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SAMPLING CONFIRMS HIGH GRADE RESULTS FROM HIGHLINE COBALT-COPPER PROJECT

Highlights

- **Sampling by the vendor has demonstrated the presence of high grade cobalt and copper mineralization including.**
  - **7.08% Cobalt and 2.480% Copper**
  - **2.13% Cobalt and 1.485% Copper**
  - **1.53% Cobalt and 7.930% Copper**
  - **0.32% Cobalt and 12.40% Copper**

- **The mineralization is hosted within bedding planes in dolomitized limestones.**

- **Initial mapping demonstrates the potential for multiple stacked zones.**

- **Project located in mineral rich Goodsprings district in Nevada, USA surrounded by four historical Cobalt producing mines.**

- **Project area adjacent to ASX listed New World Cobalt's (NWC) claims and Tyranna Resources (TYX) claims.**

- **Historical small scale mining occurred between 1917-1921 on the Highline claim group, with production results of up to 12.45% Cobalt and an average production grade of 35% Copper.**

- **No modern exploration techniques applied to the Project Area.**

- **Awaiting assay results of rock chip samples by the company from the Project Area.**

- **Exploration program planned to commence in late October.**

As reported in the previous announcement (17 September 2018) Delecta Limited (ASX: DLC) ('Delecta' or 'the Company'), has entered into a binding option agreement to acquire a 100% interest in the high grade Highline Cobalt-Copper Project, located in the State of Nevada, USA.

The Highline acquisition is part of Delecta's diversification strategy aimed at capitalising on the demand for battery minerals such as Cobalt, Lithium and Vanadium which has seen the rapid rise in the LME price of Cobalt (from US$23,000/ton in March 2016 to US$58,000/ton in October 2018).

The Company intends to utilise the 90 day Option Period to complete a geological review of the Project and surrounding area and conduct an initial exploration programme to identify and map mineralisation both at surface and within existing accessible workings.

Recently acquired sampling results, completed by the vendor of the claims (Silver Queen Pty Ltd) comprising the Highline Cobalt – Copper Project, confirm the high grade nature of the mineralization. The sampling produced Co results of up to 7.08% and Cu results up to 12.4%. A total of 19 samples were taken, 17 from the Highline Claim Group and 2 samples from mullock at Pocahontas. These samples consisted of chip channel samples from accessible underground workings and dump samples from both the main workings and other prospecting pits.

TABLE 1 – SAMPLE RESULTS

Sample	Easting	Northing	Au ppm	Ag ppm	Co%	Cu%	Pb ppm	Zn ppm
HHL001	630,761	3,966,253	0.048	<0.5	0.0055	0.0185	125	354
HHL002	630,761	3,966,248	0.016	<0.5	0.0025	0.0084	155	473
HHL003	630,762	3,966,242	0.243	1.0	0.0052	0.135	899	1805
HHL004	630,767	3,966,236	0.092	0.8	0.0108	0.156	914	1055
HHL005	630,774	3,966,230	0.205	0.5	0.0139	0.113	593	637
HHL006	630,787	3,966,221	0.958	1.0	0.289	0.493	2030	1410
HHL007	630,801	3,966,248	0.18	0.5	0.098	0.914	35	123
HHL008	630,800	3,966,250	0.39	1.5	2.13	1.485	439	847
HHL009	630,811	3,966,233	0.223	8.0	0.06	2.86	356	415
HHL010	630,786	3,966,279	1.555	3.3	0.325	12.4	2280	1725
HHL011	630,785	3,966,280	0.305	<0.5	1.72	0.417	1050	944
HHL012	636,185	3,969,211	0.124	3.4	0.0084	0.0322	410	671
HHL013	636,261	3,969,266	0.048	1.7	0.0077	0.0532	746	1305
HHL014	630,810	3,966,230	0.762	1.7	7.08	2.48	1730	1060
HHL015	630,783	3,966,273	0.071	<0.5	0.633	0.196	227	317
HHL016	630,784	3,966,274	0.094	0.7	1.39	0.438	147	498
HHL017	630,785	3,966,275	0.981	11.8	1.53	7.93	764	1265
HHL018	630,786	3,966,276	0.051	<0.5	1.19	0.311	52	344
HHL019	630,787	3,966,277	0.048	<0.5	0.673	0.169	32	195

Samples HHL001 to HHL011 and HHL014 to HHL019 are from the Highline Claim Group

Samples HHL012 and 13 are from Pocahontas claim

Sample locations are in UTM NAD83 Zone 12

At the Highline Mine the drive followed a vertical fault zone for some distance until meeting a mineralized zone that was stoped and assumed to be the source of the reported production (Figure 1). The initial 2 samples HHL001 and 2 are from the fault zone. Samples HHL003 to 6 inclusive show the presence of increasing amounts of mineralization with sample HHL006, taken on the edge of the stope, returning 0.289% Co and 0.493% Cu (Table 1). Samples HHL010, 11 and 15 to 19 are from mullock surrounding the adit. They returned varying amounts of cobalt and copper ranging from 0.325 to 1.72% Co and 0.169 to 12.4% Cu.

Other shallow adits and prospecting pits are present above the main adit testing bedding plane hosted mineralisation. Some may be testing the updip extension of the mineralisation that was exploited from the stope while others are possibly related to a parallel mineralized zone. Samples HHL007, 8, 9 and 14 were taken from these workings. They returned from 0.06% to 7.08% Co and from 0.914% to 2.86% Cu.

Sample HHL013 from mullock at an adit on the Pocahontas claim contains anomalous Pb and Zn. It lies on the lower contact of a limestone unit. Further exploration will target this horizon.

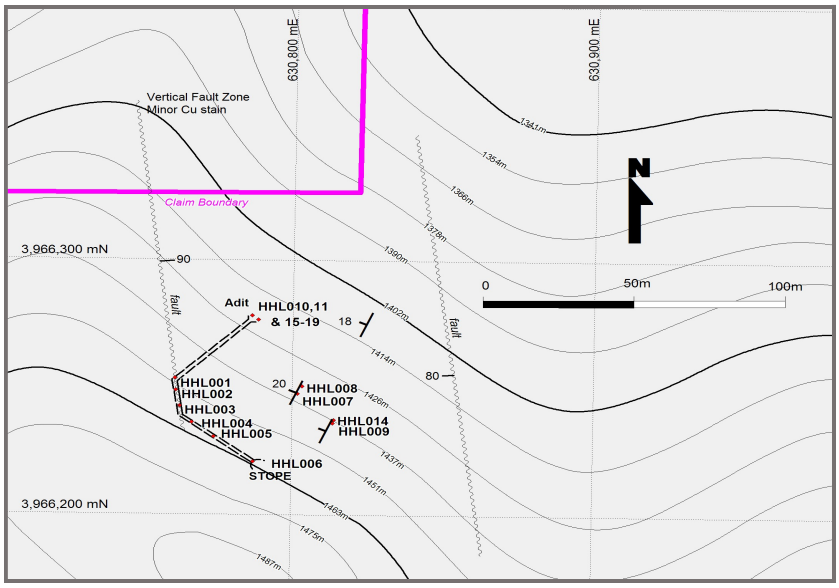

Figure 1 – Sampling Location Highline Mine

Delecta's Managing Director Malcolm Day, *"I am very pleased with the results released to us by the vendor. It reaffirms our commitment to the project and demonstrates the high grade nature of the mineralisation. Given the Highline mine's previous mining and exploration was circa 100 years ago, the Company believes that the Highline Cobalt-Copper project represents a relatively low risk opportunity in an area of known mineralisation".*

Highline Cobalt – Copper Project

The Highline Cobalt - Copper Project comprises 5 patented mining claims totalling 90.4 acres located within the Goodsprings mining district in southern Nevada, 48 kms southwest of Las Vegas and approximately 3 kms southwest of the town of Goodsprings, Nevada (Figure 2). They form 2 groups, the Highline Claim Group consisting of the Chance, Chance 2, Redstreak and Highline Claim and the Pocahontas claim (Figures 3 & 4). The claims are readily accessible via interstate route I15 from Las Vegas to Los Angeles.

Located in the Springs Mountains the topography is mountainous, but access is good owing to the numerous tracks in the area.

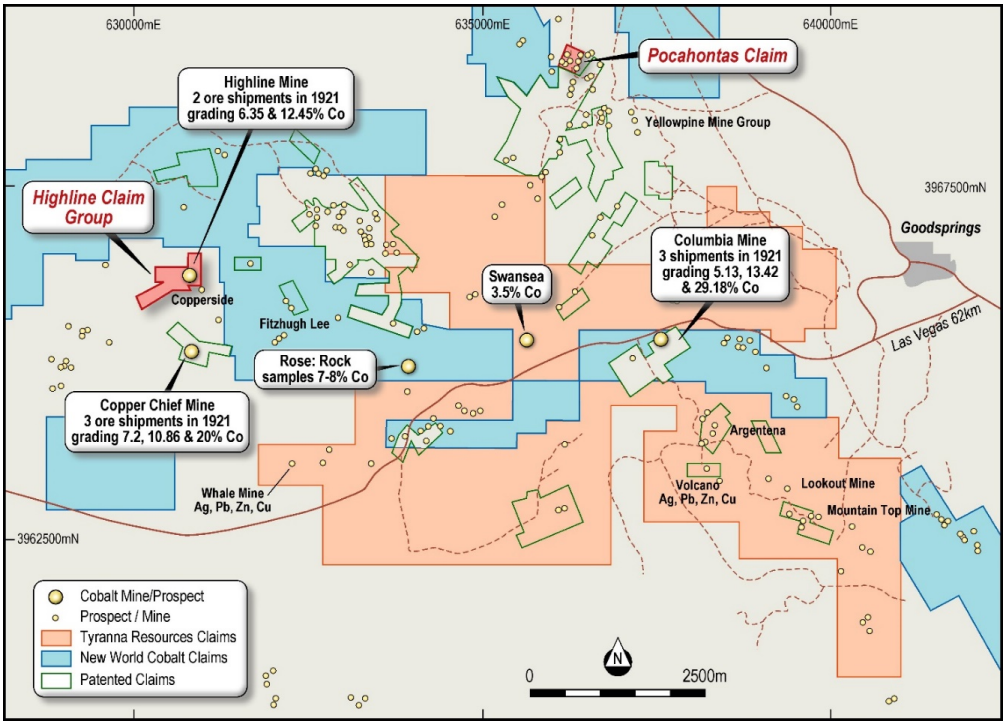

Figure 2 – Location Plan Highline and Pochontas Claims

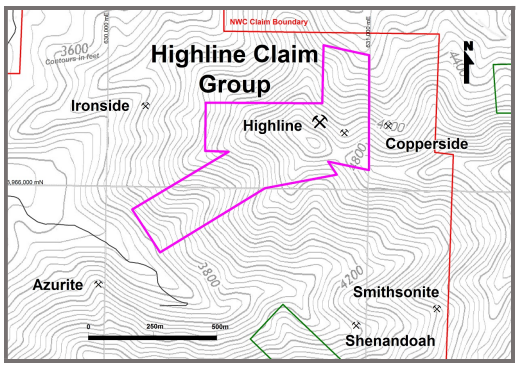

Figure 3 – Highline Claim Group

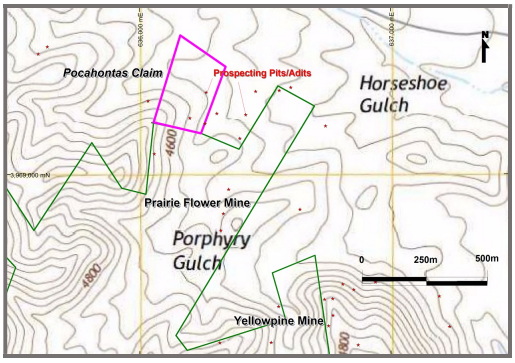

Figure 4 – Pocahontas Claim

Historical records[1] report that by the end of 1962, the Goodsprings District had yielded; 109,000 tons of zinc, 47,000 tons of lead, 2,500 tons of copper, 90,500 ounces of gold, 2,100,000 ounces of silver, and 5.5 tons of cobalt.

The Highline claim group themselves are recorded as having been mined between 1917 and 1921, producing 132 tons of copper at an average grade of 35%, the highest grade in the district, from 477 tons of ore. 2 lots of cobalt ore from the dump; 2,190 kgs and 545 kgs returned 6.35% Co and 12.45% Co.

The cobalt - copper mineralization is considered separate to the surrounding lead - zinc mineralization in the district. It is closely associated with northeast near vertical structures and sheared bedding planes.

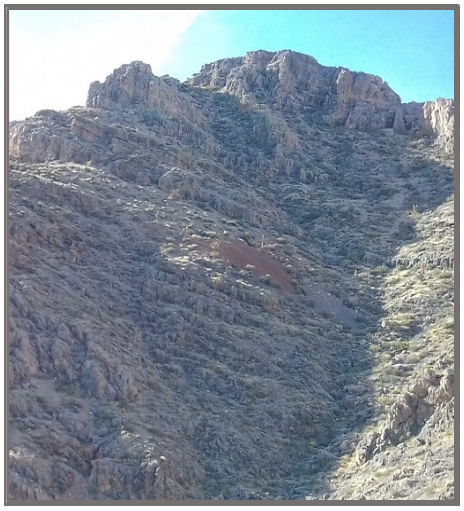

Figure 5 – Highline Mine – Mullock on Hillside

Figure 6 – Highline Adit

The Pocahontas Claim lies within a kilometre north of the largest Zn, Pb, Ag producer in the district, the Yellowpine/Prairie Flower Mine that started out as separate mines but were later joined by underground workings (Figure 4). It produced a total of 45,607 tonnes of zinc, 24,358 tonnes of lead, 36.6 tonnes of copper and 1,432,806 ounces of silver from 185,866 tonnes of ore between 1906 and 1928. The Yellowpine Mine was mined intermittently up until 1949 but no further production records are available.

[1] *This information is extracted from the report entitled "Geology and Ore Deposits of the Goodsprings Quadrangle, United States Department of the Interior Professional Paper 162, DF Hewett 1931 and is available to view on* https://pubs.er.usgs.gov/publication/pp162.

EXPLORATION PROGRAMME

Highline Claim Group:

1.0 Satellite/airphoto interpretation is underway to gain a better understanding of the regional/local geological setting and mineralisation controls.

2.0 In late October 2018 Detailed geological mapping and sampling will commence on both the underground workings and prospecting pits to gain a better understanding of the orientation and extent of the mineralisation. This mapping will extend to the entire claim group.

3.0 In addition to the mapping, stream and soil sampling will be completed on the Highline Claim Group to target and test the extent of the mineralisation and determine whether any other geological boundaries/contacts or structural zones are potential hosts to mineralization.

4.0 Depending upon the results of the above program, geophysics may be planned to target extensions or blind mineralized zones.

Pocahontas: geological mapping and soil sediment sampling will be completed to define

the extent and potential of the anomalous horizon.

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COMPENTENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Results is based on information compiled by Greg Smith, who is a Member of The Australasian Institute of Mining and Metallurgy and who has more than five years' experience in the field of activity being reported on. Mr. Smith is a consultant of the Company. The information in the market announcement is an accurate representation of the available data and studies for the material mining project. Mr. Smith 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. Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 – Highline Cobalt-Copper Project

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 (e.g. 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.	Sampling has been chip sampling of potentially mineralised material underground and random grab samples of visually mineralised mullock. Sampling was undertaken by previous operators. While results of previous sampling programs have been documented in numerous formal (historic) reports, the details of sampling and assay procedures is not recorded in these reports, hence is currently unknown.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Underground chip samples were collected randomly across possibly mineralised zones. All samples were 1-2kg taken using the same methodology employing hand tools. Random grab samples were taken of visually mineralised mullock.
	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 (e.g. 'reverse circulation drilling was used to obtain 1m 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 (e.g. submarine nodules) may warrant disclosure of detailed information.	Rock chip sampling was random across apparently mineralised intervals where either malachite or ferruginous material was identified. Rock chip samples were bagged in calico bags identified by a unique sample number. These samples were dispatched directly to the laboratory. A similar procedure of bagging and tagging was applied to the random grab samples of visually mineralised mullock.
Drilling techniques	Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).	No drilling has been completed.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling has been completed.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling has been completed.
	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.	No drilling has been completed.

Criteria	JORC Code Explanation	Commentary
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.	The samples were not taken to support any Mineral Resource Estimation, mining study or metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	Not completed.
	The total length and percentage of the relevant intersections logged.	Not completed.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling has been completed.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Random grab sample.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Random grab sample.
	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	Random grab sample.
	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.	Random grab samples of apparently and visually mineralised material. No duplicates were completed.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are appropriate for grain size of material sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the Assaying and laboratory procedures used and whether the technique is considered partial or total.	Method ME-ICP61 is a 4 acid digest, 33 element analysis specifically for base metals. Au is analysed by Au-AA25 and ore grade samples >10,000ppm trigger analysis by OG62.
	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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	These geophysical instruments are not used in assessing the mineralization within the project.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	All exploration work was completed by external, independent consultants.

Criteria	JORC Code Explanation	Commentary
	The use of twinned holes.	No twin holes were drilled or have been drilled.
	Documentation of primary data, data entry procedures, data	The data from previous exploration are currently stored in hardcopy and digital format in the Company's office.
	verification, data storage (physical and electronic) protocols.	A hard drive copy of this is stored with G Smith.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.
Location of data points	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.	All data points have been set out utilizing hand held GPS units, having an accuracy of ± 3m in open ground. Underground sample points were generated from the portal location using tape and compass mapping.
	Specification of the grid system used.	UTM NAD83 Zone 11
	Quality and adequacy of topographic control.	No survey has been undertaken. Hand held GPS coordinates have been utilized to locate sampling to date.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Data spacing was random while underground sample was completed at approximately similar intervals.
	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.	The sampling described in the report preceding this table is random in nature and is meant to demonstrate the presence of mineralisation and not to establish a mineral resource.
	Whether sample compositing has been applied.	No compositing has been applied.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The auger holes were random unbiased holes to a maximum depth of 1m to assess the effects of surface oxidation on the lithium mineralisation. They were drilled wholly within the same clay horizon.
	If the relationship between the drilling orientation and the orientation of key mineralised structures are considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling has been completed.
Sample security	The measures taken to ensure sample security.	All samples were sampled and delivered directly to ALS sample preparation facility in Tucson, Arizona.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No reviews completed.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	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 project consists of 5 Patented Mining Claims of approximately 20 acres each that have the status of private land where the holder owns both the surface and mineral rights. There is no indigenous title and there are no other known historical or environmentally sensitive areas.
	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.	The claims are patented and are subject to an annual payment. Other than the payment there is no requirement for minimum exploration or reporting. There is no expiry date on the claims.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	There has been no other than the historical mining and prospecting on this project.
Drill hole Information	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: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	No drilling has been completed.
	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.	No drilling has been completed.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All samples taken have been reported. No averaging, weighting or maximum/minimum grade truncations have been applied.

Criteria	JORC Code Explanation	Commentary
	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.	No aggregation of results has been completed.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are stated.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.	No drilling has been completed.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	As above.
Diagrams	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.	No drilling has been completed.
Balanced reporting	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.	This release includes all results to date and planned exploration activities.
Other substantive exploration data	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.	This information will be supplied as the project advances and said data is generated.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Further ground exploration is the next phase.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Future exploration will be completed within the claim boundaries as shown in figures within this report.