

MARCH 2019 | QUARTERLY ACTIVITIES REPORT

Corporate Snapshot

ASX: HCO
Shares on Issue: 2.8bn
Share Price: Ac 0.1
Mkt Cap: A\$2.8m

Board and Management

Tim Kestell
Mark Milazzo
Simon Andrew

Projects

Hylea Metals has a portfolio of cobalt, gold, iron ore and base metal projects in NSW and Western Australia.

Hylea's flagship asset is the Hylea Cobalt Project in the Fifield District of NSW. The Project represents a significant cobalt, platinum, nickel and scandium exploration target in both scale and grade potential, as demonstrated by the Company's maiden drilling program.

The Fifield District is Australia's premier cobalt address with CleanTeq, Australian Mines and Platina Resources all with JORC Cobalt-Scandium Resources

The Hylea Intrusive Complex, host to the Hylea Project, is one of the last ultramafic intrusive complexes in the region yet to have a JORC compliant Cobalt – Scandium resource.

ACTIVITY HIGHLIGHTS

During the March Quarter Hylea Metals (ASX: HCO) ("Hylea", "Company") no significant exploration work was undertaken on the Company's Hylea Project.

With the maiden program undertaken in 2018 having identified high grade Cobalt, Platinum, Scandium and Nickel, including outstanding grades of up to 0.61% Cobalt, 10.55g/t Platinum, 720ppm Scandium and 1.38% Nickel, the Company remains focussed on the Hylea Project. Once the required funding is secured the Company plans to begin additional exploration work at Tiger's Creek but also the multi element corridor surrounding Tiger's Creek.

The previously announced soil sampling results outlined three significant scale, high tenor Cobalt, plus Nickel, Platinum, Palladium, Scandium and Vanadium soil geochemical anomalies defining a >5km long multi-element geochemical corridor, open in multiple directions including to the south towards Tiger's Creek. The Company has been considering the most efficient and value accretive method of further exploring these trends.

During the period the Company decided to relinquish two of the four tenements contained on the Ashburton Joint Venture, located in Western Australia. The Company is the operator of the Joint Venture. The Joint Venture relinquished tenements E 08/2209-I and E 08/2210-I.

CORPORATE HIGHLIGHTS

At the end of the March Quarter the Company held a cash balance of \$75,248. The Company has been able to secure additional funding via a loan of \$150,000 from Neon Capital Ltd. Neon are a shareholder of HCO.

During the March Quarter the Board decided to ask shareholders to consider a reconstruction of the Company's shares. As per the announcement released to the ASX on the 4th of April, a General Meeting of Shareholders will be held on the 2nd of May 2019 to consider a 28 for 1 share consolidation.

The Board continues to explore funding options to progress the Tigers Creek Prospect and conduct additional work on the broader tenement package.

Simon Andrew



Managing Director

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About Hylea Metals

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The recently completed drill program is the first cobalt, scandium, platinum, nickel focused exploration on the Intrusive Complex. Having confirmed high grade cobalt, scandium, platinum and nickel in the drilling at Tiger's Creek, the soil sampling suggests that the regional picture is even more promising with the additional of a significant vanadium anomaly.

COMPETENT PERSONS STATEMENT

The information in this document that relates to Exploration Results is based on information compiled by Mr. Darren Glover who is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr Glover has over 20 years' experience in the mineral and mining industry. Mr Glover is a consultant to Hylea Metals, and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity 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 Glover consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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