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The Manager Companies
ASX Limited
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(2 pages by email)

HPA PROJECT UPDATE

- **The 'HPA First' PFS engineering studies are now well advanced**
- **New premises identified for the DFS pilot plant and orders placed for long lead pilot plant items**
- **Preliminary Environmental Assessment (PEA) commenced**

Collerina Cobalt ('the Company') is pleased to provide an update to the Company's strategy of fast tracking High Purity Alumina (HPA) production using the 'HPA First' Process (refer ASX: 9 July 2018)

Pre-Feasibility Study (PFS) Update

The HPA First PFS has been progressing well and remains on track for delivery in October 2018. Key study milestones achieved include:

- Completion of Block Flow Diagram
- Completion of Process Design Basis & Capacity Basis
- Completion of Process Flow Diagrams
- Indicative Plant Layout & 3D models
- Operating cost estimate issued for internal review

Following the first successful solvent extraction (SX) mini-rig run and HPA production, a number of process refinements have been made for the second, larger mini-rig run. The second mini-rig run will be operated within the new secure premises (see below) and due to be run in September.

DFS Pilot Planning

The Company has now identified a dedicated, secure premises to complete the second mini-rig run as well as to house the pilot plant for the Definitive Feasibility Study (DFS).

A complete pilot plant equipment list has been generated and key long lead items ordered. The Company expects to transition into DFS piloting immediately on completion of the PFS study.

Preliminary Environmental Assessment (PEA)

Consistent with Company's strategy to fast-track to HPA production, the Company has engaged permitting consultants AECOM and work has now commenced on the PEA, being the first step in the NSW permitting process. The PEA will be prepared on the basis of a production facility based in Newcastle, NSW, and is expected to be completed and submitted before the end of calendar 2018. The Company has also commenced discussions with third parties with a view to securing a commercial production site in Newcastle.

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About the 'HPA First' Process

The **HPA First** Process is the application of the Company's proprietary licenced solvent extraction (SX) and refining technology to produce High Purity Alumina (HPA) from an industrial feedstock.

HPA First was adopted in July 2018 as a major advance on the previous process flowsheet, which used a feedstock generated from the acid-leaching of laterite mineralisation from the Collerina Ni-Co-Sc Project, in central NSW.

The Company considers the HPA First Process a dramatically improved business case on the basis: of:

- The HPA First process delivers HPA, the dominant project revenue product, using a simplified process;
- the industrial feedstock delivers an aluminium tenor at multiples higher than the previous flowsheet;
- a far simpler process flowsheet which does not require the development of a mining operation or associated acid plant, leach vessels, filtration, neutralisation circuits or tailings facilities;
- a significant reduction in process plant equipment and vessel sizing;
- significant CapEx reductions;
- significant OpEx reductions;
- the simplification of the process flowsheet substantially de-risks the project, providing a **fast-track** through Definitive Feasibility Study (DFS), permitting, financing, project implementation and operational cash flow; and
- the option is retained to integrate PLS feed from the Collerina Project at a future date, to expand the revenue base into nickel, cobalt and scandium.

The modified Pre-Feasibility Study (PFS), based on the HPA First Process, is due for delivery in October 2018.