0.27g/t Au** from MZN03245. The Prairie Deposit has a similar geochemical response but the anomaly has a strike length of 600m versus 1.6 Km at Husky South.

Husky

The other high priority geochemical target is Husky which hosts a large alteration system with common sheeted epithermal quartz veins and has anomalous Zn, Pb, As, Sb, Sn and V geochemistry in soils or basement sampling. The soil sampling program shows a large weak Pb anomaly 1400m long by 600m wide, with a highly elevated Pb zone focused around a structure that has been dragged into the PDFZ and is evidence of considerable structural complexity, as shown on Figure 3. Most of the structure is under cover but exposed portions have highly anomalous geochemistry with Pb values of up to 1800ppm in soils and 5.6% Pb in gossan rock chips (MZN03249 5.6% Pb, 1180ppm Zn, 700ppm Cu, 55g/t Ag, 105ppm Sb, 0.24% V2O5).

The first results from the drilling program are expected to be received in approximately 4 weeks.

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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.

Table 1 – Rock Chips

Sample ID	Easting	Northing	Cu %	Pb %	Zn %	Au g/t	Ag g/t	V2O5 %
MZN03245	728184	7378296	0.2	54.3	0	0.27	543	0
MZN03246	728071	7378299	0.4	0.1	0.4	0	2	0
MZN03247	727239	7378749	0	0.1	0	0	0	0.1
MZN03248	727223	7378753	0.1	0.2	0.1	0	4	0.2
MZN03249	727251	7378786	0.1	5.6	0.1	0	55	0.2
MZN03250	727213	7378692	0	0.3	0	0	0	0.1

Figure 1 – Newman Project Proposed Drilling

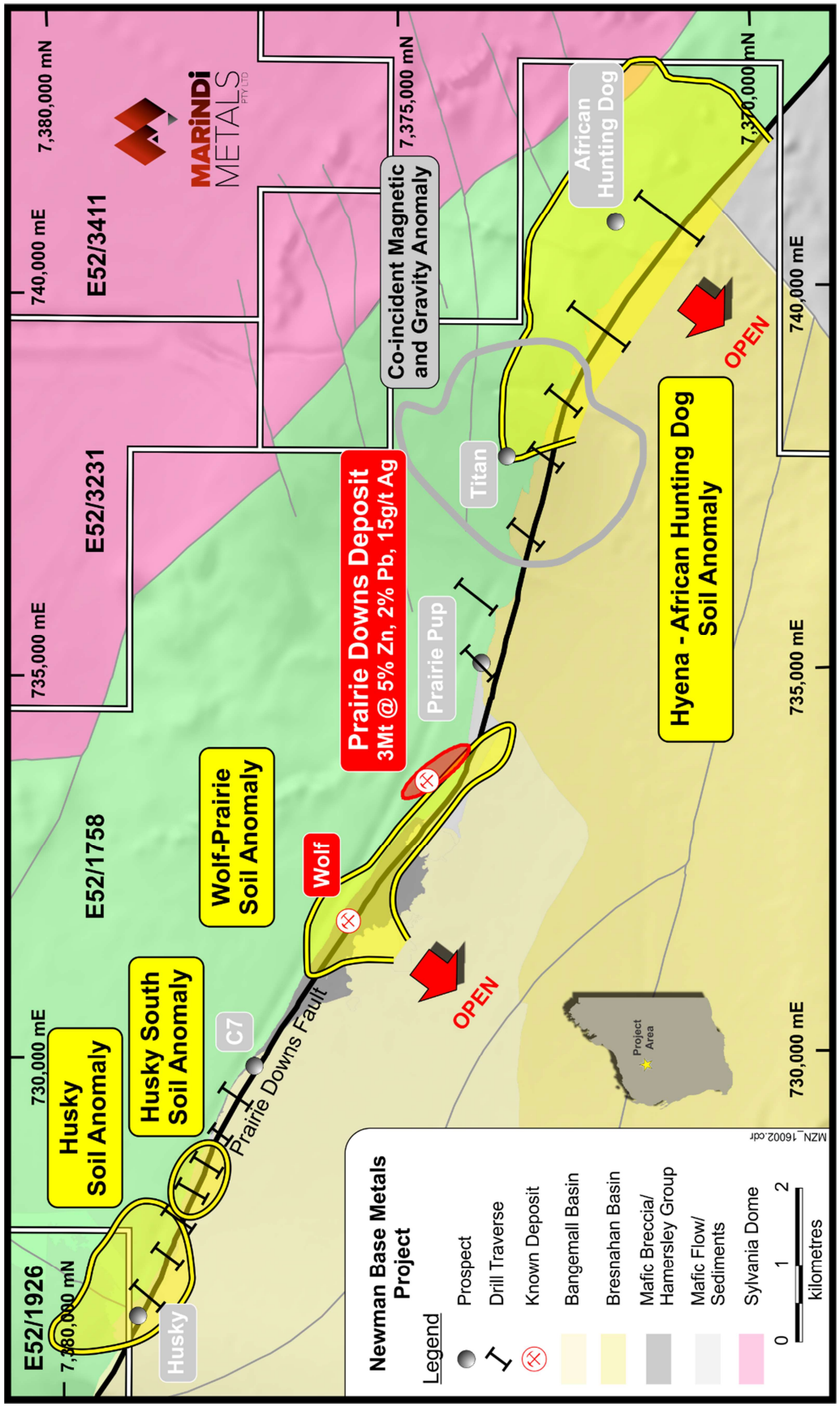


Figure 2 –Husky Prospect

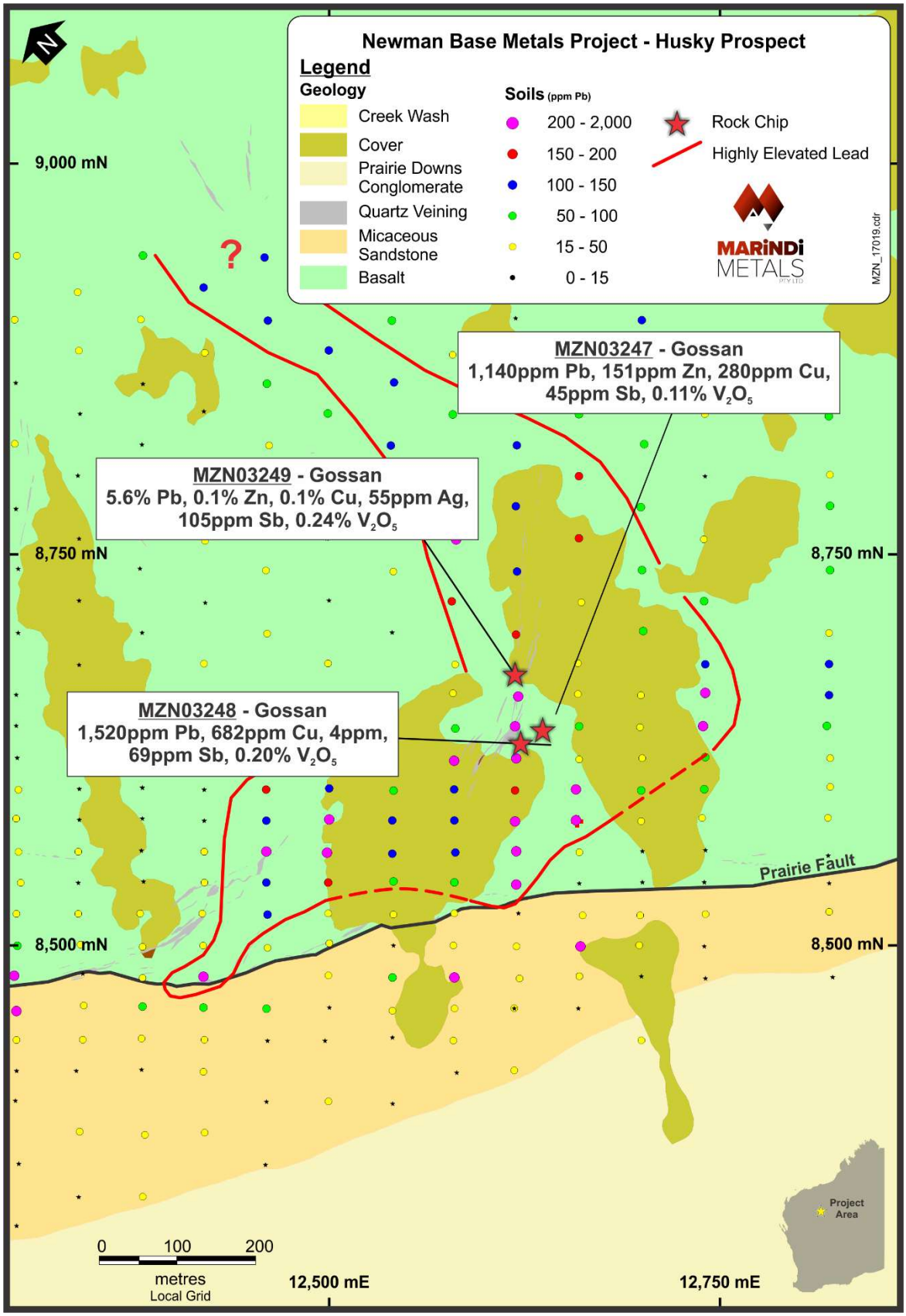
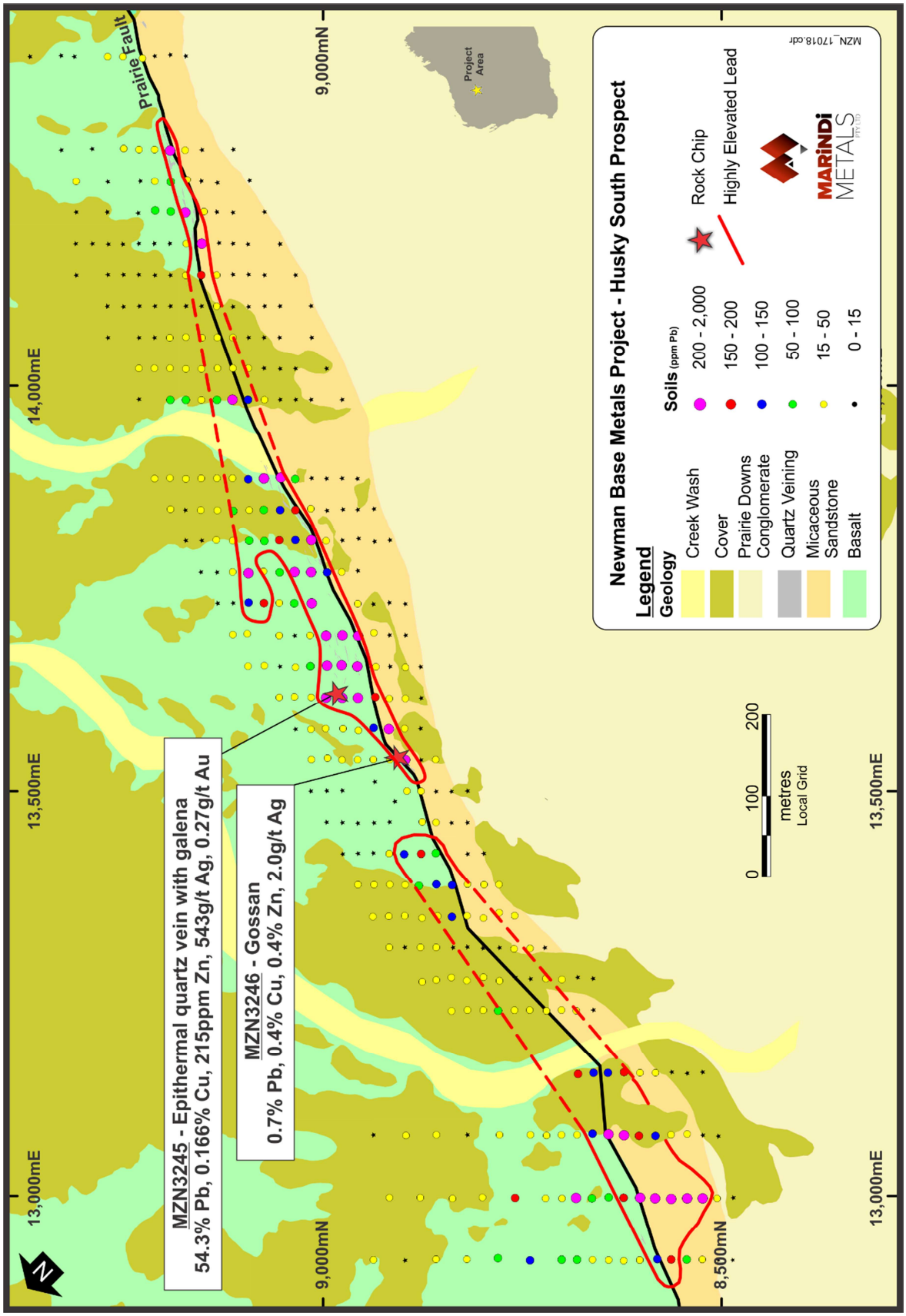


Figure 3 – Husky South Prospect



Appendix 1 – JORC TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Soil samples are located using a hand held GPS. Sites are cleaned of organic matter. A pit is dug down to 10cm and a sample is put through a 0.4mm Sieve. Approximately 30g of the sieved sample is collected and wrapped in gladwrap. • Duplicates are taken every 20m. To assess the soil geochemistry repeatability and the XRF analytical repeatability. • Rock Chips are taken using a rock hammer. A representative sample is obtained from each sample site and placed into a calico bag with a sample ticket.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	N/A to this release

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A to this release
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged.*	• The topographical setting is recorded for each soil sample, eg "steep slope facing East". • Rock chip and outcrop descriptions are recorded for each sample.
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples are located using a hand held GPS. Sites are cleaned of organic matter. A pit is dug down to 10cm and a sample is put through a 0.4mm Sieve. Approximately 30g of the sieved sample is collected and wrapped in gladwrap. • An orientation survey over a mineralised horizon was completed prior to deciding the appropriate fraction size to assess for a base metal suite. A 0.4mm Sieve is a fine fraction and is considered appropriate for base metal soil sampling at Prairie Downs Fault. • Duplicates are taken every 20m. To assess the soil geochemistry repeatability and the XRF analytical repeatability.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Soil samples were analysed using a hand held Niton XRF model XL3t. The XRF is supported in a mobile test stand to aid analysis. 4 standards with varying base metal grades including a blank is assayed at the beginning and end of each batch to ensure accuracy of the Niton. Samples are assayed through glad wrap to ensure minimal disturbance of the X-rays. This method is appropriate for identifying geochemical signatures of base metal systems. • Rock chips are analysed via a 4-acid digest with an ICPAES finish. This method is considered a total analysis of the sample and appropriate for base metal mineralisation. Samples were also analysed for ore grade Au using a 30g FA AA with AAS finish. The analysis is completed by an industry leading laboratory. Each batch of samples analysed has several standards, blanks and duplicates included. • Samples with Lead grades greater than 40% were reassayed using a high grade Pb – four acid digest with ICP-AES finish
Quality of assay data and laboratory tests (Cont'd)	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Niton XRF quality control is monitored by the assessment of 4 standards with varying base metal quantities including a blank. The standards are assayed at the beginning and end of each batch to ensure accuracy of the Niton. Duplicates are also assayed every 20th sample.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Anomalies have been verified by Marindi personal and contract professionals. • All data is recorded on paper and then entered into a database. Data is then checked before being moved into a primary database. Data is backed up on a remote server in two locations. • No adjustment to assay data has occurred.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Soil sample sites and rock chips are located using a Garmin hand held GPS. Locations are averaged for a minimum of 15 GPS readings. Accuracy is assumed to be within +- 4m. Sites are measured in GDA94, MGA Zone 50.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The Husky South soil survey was a 20m x 40m grid. Soil sample spacing is defined by geological criteria and is regarded as appropriate to determine the extents of base metal geochemical anomalies. Spacing is shown by the accompanying figure.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No orientation based sampling bias has occurred.
Sample security	• *The measures taken to ensure sample security.*	• Appropriate security measures are taken to dispatch samples to the laboratory. Chain of custody of samples are managed by Marinid Metals. Samples are stored onsite and transported to the laboratory by a licence transport company. The laboratory issues a receipt and a reconciliation of delivered samples against the laboratory analysis submission form from Marindi Metals.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Marindi Metals have not completed any external audits or reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Prairie Downs Project comprises two current Exploration Licences located on vacant crown land. The tenements are E52/1926, registered under Marindi Operations PTY LTD and E52/1758 registered under the name of Marindi Operations PTY LTD. A 2.5% net royalty to Prairie Downs Metals exits over both tenements. • The tenement does not host any historic sites, wilderness or national parks. The tenement is located in the Ngarlawagga peoples land. All land clearing completed to perform exploration drilling was approved via a heritage survey. • The tenement is in good standing and there are no impediments to obtaining a licence to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Numerous exploration companies have conducted exploration at Wolf and surrounding areas over a number of years. Significant exploration results have been summarised in a release on 25 May 2015 which includes a JORC Table 1. • A large amount of historic data is available to Marindi Metals and appraisal of data is continuing.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Wolf prospect is located on the Prairie Downs Fault. The fault loosely marks the contact between the Fortescue group and the Bresnahan group and host high grade zinc and lead mineralisation. Zinc and lead sulphide mineralisation at Wolf is hosted in high level epithermal quartz veining within the Prairie Downs Fault package. The zinc and lead bearing veins are located within a very large zinc alteration halo suggesting the Prairie Downs fault has been a highly active conduit for metal bearing fluids.

Criteria	JORC Code Explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole o down hole length and interception depth* o *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• N/A to this release
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A to this release
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• N/A to this release

Criteria	JORC Code Explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps with scale are included within the body of the accompanying document.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to represent a balanced report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other exploration data collected is not considered as material to this document at this stage. Further data collection will be reviewed and reported when considered material.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Marindi advise that structural and geochemical assessment of the tenements is on going.