



ASX/Media Release

(ASX: MZN)

31 January 2017

Marindi Metals Ltd
ABN 84 118 522 124

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Australia

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Issued Capital:

1,323m fully paid ordinary shares,

64m unlisted options Ex. 2.5c Expiring
31 December 2019

EXPANDED DRILL PROGRAM PLANNED FOR HIGH GRADE GEM LITHIUM PROSPECT

Marindi Metals Ltd (ASX: MZN) is pleased to advise that an expanded exploration drilling program is planned to commence next week at the Gem Pegmatite Mining Lease within the Company's highly prospective Forrestania Lithium Project. Drilling was previously scheduled to commence in January but inclement weather, including unseasonal heavy rainfall, prevented mobilisation of the drill rig to site.

The program, comprising approximately 2000m of reverse circulation drilling, will follow up the very high-grade intersection of **33m grading 3.2% Li₂O**, including **13m at 4% Li₂O**, previously reported from Hole GPRC06 at the Gem target¹ in December 2016. This is believed to be among the highest-grade lithium intersections ever reported in WA.

The current drilling program will test the most prospective northern portion of the Gem mining lease, where difficult ground conditions prevented drill access during December's maiden program. This program is expected to take approximately 2 weeks to complete with assay results expected in March.

The company also applied for another Program of Work (POW) on January 9 and anticipates the grant of this additional POW by mid-February. This will allow for an expanded program of pattern drilling around GPRC06.

Marindi Managing Director Joe Treacy said: "We are very excited to be back drilling at Forrestania, where we have already confirmed the presence of high grade lithium mineralisation in an area hosting multiple targets in the heart of a rapidly emerging world-class lithium province.

"We look forward to reporting on the outcome of the program results once we have received all assay results."

¹ Refer ASX release dated 28 December 2016

Corporate Update

Rox Action

Marindi notes the announcement by Rox Resources Ltd (ASX:RXL) on 24 January 2017 regarding the signing of a sale agreement for its interest in the Reward zinc project in the Northern Territory. This does not impede or resolve Marindi's legal action against Rox², and the Company looks forward to presenting its case to the Court. A directions hearing in the Supreme Court is scheduled for this Thursday 2nd February.

Kidman Action

A procedural directions hearing was held in the Supreme Court of Western Australia on 19 January 2017 with respect to the Company's proceedings against Kidman Resources Ltd (ASX:KDR).³ A further hearing was held on the 30th January 2016 to consider Kidman's request to separate the issue of quantum of Marindi's alternative claim for damages from the planned trial. The primary relief sought by Marindi is an order for specific performance. Marindi had opposed the application, preferring to have all the issues tried at once to give certainty to shareholders as to the value of their rights as soon as possible. The Honourable Justice Kenneth Martin decided on case management grounds to separate the issue of quantum of the alternative damages claim citing the complexities of the case and time constraints of the 5-day trial listing.

The Court has listed the matter for trial commencing 29 May 2017, and directed the parties to attend court-supervised mediation at the first available date before the scheduled trial date.

Marindi is very pleased that a firm trial date has been set and looks forward to presenting its case to the Court.

The Company will provide further updates as appropriate.

Joe Treacy
Managing Director and CEO

Investor Inquiries

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Media Inquiries

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² Refer ASX release dated 14 November 2016

³ Refer ASX release dated 14 November 2016

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.