COLLERINA
Cobalt Limited
ABN 79 106 879 690

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The Manager Companies
ASX Limited
20 Bridge Street
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(4 pages by email)

COUNTER-CURRENT ATMOSPHERIC LEACHING (CCAL) TESTWORK RETURNS EXCELLENT NICKEL, COBALT AND ALUMINIUM RECOVERIES WITH VERY LOW ACID CONSUMPTION

HIGHLIGHTS

- Overall nickel and cobalt recoveries of **90% and 94%** respectively.
- Aluminium recovery of **66%** well in excess of targeted 50%.
- Low overall acid consumption of **734 kg/tonne of ore**.

The Directors of Collerina Cobalt Limited ('Collerina' or 'the Company') are pleased to announce the final results from testwork carried out on representative samples from the Homeville nickel-cobalt-aluminium deposit within the Collerina tenement (EL6336) covering 150km^2 located 40 kilometres south of Nyngan in central NSW.

Three composite ore samples were supplied and approximately 45 kg of composite feed was prepared by combining these samples. As 100% of the ore samples passed screening at 250 microns, no crushing was deemed necessary.

The assays of the test composite is summarised as follows:

	Al %	Co %	Cr %	Fe %	Mg %	Ni %	Si %
Feed Composite	4.8	0.06	0.8	23.7	6.5	1.0	14.9

Summary of Atmospheric Leach Testwork

Process

The leaching testwork simulated the first and second stages of a CCAL process, using synthetic liquors.

In the first stage, fresh ore is leached in a lower free acid solution, leaching the readily leachable material and producing a pregnant leach solution with relatively low residual acidity. The leach residue solids from the first stage are washed and forwarded to the second stage of leaching in which concentrated sulphuric acid is used and the more tenacious material is leached by the higher concentration of acid. The leach solution from the second stage, with a much higher residual acid concentration, is recycled to the first stage leach as the main acid source.

Leaching Results

Four CCAL tests (two for each stage) were completed. For the first stage 1 test (LT11), ferric and magnesium sulphate were added to adjust the composition of the leach solution to represent the major metal sulphate concentrations in the recycle from stage 2, based on a prediction from the METSIM® model. For the second stage 1 test (LT13) actual filtrate from the first stage 2 test (LT12) was used as recycle liquor. The product liquor (PLS) from the second stage 1 test will be used for aluminium recovery and HPA production testwork.

The first stage leach achieved nickel, cobalt and aluminium extractions of 42%, 63% and 17% respectively. Residual acidity in pregnant leach solution, i.e. the stage 1 discharge solution, was reduced to 22 g/L. It is likely this would be lowered further with additional testing, resulting in lower overall acid consumption. The second stage leach, using fresh concentrated sulphuric acid, extracted a further 83% of the nickel, 84% of the cobalt and 60% of the aluminium remaining in the first stage leach residue.

Overall nickel cobalt, and aluminium extractions were **90%, 94%** and **66%** respectively. After accounting for the acid recycled from stage 2 to stage 1, the overall acid consumption was **734 kg/t ore** which is very low when compared to co-current agitated atmospheric leaching (typically 900-1,000 kg/t ore).

The stage 1 and 2 leach test results are summarised in the following tables:

Stage 1 Leach Results

Test #	Stage Acid Addition (kg/t)	Residual Free Acid g/l	Extractions (%)				
			Ni	Co	Fe	Al	Mg
LT11*	110*	14.3	40.9	57.3	0	14.9	47.5
LT13	123*	21.9	42.2	63.0	0	16.5	49.2
	* Test included synthetic Stage 2 leach recycle solution with added acid, Fe and Mg						

Stage 2 Leach Results

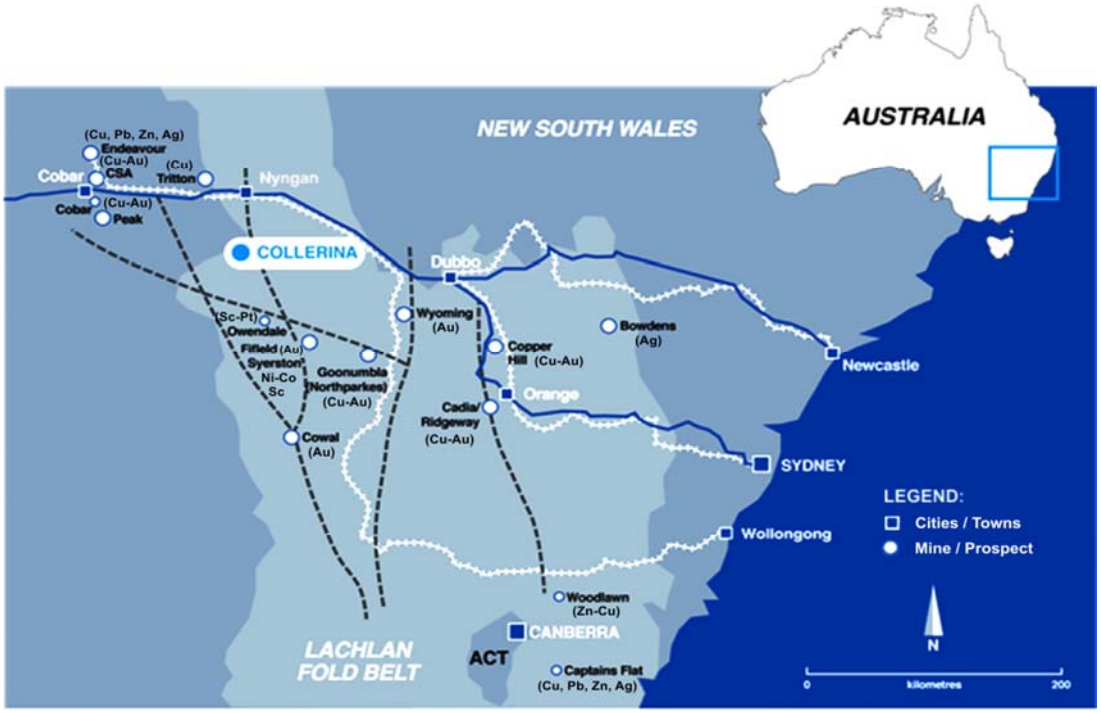
Test #	Stage Acid Addition (kg/t)	Residual Free Acid g/l		Extractions (%)			
			Ni	Co	Fe	Al	Mg
LT12	714	32.0	84.3	86.9	74.9	62.5	54.1
LT14	611	81.0	82.5	84.0	70.6	59.7	55.0

Commenting on the CCAL testwork, Managing Director Justin Werner said "***We are extremely pleased with the excellent recoveries returned from what is our second CCAL testwork program. The fact that these results closely replicate previous results reported in July 2015 demonstrates the ability to consistently achieve good recoveries across differing ore grades***."

"***We are also very pleased with the Aluminium recovery which returned 66%, well above our anticipated recovery of around 50%. We now look forward to updating the market in the coming weeks on the results of the High Purity Alumina (HPA) testwork which is currently being undertaken to produce a marketable 4N (99.99%) high purity Alumina.***"

Collerina Project Location

The Collerina project lies about 40km south of Nyngan in the central and western region of NSW within the Lachlan Fold Belt which hosts a number of world class copper-gold mines including the Cadia, Ridgeway and Northparkes operations. The district also hosts the globally significant Syerston Co-Ni deposit owned by Clean Teq Holdings Limited (ASX: CLQ) which contains a reported 109 million tonnes of 0.10% Co and 0.65% Ni. The deposit is currently under definitive feasibility study.



The mineralisation identified by the Company's current drilling program is spatially associated with the previously announced JORC compliant high grade cobalt and nickel resource of 16.3 million tonnes of 0.93% Ni and 0.05% Co at a 0.7% Ni cut-off grade (4.4 million tonnes Indicated resource of 0.99% Ni and 0.06% Co and 11.9 million tonnes Inferred Resource of 0.91% Ni and 0.05% Co).

For further information, please contact Peter Nightingale on +61 2 9300 3310.

Yours sincerely

Peter J. Nightingale

Director

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Statement of Compliance

Information regarding the Mineral Resource at the Collerina project was prepared and first disclosed under the 2004 Edition of the 'Australasian Code for Reporting of 'Exploration Results, Mineral Resources and Ore Reserves'. See ASX announcement 23 June 2011. It has not been updated since to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that the Company is not aware of any new information or data that materially affects the information and, in the case of the resource estimate, all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources is based on information compiled by Collerina staff and contractors and approved by Mr Michael Corey, PGeo., who is a Member of the Association of Professional Geoscientists of Ontario (APGO) in Canada. Mr Corey is employed by the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Corey has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.