



**ASX/Media Release
(ASX: MZN)**

27 July 2017

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Issued Capital:

1,327m fully paid ordinary shares,
64m unlisted options Ex. 2.5c Expiring
31 December 2019

Exploration Update

HIGHLIGHTS

- Significant drilling programs in next few months on core base metal (zinc) projects.
- Targets for Northern Territory McArthur River style Zn-Pb mineralisation to be drill tested by:
 - Teck at Yalco JV
 - Marindi at the Caranbirini Project
- A 10,000m RC program to test the full 23km strike length of the Prairie Downs Fault Zone within the Newman Base Metal Project in Western Australia.
- Marindi to commence exploration on its 100% owned Forrestania Lithium Project which surrounds the Earl Grey lithium deposit.

Yalco JV – Teck earning 70%

Marindi Metals Ltd (“Marindi”, ASX: MZN) is pleased to advise that Teck Australia Pty Ltd (“Teck”) plans to commence exploration drilling at the Yalco property in the Northern Territory in August.

Teck has advised it intends to drill a deep diamond drill hole to test for, sediment-hosted massive sulphide (SHMS) zinc-lead-silver mineralisation. Examples of SHMS deposits include the world class Glencore-owned and operated McArthur River deposit (180MT @ 14.6% Zn + Pb) and the Teena deposit (58MT @ 12.7% Zn + Pb), as located in Figure 2.

The Yalco project is located approximately 50km north of McArthur River within the middle Proterozoic McArthur Basin. The project tenements are traversed by the north-south trending Emu Fault Corridor which is a major regional structure implicated in the formation of the McArthur River deposit. The project is interpreted to contain pyritic shales of the Barney Creek Formation, which hosts the McArthur River and Teena deposits. SHMS deposits such as McArthur River are globally significant and are believed to occur in restricted sub-basins located adjacent to growth faults. These

growth faults are interpreted to have acted as pathways for base metal fluids derived from deeper in the basin.

Work completed by Teck over the past three years has included seismic surveying, broadband magnetotellurics, surface soil geochemistry and mapping as part of a systematic program to test the area's potential to host major McArthur River-style base metal mineralisation. The Emu Fault Corridor was identified as a prime target corridor in the initial phase of exploration that had not been effectively tested by any drilling. Subsequent exploration programs identified the Pine Creek and Flying Fox targets where cross-cutting structural features intersect the Emu Fault Corridor forming restricted sub-basins.

The proposed drill hole will test the 4 sq km Pine Creek target, where seismic data suggests a thickening in the prospective Barney Creek Formation adjacent to the Emu Fault. Drilling is anticipated to take approximately 3 weeks to complete. The results of this drilling will determine the nature of further exploration at Yalco.

The Yalco Earn-in and Joint Venture Agreement which was signed in 2014 gives Teck the right to earn a 70% equity by expending \$3.5 million by 30 June 2018. To date, Teck has spent approximately \$2.6 million.

Marindi's Managing Director, Joe Treacy, comments that the decision by global miner Teck to commit to this deep drill hole is testament to the potential of the Yalco project to host a world class base metal deposit and the Company looks forward to the commencement of the impending drilling program.

Caranbirini Project (Marindi 100%)

Marindi's 100% owned Caranbirini Project also lies on the Emu Fault Corridor immediately north of McArthur River mine. Historic drilling has returned high grade lead zinc mineralisation from within the Barney Creek Formation, see figures 2&3. Caranbirini has been part of a collaborative project with the CSIRO and the results from this work have significantly altered the geological understanding of the Caranbirini area.

Marindi instructed the Geodiscovery Group, an independent firm of consultants, to review the Caranbirini Project. Nine targets were identified with three designated as high priority, see figure 3.

The most northerly target, a residual gravity high anomaly, sits adjacent to the Emu Fault Corridor and 300 metres from sporadic but high-grade mineralisation intersected by previous explorers (DD82CA1 0.5m @ 22.5% Zn and DD83CA3 3m @ 7.5% Zn. This mineralisation is interpreted to be hosted by the stratigraphic equivalent of the Barney Creek Formation.

The most westerly target, a residual gravity high anomaly, lies approximately 4km to the west of the Emu Fault Corridor on a parallel structure and may represents a previously unrecognised repeat of the structural and stratigraphic setting as is seen at McArthur River. EM data suggests the Barney Creek Formation underlies the area.

The third high priority target, a discrete residual gravity high, lies at the intersection of the Emu Fault Corridor with a cross cutting regionally significant WNW-ESE structural corridor and is underlain by the Barney Creek Formation.

Testing of these anomalies will involve approximately 3000m of diamond and RC drilling, planned for this year subject to regulatory approvals and the onset of the wet season.

Newman Project – Marindi 100%

The Prairie Downs Fault Zone (PDFZ) hosts multi-metal mineralisation at the Prairie Deposit (Zn-Pb-Ag) and the Wolf Prospect (Zn-Pb-Ag-V) and is regarded as the most likely host for a major base metal deposit within the project area. Drilling by Marindi and previous explorers has only tested 4km of the 23km long strike. Strong rock, soil and vacuum drilling Zn-Pb-Ag-V geochemical anomalies have been defined at the Husky Prospect in the northwest of the structure and African Hunting Dog Prospect in the southeast. Elsewhere the PDFZ is mainly covered by on-lapping younger sedimentary sequences.

The 10,000m RC drilling program is designed to test the undrilled 19 km of the PDFZ by angled overlapping traverses of 400-500m length designed to test high priority targets and probe the PDFZ under cover where previous geochemistry has been ineffective.

Known mineralisation and geochemical anomalism has been detected up to several hundred metres north and south of the PDDZ within an extensive alteration zone and splay structures. RC drilling has been chosen to penetrate deep weathering and younger sedimentary cover.

Associated with ongoing metallurgical test work (see ASX release dated 22 May 2017) Marindi has begun re-assay of selected previous drill holes at the Wolf Prospect for vanadium. Part of the exploration program will infill existing drill holes at the Wolf Prospect at sufficient density to allow JORC resource estimation.

Forrestania Lithium Project - Marindi 100%

The Company intends to commence a regional soil sampling program over six Exploration Licences (Marindi 100%) which form part of the Forrestania Lithium Project – see ASX release dated 17 May 2016.

The 850 sq km land holding surrounds Kidman Resources Ltd's Mount Holland Lithium Project, which includes the Earl Grey deposit and is prospective for pegmatite hosted lithium mineralisation and a range of other commodities. No systematic lithium exploration has previously been undertaken on these tenements. The Exploration Licences are expected to be granted, and the program to commence in the current quarter.

A review of previous drilling on the Gem Mining Lease (Marindi earning 70%) is ongoing.

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Competent Persons Statement

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

Figure 1 - Marindi Project Locations

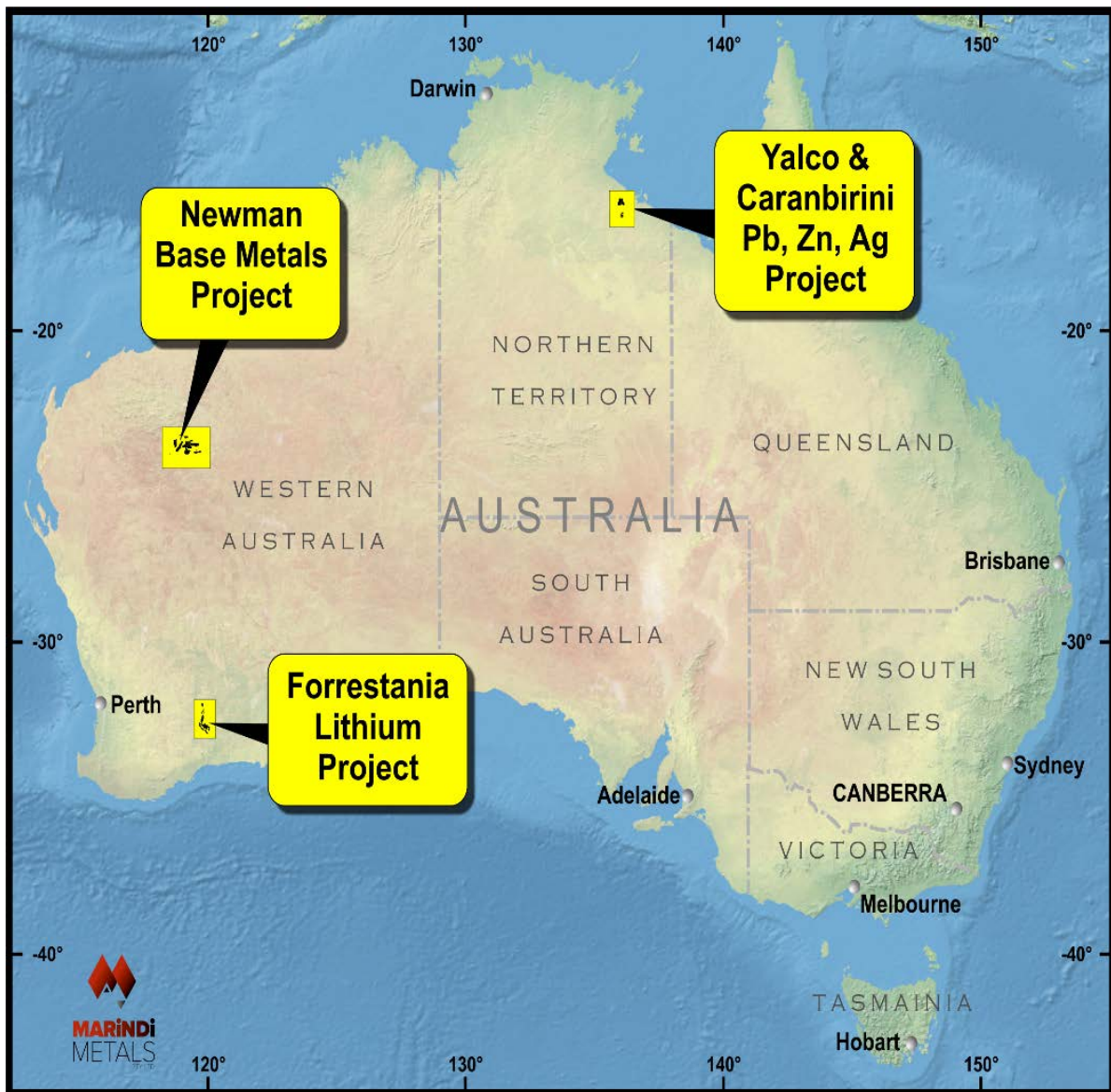


Figure 2 - Yalco Targets

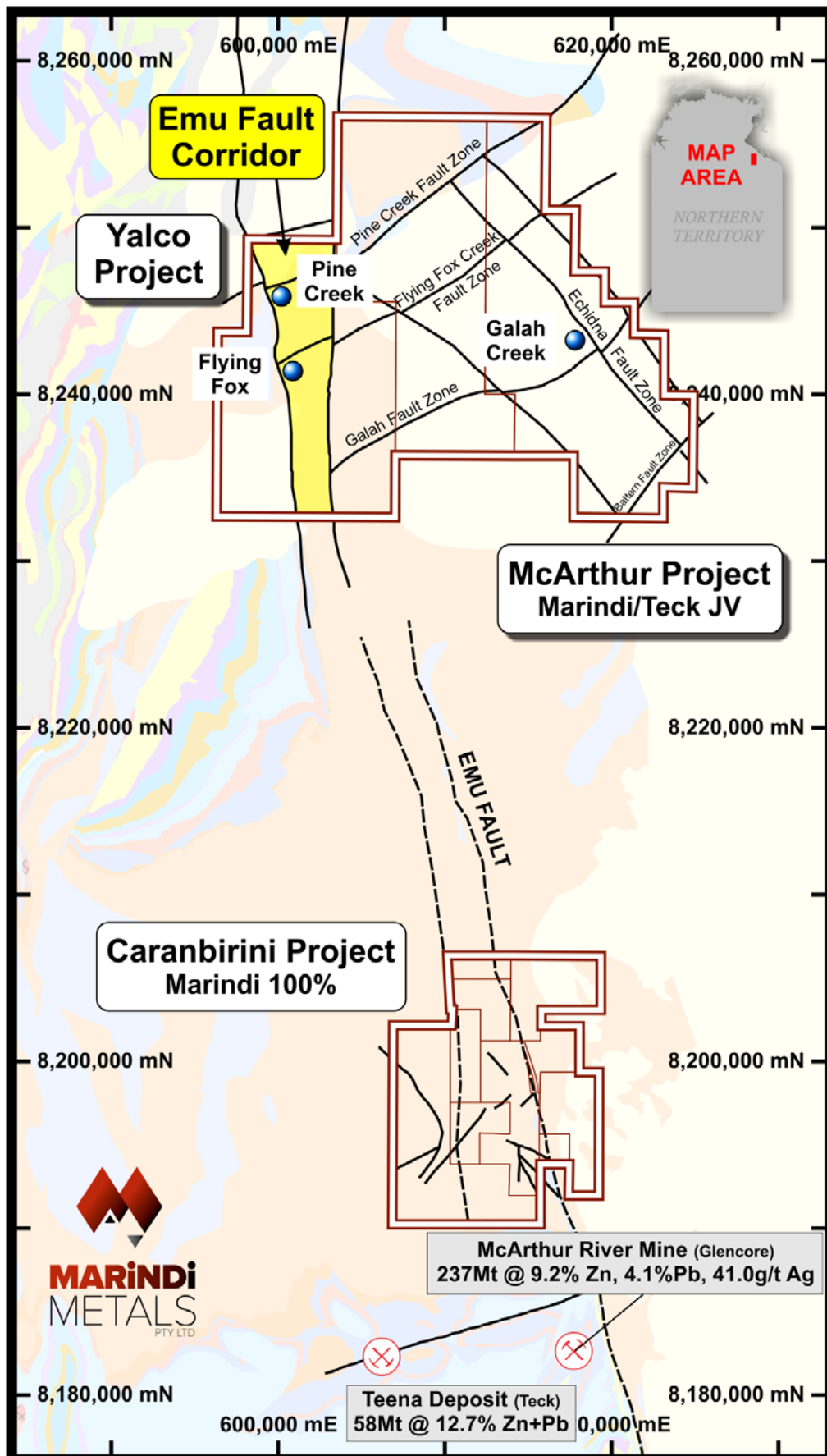


Figure 3 - Caranbirini Targets

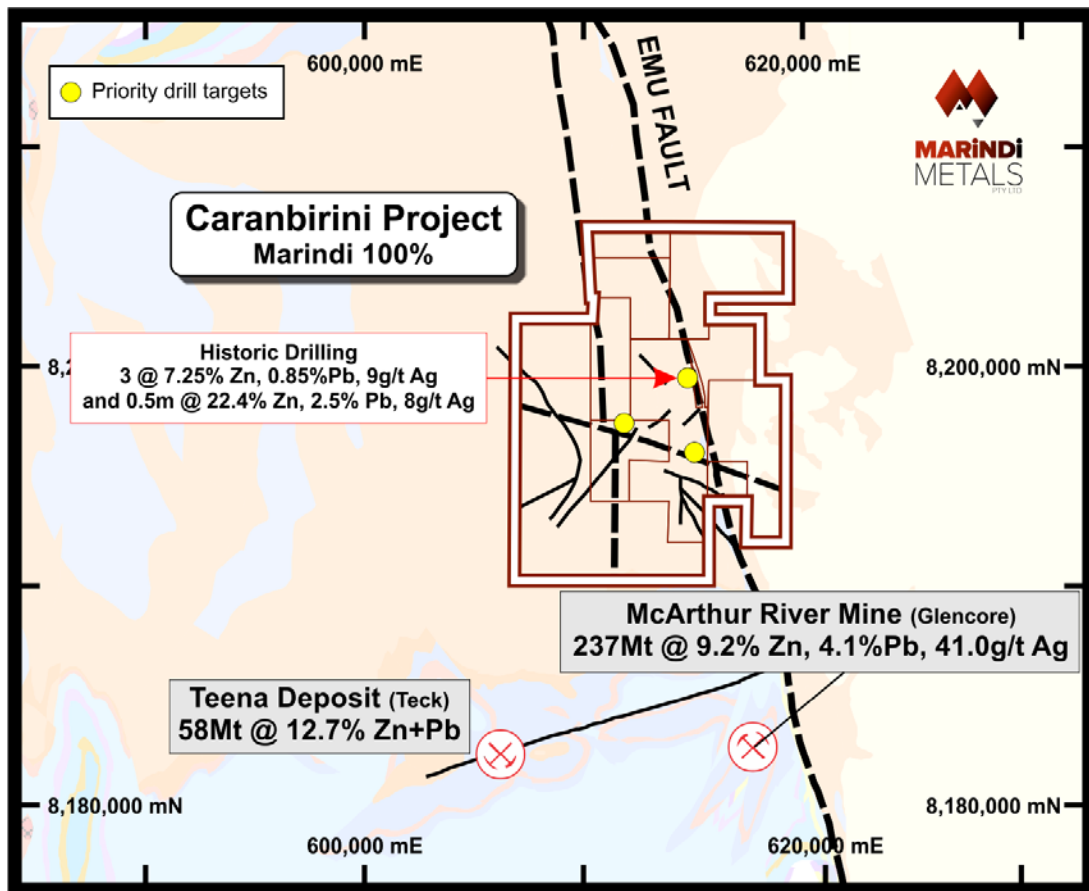


Figure 4 - Prairie Downs Targets

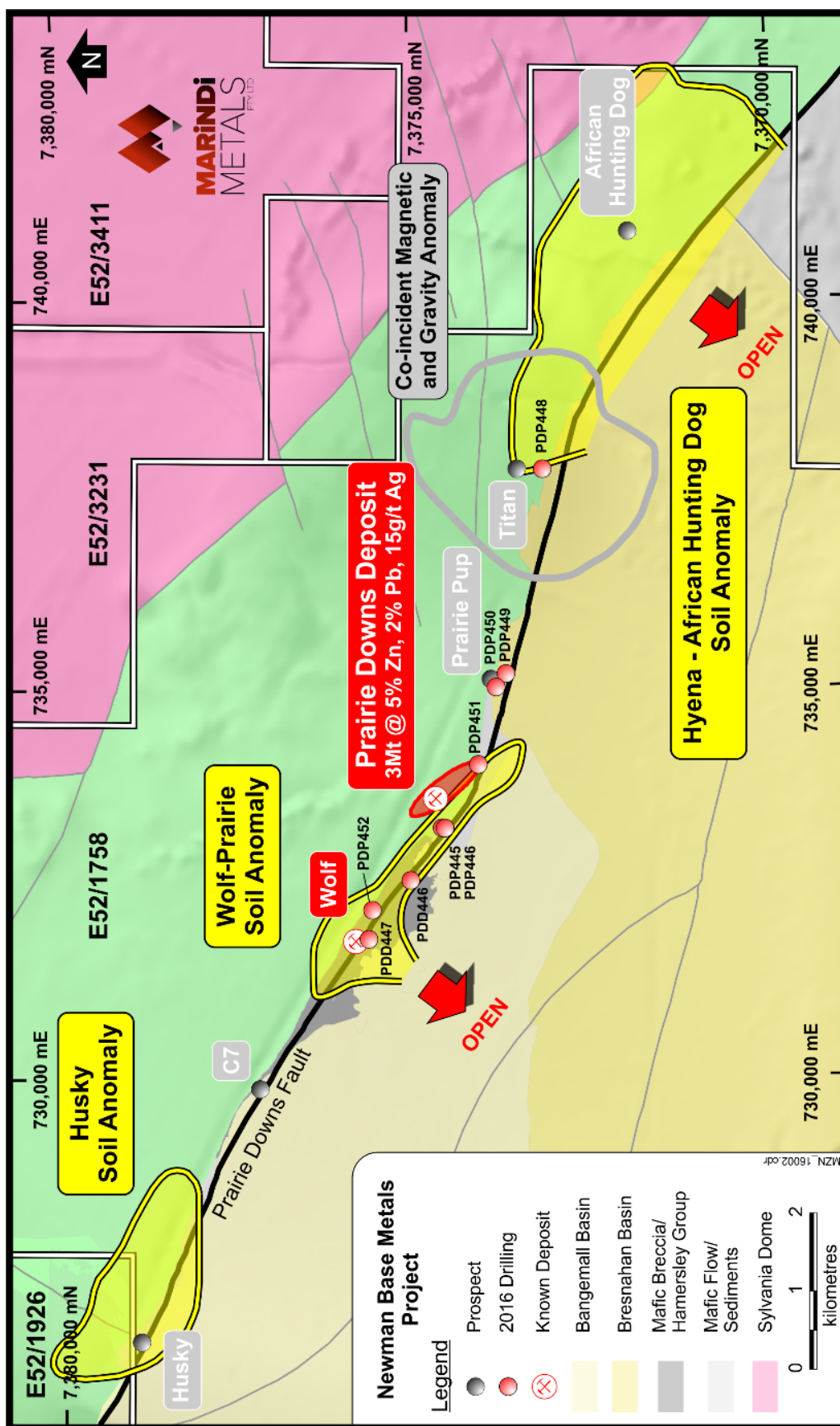


Figure 5 - Wolf Plan

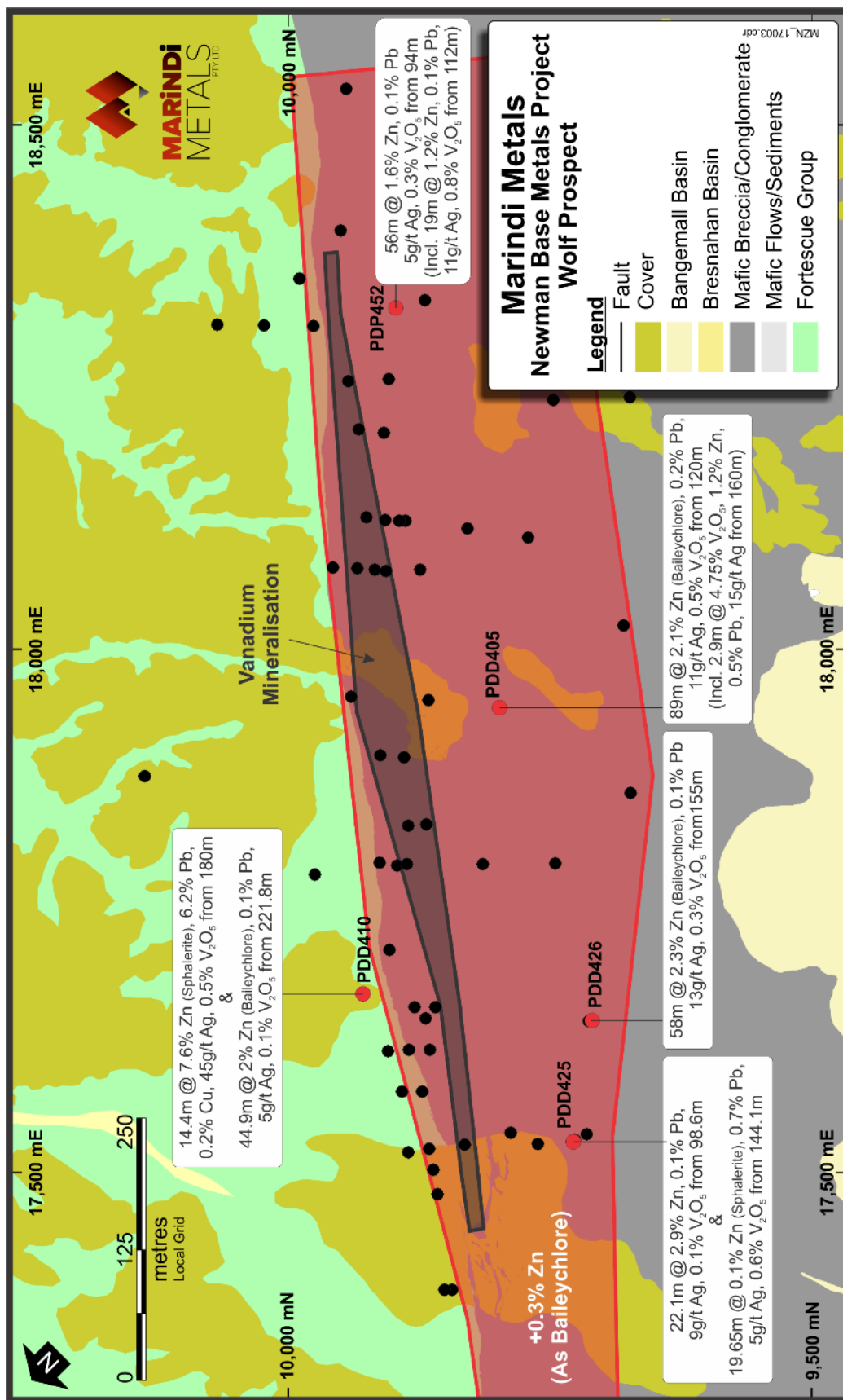


Figure 6 - Wolf Cross Section

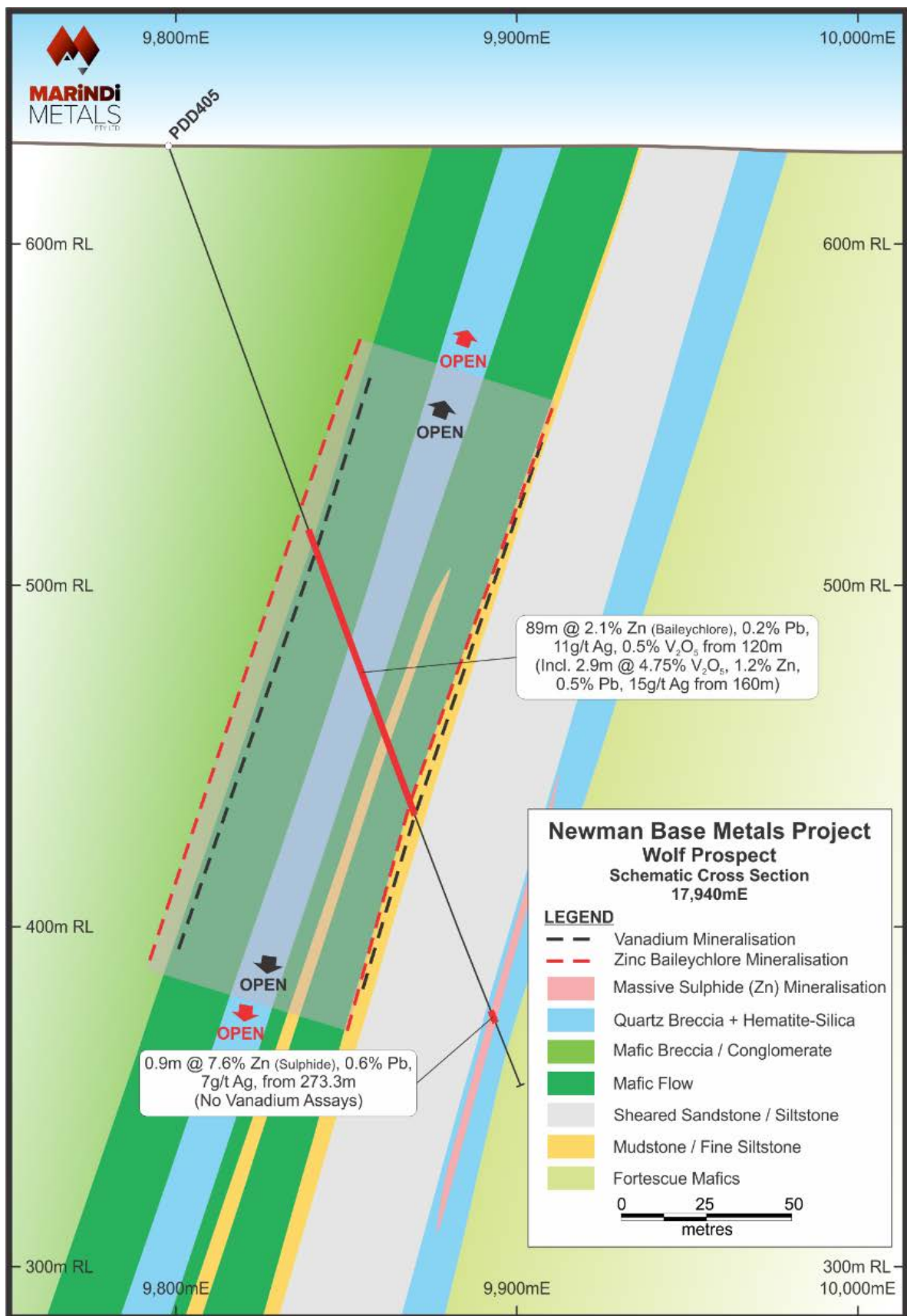


Figure 7 - Forrestania Lithium Project

