

First cobalt results for Hylea are ‘as good or better’ than neighbours like CleanTeq

Special report: The first cobalt and nickel results from Hylea Metals’ maiden drilling program in NSW are as good or better than those from similar leading projects in the region and confirm its significant growth potential, a new research report says.

Hylea’s (ASX: HCO) project is located in the Fifield “battery metals” district, which is home to Robert Friedland’s \$630 million CleanTeq (ASX: CLQ) and its Sunrise cobalt-nickel-scandium-platinum project.

Sunrise is just 50km from the Hylea Cobalt Project and Hylea has a market capitalisation of \$22 million.

Hylea has just announced outstanding results from its first 12 holes at the project’s Tiger’s Creek prospect, with wide, high-grade intersections of cobalt, nickel, platinum and scandium.

Assays (lab tests) from the remaining 42 holes are expected over coming weeks.

The new report by Independent Investment Research senior analyst Mark Gordon – who correctly predicted that the results would be strong – shows the Hylea Project has several key parallels with CleanTeq’s Sunrise project.

“The initial results from Hylea’s drilling program confirm the potential of the Hylea Cobalt Project, with assay results being of the same tenor to, or higher than those from, other similar projects in the Fifield Igneous Province,” Gordon says in his report.

“The significant upside potential is further enhanced by the results of the soil sampling, which has identified three large soil cobalt anomalies in previously undrilled areas.”

He notes that the results contained “some very high individual one metre assays”, including up to 0.61% cobalt, 1.38% nickel, 10.55g/t platinum and 720ppm scandium and started just 2m below surface.

Gordon says that as well as the strong results, the drilling turned up some other important elements which are considered “precursor rocks to the higher-grade laterite-hosted mineralisation in the Fifield region”.

‘Very encouraged’ by results

He says he was also “very encouraged” by results which identified a mineralised trend extending north-west from Tiger’s Creek.

“This highlights the potential for the project to host significant resources,” Gordon says.

“All in all, the results bode well for the project and we look forward to ongoing positive results from the remaining drill assays and from additional exploration activities going forward.”

Hylea Managing Director David Berrie said the assays were exceptional given their widths, grades and close proximity to surface.

“These results show the potential of the Hylea Project,” Mr Berrie said. “We know we have outstanding grades and widths and that the mineralisation is basically at the surface, now it is a question of how big it is.

“This will become clearer as the assays from the remaining 42 holes become available over the next few weeks. We also have a series of strong, extensive soil anomalies in close proximity to Tiger’s Creek which will be tested in upcoming drilling programs.

“The combination of these drill results and the outstanding soil sampling results indicate that the Hylea Project has the potential to quickly up-grade from an exploration project.”

This special report is brought to you by Hylea Metals.

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