

INVESTOR UPDATE

ASX RELEASE

26 August 2022

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TICKER

ASX:CBH

LOCATION: Gunpowder Creek, QLD

Coolabah Metals Limited (ASX: CBH) (“CBH” or “Coolabah Metals”) is pleased to announce an update regarding our maiden rockchip sampling program conducted over Gunpowder Creek EPM27733, located 45km north-west of Mt Isa, QLD

Coolabah Metals has completed a first pass rockchip sampling program consisting of 251 rockchip samples in Coolabah Metals Gunpowder Creek Project in Northwest Queensland. The program was designed to test the 26 recorded historic gold workings and occurrences forming a >5km strike length parallel to the May Downs Fault.

Multiple generations of quartz veining were observed parallel, oblique and perpendicular to May Downs Fault zone with varying degrees of alteration. Multiple quartz gossan veins were mapped and sampled; some traces¹ of sulphides were identified associated with quartz outcrops.

A review of historical exploration revealed a large number of rockchip samples collected within the lease, approximately two thirds of these were not assayed for gold. The samples that were assayed for gold have results up to 32g/t gold².

Coolabah Metals are in the process of having the 251 samples analysed for gold and all other elements using fire assay and multi-element ICP at North Australian Laboratories Pty Ltd.

Reconnaissance field mapping was undertaken concurrently with the sampling program and all structural and lithological data is being reviewed.

Coolabah Metals Limited Managing Director, Cameron Provost, said:

“Coolabah Metals, Gunpowder Creek Project is prospective for vein and fault-hosted high-grade gold and Mount Isa style mineralisation.

The historic gold workings are associated with the May Downs Fault, a large northwest striking fault system on the west flank of the Syabella Granite.

I am pleased to have seen the numerous historic workings and mineralised samples firsthand and look forward to updating the market as soon as results are tabled”.

1. Trace sulphides is logged as <0.5% by volume and is not deemed an indication of grade for any of the 251 samples collected

2. Coolabah Metals Limited (ASX: CBH) Prospectus – 26 July 2022.

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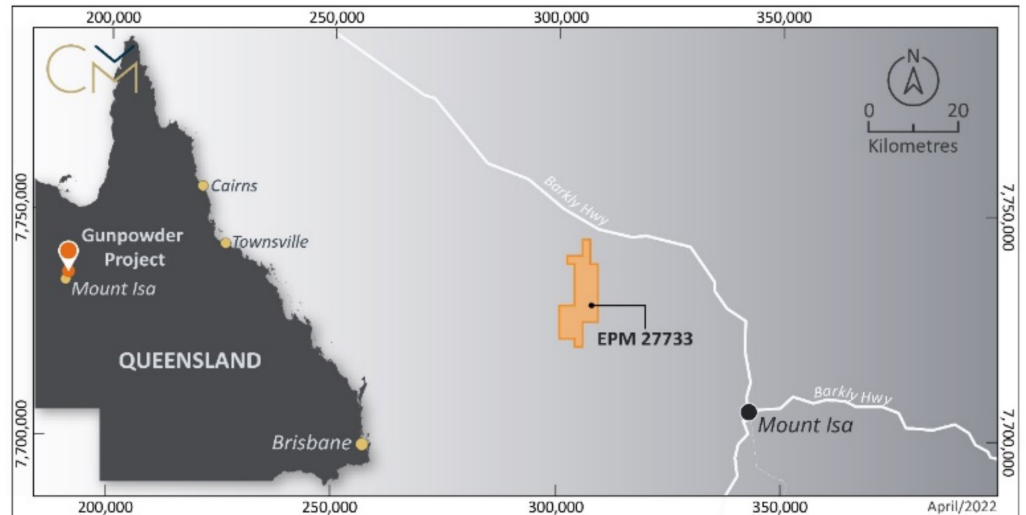
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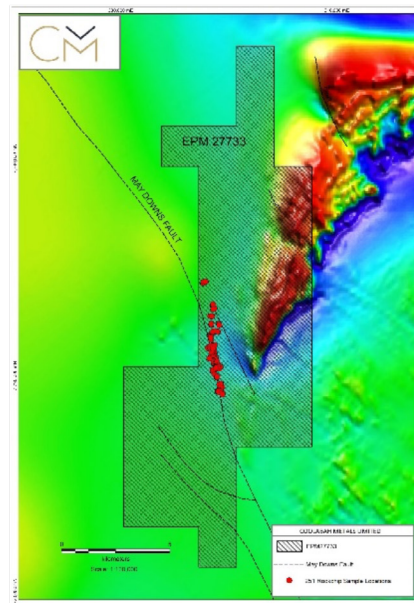
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Gunpowder Creek Project Tenement MT ISA, QLD



Rockchip geochemical sample locations associated with old gold workings situated along the May Downs Fault overlayed on regional magnetics within boundary EPM27733



Field geologist Harry Sarroff conducting structural and lithological mapping within EPM27733

The Board of Directors of Coolabah Metals Limited authorised the release of this announcement.

Further information:

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BACKGROUND INFORMATION

ASX RELEASE

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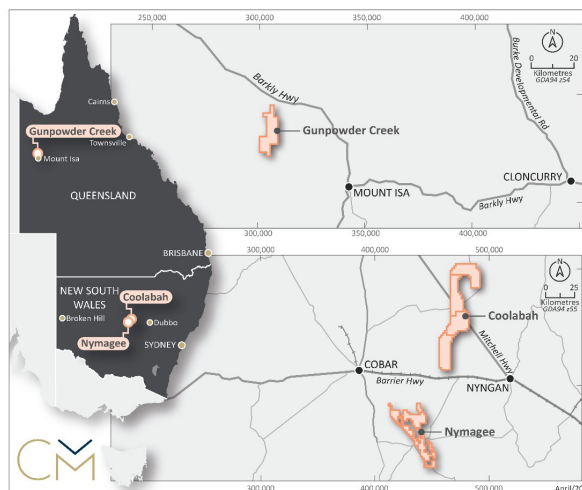
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About Coolabah Metals Limited

Coolabah Metals Limited (ASX:CBH) is an ASX-listed minerals explorer with a focus on copper, gold and base metal assets throughout Australia. CBH aims to build shareholder wealth through the discovery and development of mineral deposits across various projects being the Coolabah Project, the Nymagee Project and the Gunpowder Creek Project (together, the Projects).



Coolabah Project

The Coolabah Project area comprised of 1,177km², lies adjacent to the Girilambone copper deposits including Avoca Tank, Tritton and the newly discovered Constellation Deposit. The Coolabah Project is highly prospective given that geology structures / regional settings are similar to known deposits.

Nymagee Project

The Nymagee Project area totals 533.3km² and is located amongst significant discoveries at Federation, Hera and Nymagee and is highly attractive for Cobar Style Deposits. The Nymagee Project lies on a major north-easterly structure prospective for gold, copper, lead and zinc mineralisation.

Gunpowder Creek Project

The Gunpowder Creek Project is located within the world class Mt Isa block, only 40km northwest of Mt Isa and is home to numerous historic workings over 5km and highlights high-grade rockchips up to 32g/t gold. The Gunpowder Creek Project is prospective for vein/fault hosted high grade gold and Mt Isa Copper-Lead-Zinc type mineralisation.

Competent Persons Statement

The information in this document that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by David Ward BSc, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM), (Member 228604). David Ward is a Director and shareholder of Coolabah Metals Ltd. David Ward has over 25 years of experience in metallic minerals mining, exploration and development and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a 'Competent Person' as defined under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this presentation, the Company has now or will at any time the future develop resources or reserves within the meaning of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.

Any forward-looking statements in this presentation speak only at the date of issue of this document. Subject to any continuing obligations under applicable law, the Company does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

JORC Code, 2012 Edition – Table 1 report template

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 (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.	The samples referred to in this release were rockchip samples collected by a trained geologist looking for examples of mineralisation. A total of 251 samples were collected.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).	NA
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.	NA
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.	- Lithology, alteration and mineralisation was logged for each sample collected and where available, orientation of dip and dip direction were recorded. - Logging was qualitative in nature.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	• 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.	• NA
<i>Quality of assay data and laboratory tests</i>	• 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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Rockchip samples were systematically sampled and numbered and submitted to a North Australian Laboratories (NAL). Analysis will be undertaken for Au by fire assay and a 48 multi-element ICP suite. • No standard, blanks or duplicates have been submitted.
<i>Verification of sampling and assaying</i>	• 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.	• NA
<i>Location of data points</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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Coordinates for samples were located using a handheld GPS in Map Grid Australia Zone 55, Geodetic Datum of Australia 1994.
<i>Data spacing and distribution</i>	• 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.	• Data spacing is variable. • Sampling is not sufficient to calculate a mineral resource estimate. • No sample compositing has been applied.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	- 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.	Samples were collected in and around historic workings and prospecting pits which are broadly oriented along the line of the north-north-west striking May Downs Fault.
<i>Sample security</i>	The measures taken to ensure sample security.	Sample chain of custody has been managed by the employees of Coolabah Metals. Samples were collected and stored in an IBC container. Once the rockchip program was completed, a reputable transport company was engaged to deliver the samples to the laboratory the following day.
<i>Audits or reviews</i>	The results of any audits or reviews of sampling techniques and data.	NA

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</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. - 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.	Gunpowder Creek Project EPM27733 is located 45km north-west of Mount Isa in north-west Queensland. Coolabah Metals Limited entered into a Tenement Sale Agreement which it has the option to acquire (subject to satisfaction of certain conditions precedent) a 100% legal and beneficial interest in the Project from Bacchus Resources Pty Ltd (Bacchus). Duties assessment has completed and Indicative Approval from the Minister for the transfer of 100% in EPM27733 to Coolabah Metals is imminent.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	26 minor historic workings and prospecting pits are recorded in the Queensland mineral occurrence database (MINOCC). - Freeport Australian Limited rockchip sampled some of the area in 1988 returning maximum Au value of 32.3ppm. GSQ Open Data Portal EPM4731 (Report CR18465_1)
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	The Gunpowder Creek Project area is located within the fault bound Western Succession of the Proterozoic Mount Isa Inlier and rests along the major, north-west trending May Downs Fault. The geology is structurally complex and at least two identified tectonic events deform the supracrustal units. The Gunpowder and Paradise Creek Formations represent the Carpentarian McNamara Group metasediments. They are

Criteria	JORC Code explanation	Commentary
		believed to be a faulted and folded, steeply dipping sequence of shales, siltstones, and fine-grained sandstones, which are correlated with the Mount Isa Group metasediments. The Gunpowder Creek Project prospective for vein/fault hosted gold and Mt Isa type mineralisation.
<i>Drill hole Information</i>	• <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</i> ○ <i>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>	• NA
<i>Data aggregation methods</i>	• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	• NA
<i>Relationship between mineralisation widths and intercept lengths</i>	• <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.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i>	• NA
<i>Diagrams</i>	• <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>	• NA

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</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.	NA
<i>Other substantive exploration data</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.	NA
<i>Further work</i>	- The nature and scale of planned further work (eg 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.	The rockchip sampling is a first pass exploration tool for Coolabah Metals in this area, if elevated metal values are obtained from analysis, further work may, but not limited to geophysical surveys and drilling.