



ASX ANNOUNCEMENT

4 July 2018

ASX:SI6

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ACQUISITION AND EXPLORATION UPDATE

HIGHLIGHTS

- **Option Agreement with Mirrorplex Pty Ltd has been amended:**
 - **Consideration for Phase 1 (to Earn-In an initial 30%) has been modified, including a reduction of 25 million shares (50% reduction of the consideration shares for Phase 1 of the Earn-In); and**
 - **Due diligence period has been extended to 116 days to allow for targeted exploration drilling to commence in July prior to SI6 electing to exercise the Option.**
- **An Environmental Impact Assessment has been completed over the Bonnyvale target area permitting SI6 to commence drilling beneath broad, high-grade lithium mineralisation.**
- **Drilling program to commence in July targeting a minimum of 3 holes. Flexibility to increase drilling scope pending results.**
- **The initial drilling program will be conducted as a first pass to identify if lithium mineralisation continues at depth and will target the Bonnyvale pegmatite where 61 surface rock samples showed lithium mineralisation at levels over 2% Li₂O.**
- **SI6 fully funded to execute drilling program.**
- **New deal structure results in less dilution for shareholders of SI6 to earn-in to Phase 1 whilst maintaining the same exposure. In addition, the extension to the due diligence period allows SI6 to have a better-informed decision prior to exercising the Option under the Option Agreement.**



Figure 1: RC drill rig mobilized to site awaiting drill pad completion

The Board of Six Sigma Metals Limited (“SI6” or the “the Company”) is pleased to announce an amendment to the three-phased staged option agreement with Mirrorplex Pty Ltd (“Mirrorplex”) and the shareholders of Mirrorplex (“Vendors”) (“Option Agreement”), under which the Company can acquire up to an 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium Projects in Zimbabwe (“the Projects”). SI6 and Mirrorplex have also completed an Environmental Impact Assessment (EIA) report and expects to be drilling in July a minimum of 3 holes to assess lithium potential at depth.

The accelerated drilling program will allow SI6 to further assess the lithium potential of the Projects before exercising the Option and committing to Phase 1 of the Option Agreement.

Variation of Option Agreement

SI6, Mirrorplex and the Vendors have agreed to a variation of the Option Agreement (announced on 17 May 2018) to modify the Earn-In Phase 1 consideration to be reduced to 25 million SI6 shares (previously 50 million SI6 shares) and increased by 25 million SI6 options (total 35 million options, previously 10 million options). The terms of the SI6 options have also been amended with an exercise price of 2.5c (previously 3c) and expiry 3 years from issue (no change to expiry).

In addition, SI6, Mirrorplex and the Vendors have agreed to extend the due diligence period on the Projects from 60 days to 116 days. This allows additional time for SI6 to accelerate exploration drilling and further assess lithium potential at depth prior to electing whether or not to exercise the Option.

The exploration funds expended by SI6 during the due diligence period will be included and incorporated into the work program for Phase 1 as valid expenditure by SI6 on the Projects in the event that the Option is exercised.

The Directors of SI6 are pleased with the outcome as it means less dilution for shareholders of SI6 to earn-in to Phase 1 whilst maintaining the same exposure. In addition, the extension to the due diligence period allows SI6 to have a better-informed decision prior to exercising the Option under the Option Agreement.

Initial Drilling Program

The Company has completed an EIA report for the Bonnyvale target area which provides the Company with the access and authority to commence drilling. Bonnyvale is considered a high priority lithium target at Shamva.

The initial **drilling program** will be conducted as a first pass to identify if lithium mineralisation continues at depth and will target the Bonnyvale pegmatite where **61 surface rock samples showed lithium mineralisation at levels over 2% Li₂O** (as announced on ASX 6 June 2018).

The **drilling program will comprise 3 holes** designed to intersect thick outcropping lithium-mineralised pegmatite as identified from surface rock samples (see ASX announcement 6 June 2018) and field investigations by the Directors of SI6. The area targeted by the 3 holes shows a prominent pegmatite body containing a long line of historic trenches and underground workings that display coarse-grained lithium host minerals such as spodumene, petalite and lepidolite. The program aims to test the morphology, thickness and depth extent of the Bonnyvale pegmatite body.

Drilling of the **3 holes is planned to commence by the end of July** with the required machines currently being mobilized to site. **Flexibility has been maintained to expand drilling program pending results.**

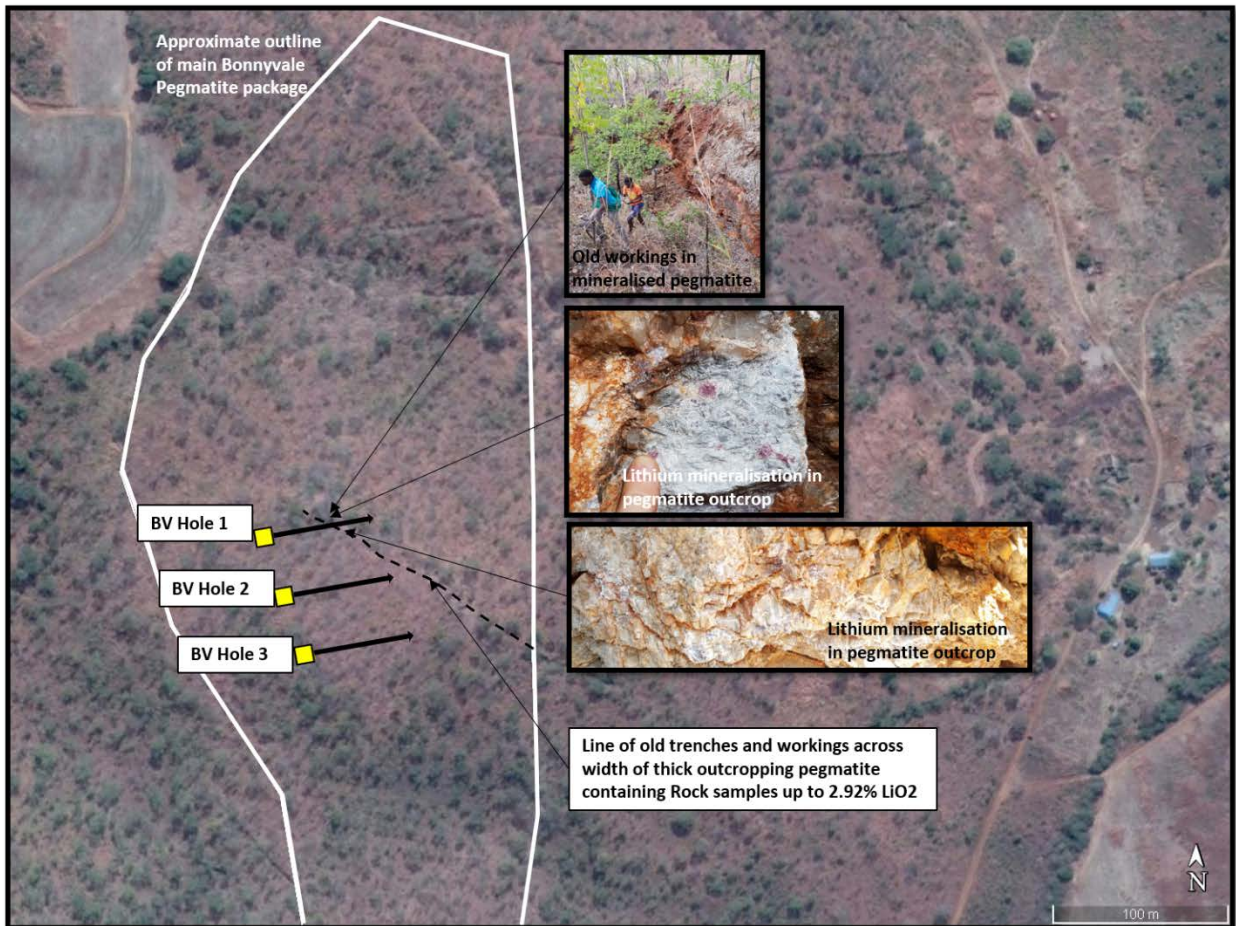


Figure 2: Plan view showing proposed location of 3 RC holes (Yellow Boxes) targeting thick outcropping lithium-mineralised pegmatite as identified from surface rock samples (see ASX announcement 06 June 2018) and field investigations by the Directors of SI6.



Figure 3

Figure 4

Figures 3&4: Figure 3 shows a close up of an outcropping high-grade lithium sample showing Li-bearing minerals such as spodumene, lepidolite and pink tourmaline from the Bonnyvale Prospect. Figure 4 shows coarse-grained Lithium mineralisation (Lepidolite) from the Hereford South Prospect.

Notice of Resignation from Board

Mr Edwin Bulseco has provided notice that he intends to step down from the SI6 Board at the end of July, to pursue and focus on other business interests. Mr Bulseco has given notice to allow an effective handover to proposed Chairman Mr Eddie King over the coming weeks. The Directors of SI6 would like to thank Mr Bulseco for his contribution to the Company.

Edwin Bulseco

Chairman

Competent Person statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mirrorplex staff on site and provided to Mr Steve Groves who is a Member of The Australian Institute of Geoscientists. Mr Groves is Director of, and a consulting geologist to SI6 and has previously been employed as the Exploration Manager at SI6. Mr Groves 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 Groves consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.