

26th November 2018

Marindi expands potential of Great Southern Gold Prospect at Southern Forrestania after defining extensions to historical mines with grades of up to 19.5g/t

Successful geophysics program outlines numerous walk-up drill targets including multiple parallel structures

Key Points:

- **Historical mines located on Marindi's tenement produced parcels of ore with gold grades of up to 19.5g/t and vein grades of up to 50g/t (see MZN announcement 15th October 2018).**
- **Mine records list gold-bearing structures as open along strike and at depth when closed in the mid 1980's.**
- **Low-cost geophysical method employed by Marindi has highlighted sub-surface geology, including structural extensions to the historical Great Southern and Commonwealth mines.**
- **Multiple "walk-up" drill targets defined.**

Marindi Metals Limited (ASX: MZN) has made a strong start to its Forrestania gold exploration campaign with a highly successful ground-based geophysical survey across its newly-acquired Great Southern gold prospect defining significant extensions to historical high-grade gold mines.

Marindi acquired the Great Southern Project last month as a strategic addition to its Southern Forrestania Greenstone Belt gold-lithium project (see announcement 15th October 2018) and has moved quickly to commence low-cost exploration activities following its recent capital raising.

A Sub-Audio Magnetic (SAM) survey, which was selected as the optimal geophysical exploration technique, successfully penetrated the shallow cover of the region and confirmed the presence of significant structural extensions to the historical former gold mines, as well as defining multiple parallel structural targets across the surrounding area which represent immediate high-priority drill targets.

The survey also highlighted the underlying geology, including the presence of highly-prospective sheared greenstone rocks across the north-western half of the target area and several east-west dolerite intrusive units cross-cutting the area.

"The Great Southern prospect has never been subjected to modern exploration techniques, let alone a state-of-the-art geophysical survey, and this very high-resolution work has immediately confirmed our initial belief that the two historical gold mines at this prospect were just part of a much larger gold system," said Marindi's Managing Director, Simon Lawson.

"The presence of highly foliated north-west trending greenstone rocks at shallow depth across the north-western half of the survey area with the same strike as the gold-bearing vein sets mined at the nearby Great Southern and Commonwealth mines, indicates that the Great Southern prospect area sits astride a previously unrecognised but very favourable granite/greenstone contact zone and within a north-west trending sheared structural system with proven gold mineralisation," he said.

Southern Geoscience Consultants (SGC) were consulted to advise on the best and most cost-effective method of penetrating the shallow transported cover of the region.

Principal Geophysicist Anne Tomlinson recommended the SAM method and GAP Geophysics were contracted to undertake the survey, which was completed with initial results delivered within two weeks.

“The results have exceeded our expectations and significantly advanced our understanding of this new project area,” Mr Lawson said. “Importantly, this work has confirmed the presence of structural extensions to the high-grade Great Southern and Commonwealth mines while at the same time de-risking and defining these standout high-priority drill targets.”

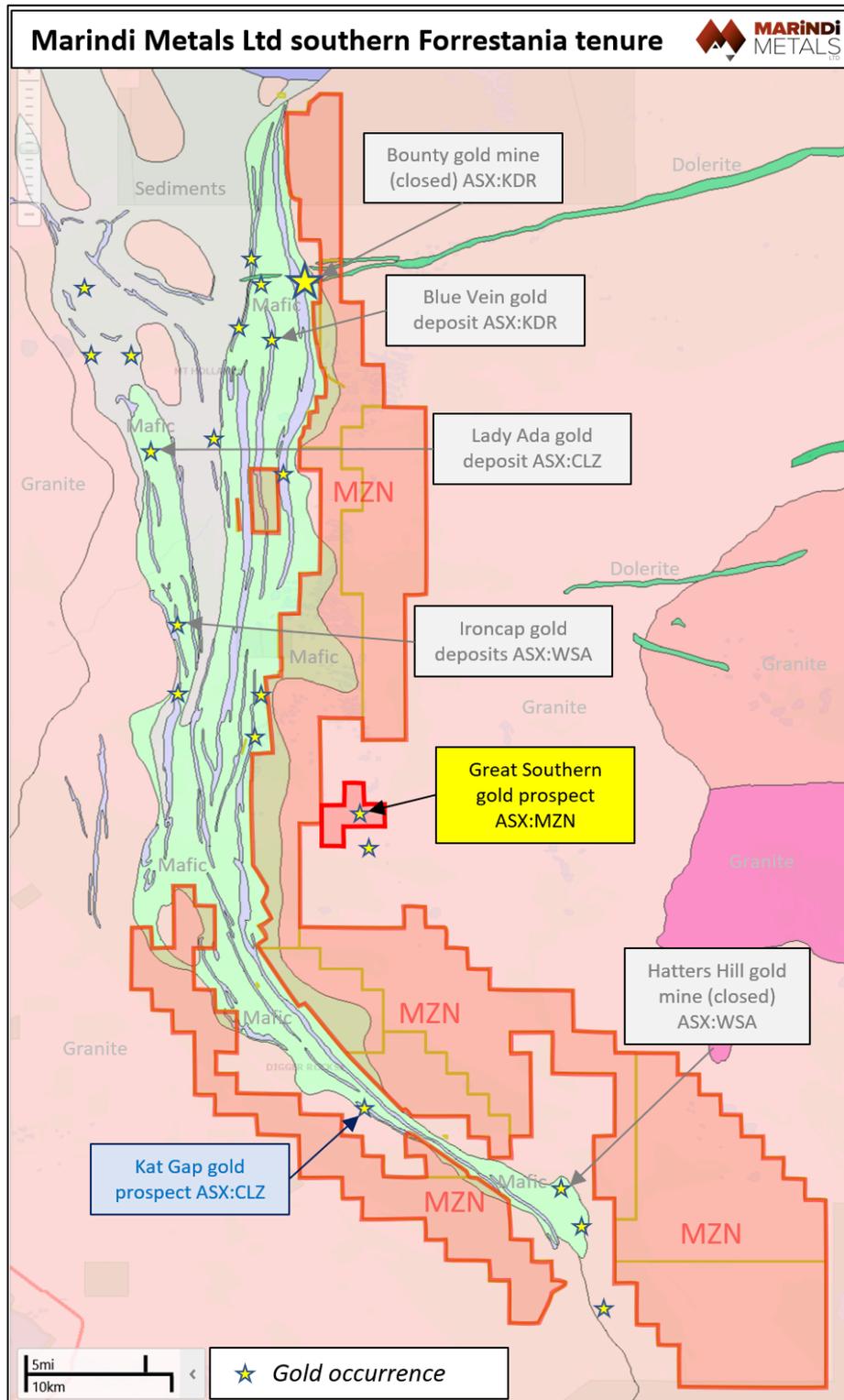


Figure 1. Southern Forresteria greenstone belt, location of Great Southern prospect on E77/2313 and other 100% Marindi tenements.

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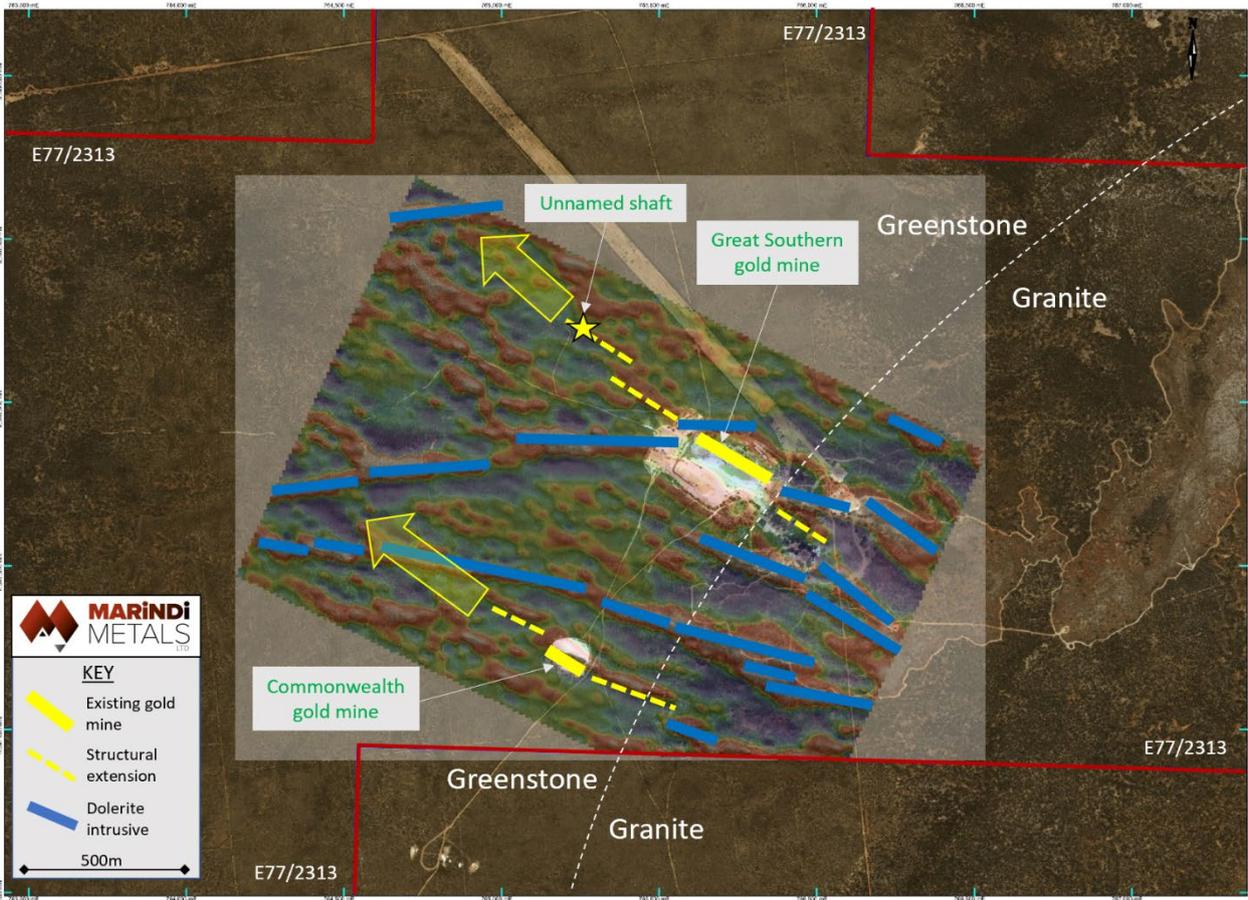


Figure 2. MMC 1VD image overlaid on E77/2313 illustrating location of existing historical workings and identified structural extensions.

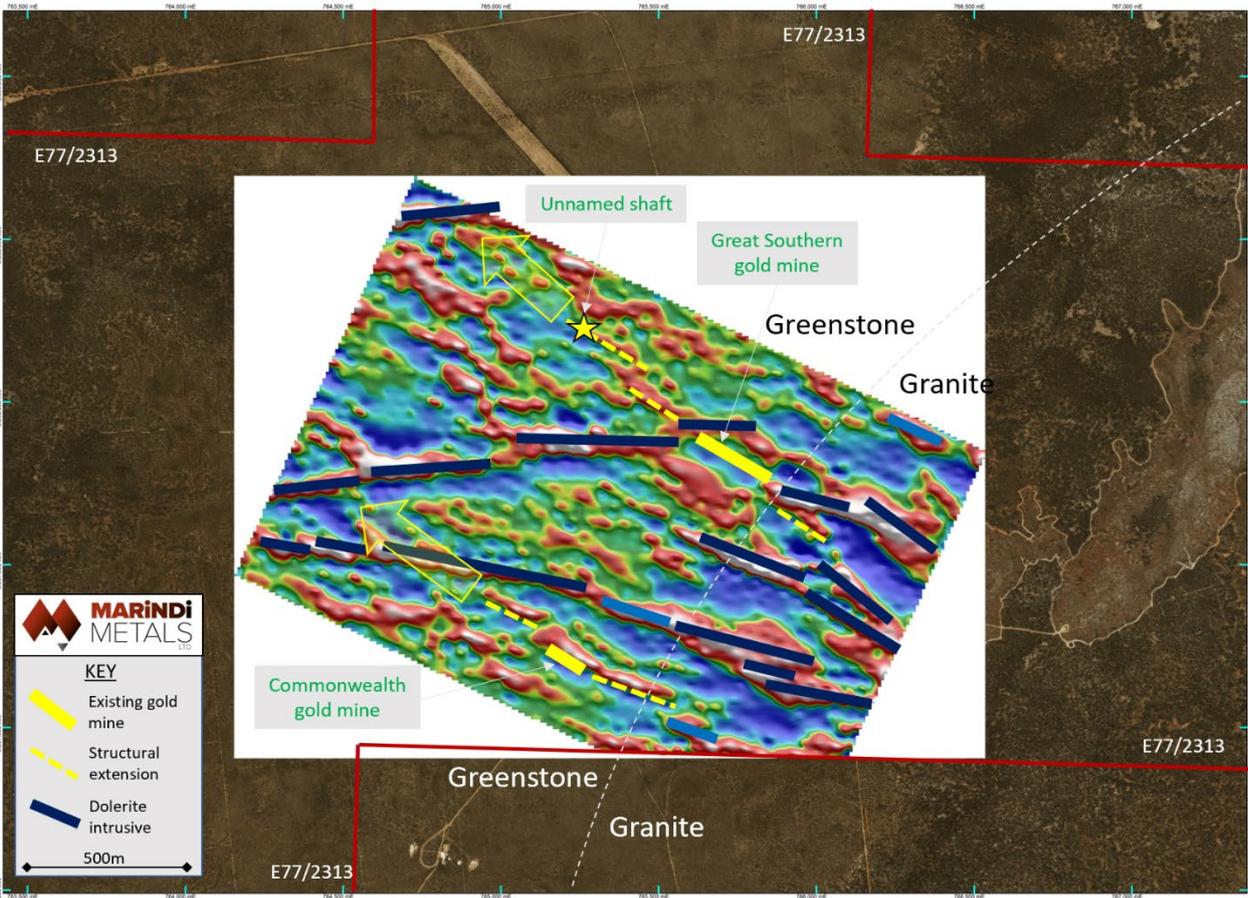


Figure 3. Solid MMC 1VD image illustrating location of existing historical workings and identified structural extensions.

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The Company is also pleased to advise that it has discovered a large set of previously unreported historical exploration data and assay results for the Great Southern Prospect, including more than 12,000 auger drill-hole results, over 150 RC drill-holes and hundreds of sections and maps covering the Great Southern prospect and other areas across the wider 100% Marindi-owned Southern Forresteria package.

Marindi's geologists are currently evaluating these datasets to understand the potential benefit to Marindi shareholders. The Company will provide a full update on this process as more information comes to hand.

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Competent Persons Statement

Information in this release that relates to Exploration Results is based on information prepared by Mr Simon Lawson a Member of the Australasian Institution of Mining and Metallurgy and the Australian Institute of Geoscientists Mr Lawson is the Managing Director of Marindi Metals Ltd, a full-time employee and shareholder. Mr Lawson 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 Lawson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No sampling being reported.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> No drilling being reported.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drilling being reported.

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Criteria	JORC Code Explanation	Commentary
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No logging being reported.
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No sub-sampling being reported.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> No assaying being reported. Sub-Audio Magnetics (SAM) Magnetometric Conductivity (MMC) survey conducted. Current source – Galvanic. Dipole length – 3.36km. Roving Magnetometer Instrument - Gap Geophysics TM-7B SAM receiver. <ul style="list-style-type: none"> Sensor – Geometrics G-822 Cs vapour. Software – SAMui v18. Sample rate - 2400 Hz. Components – Total B-field. Powerline frequency – 50 Hz. Magnetometer base station – Gap Geophysics TM-7B SAM receiver. <ul style="list-style-type: none"> Sample rate – 1200 Hz. Sample resolution – 0.01 nT. Data processing <ul style="list-style-type: none"> TMI sample interval – 0.30m after stacking. TFMMC sample interval – 2.0m after stacking. TFEM sample interval – 5m after stacking. Gridding – minimum curvature. Cell size – 10m TFMMC/TFEM filtering – combination of non-linear and low-pass filtering. TMI filtering – Diurnal corrections applied. Magnetic inclination - -65.68 degrees. Magnetic declination – 2.31 degrees. Transmitter system <ul style="list-style-type: none"> Transmitter - GeoPak HPTX-70 (702) Controller – Internal

		<ul style="list-style-type: none">• Timing – GPS synchronisation• Current – G01: 45A• Transmit frequency – 6.25 Hz• Duty cycle – 50%• Ramp time – 0.4 ms <p>Operator comments</p> <ul style="list-style-type: none">• No significant cultural noise was evident in the data.• The acquired data were considered of very high quality.• The survey benefitted from very high transmitted currents (45A).
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Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No drilling being reported.
Location of data points	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sub-Audio Magnetic survey used a nominal line spacing of 50m. • Survey control for the geophysical survey was provided by an AG114 GPS using Differential – VBS corrections with a sample rate of 1Hz. • Grid system GDA94 Zone 50.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Sub-Audio Magnetic survey used a nominal line spacing of 50m.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Sub-Audio Magnetic survey used a nominal line spacing of 50m. • Survey line orientation @ 23.4 degrees.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • No samples being reported.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No samples being reported.

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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	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • E77/2313 was acquired by Marindi Metals Limited from Bar None Exploration Pty Ltd in October 2018. • The native title interests are represented by SWALSC on behalf of the Ballardong Agreement Group
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • A large amount of historic data is available to Marindi Metals and appraisal of data is continuing. • Historic drilling and mine records relating to E77/2313 is sourced from public records located in the WAMEX system, notably reports numbered, a23038, a31560, a065862, a096815 and a104810
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • As described in this document
Drill hole Information	<ul style="list-style-type: none"> • <i>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:</i> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole or down hole length and interception depth</i> • <i>hole length.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • No drilling being reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • No drilling being reported.
Diagrams	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Appropriate maps with scale are included within the body of the accompanying document.
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The accompanying document is considered to represent a balanced report.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale stepout drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further exploration is planned once all data has been assessed. • Further geophysical surveys of this kind are planned for other priority areas due to the low cost and highly successful outcome of this initial survey.

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