



**SIX  
SIGMA  
METALS**

## ASX Announcement

**29 OCTOBER 2018**

## September 2018 Quarterly Report

The Board of Six Sigma Metals Limited (“SI6” or “the Company”) is pleased to provide shareholders with its quarterly report for the three-month period ending September 30, 2018.

During the quarter, the Company continued its Due Diligence exercise (see ASX Announcement 12 June 2018) to assess an option agreement to acquire up to 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium Projects in Zimbabwe from Mirrorplex Pty Ltd (“Mirrorplex”).

The Due Diligence Program was extended at the Company’s discretion (see ASX Announcement 4 July 2018) until the 22 October to allow the receipt of the final set of assay results from the initial drill program at Shamva to provide SI6 a full interpretation of the geological merits of the Shamva Lithium and Chuatsa Vanadium projects and proper consideration of all aspects of the proposed acquisition of Mirrorplex.

Subsequent to the end of the reporting period, SI6 announced that it would not proceed to execute the option agreement with Mirrorplex and would continue to focus on deriving value from its existing Botswana assets (see ASX Announcement 19 October 2018).

## Activities to 30 September 2018

The bulk of SI6’s work focused on the due diligence assessment of the Shamva Lithium and Chuatsa Vanadium projects in Zimbabwe.

During July, SI6 carried out a Reverse Circulation (“RC”) drilling campaign at Bonnyvale, a high priority pegmatite prospect at the Shamva Lithium Project. The program was designed to test the continuity of lithium mineralisation at depth and to collect sections of continuous, unbiased samples via drilling across the pegmatites as part of SI6’s due diligence assessment of the Project. A total of 267m in 5 holes containing numerous pegmatite intersections was completed during the program (see ASX Announcement 25 July 2018). Surface samples of outcropping pegmatite for the Loch Ness North (18 samples) and Loch Ness South (71 samples) prospects were also collected and submitted for assay.

SI6 also carried out a reconnaissance visit to the Chuatsa Vanadium project as part of the due diligence program and collected soil and rock samples to verify the mineralization levels as reported by Anglo American during exploration in the 1960s. A total 70 samples were submitted for analysis.

### Six Sigma Metals

#### Corporate Details

ASX Code: SI6

#### Directors

##### Steve Groves

Non-Executive Director

##### Joshua Letcher

Non-Executive Director

##### Eddie King

Non-Executive Director

#### Contact

Suite 2, Level 1  
1 Altona Street  
West Perth WA  
Australia 6005

+61 (8) 6559 1792

[info@sixsigmametals.com](mailto:info@sixsigmametals.com)

[sixsigmametals.com](http://sixsigmametals.com)



## Activities Post Period to 31 October 2018

Activities undertaken post the September quarter and prior to the release of this report included the receipt of all assay results from the due diligence exploration program at the Shamva Lithium and Chuatsa Vanadium projects in Zimbabwe.

### Bonnyvale Drilling Program Results

The drilling program successfully returned a number of high-grade  $\text{Li}_2\text{O}$  intersections from a single outcropping pegmatite within the Bonnyvale pegmatite prospect. Numerous individual metres returned results over 4%  $\text{Li}_2\text{O}$ , with a maximum up to 4.87%  $\text{Li}_2\text{O}$ . High grade intersections were noted to contain a high proportion of spodumene mineralisation (see ASX Announcement 2 October 2018).

### Loch Ness Rock Sampling Results

The Loch Ness Prospect lies in the north-western area of the Shamva tenement package and contains two elongated dyke areas exposed over a cumulative 500m strike within the licences. These areas range up to about 100m wide and contain abundant pegmatite outcrop. A single north-south traverse across the Loch Ness North area collected 18 samples for analysis and revealed extremely encouraging results with all samples in a range from 1.5%  $\text{Li}_2\text{O}$  to 2.89%  $\text{Li}_2\text{O}$  (see ASX Announcement 2 October 2018).

Grid-patterned sampling of the Loch Ness South area revealed a mix of results, with numerous samples returning well over 2%  $\text{Li}_2\text{O}$  to a maximum of 4.71% and 4.82%  $\text{Li}_2\text{O}$  demonstrating the high-grade potential of the area (see ASX Announcement 2 October 2018).

### Chuatsa Vanadium Surface Sampling Results

The 62 soil and 8 rock samples returned results containing a high proportion of mineralised material and very accurately replicated the pattern and increased the tenor of the historically defined mineralisation providing confidence in the veracity of the historic work by Anglo American (see ASX Announcement 9 October 2018).

The program demonstrated that significant  $\text{V}_2\text{O}_5$  levels were returned from a high proportion of samples across a large area, often well in excess of the historical vanadium assay results where outcropping magnetite-rich rock was sampled  $\text{V}_2\text{O}_5$  levels were generally close to, or above, 1%  $\text{V}_2\text{O}_5$ . Soil sample results were also encouraging, with very high  $\text{V}_2\text{O}_5$ , Cu,  $\text{TiO}_2$  and Fe levels recorded. Significant levels of Co and Cu were also encountered in mineralised samples.

### Due Diligence Outcome

On 19 October, the independent board members of SI6 advised that SI6 had, at its discretion, decided not to exercise the Option Agreement with Mirrorplex as announced on 17 May 2018. Under the Option Agreement, the Company had the option to acquire up to an 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium Projects in Zimbabwe where the structure of the acquisition was a three-phased share acquisition earn-in. Despite the best endeavors of all parties associated with the transaction, the independent members of the Board decided that exercising the option would not add value for the Company and therefore was not in the best interests of shareholders (see ASX Announcement 19 October 2018).



## Botswana Assets

Three of the Group's licences (PL 110/94, PL 111/94 and PL 54/98), covering 185km<sup>2</sup>, have been in Joint Venture with BCL Limited (a major Ni-Cu miner in Botswana) since 2014.

On October 2016, BCL was placed into liquidation and all work on the JV assets ceased. The Ministry of Minerals Resources, Green Technology and Energy Security has subsequently suspended (put on hold) the renewal date of the three Prospecting Licences (see ASX Announcement 25 September 2017).

This suspension means that the current renewal date of 31 March 2018 has been frozen for an indefinite period pending completion of the Liquidation process.

This decision does not affect SI6's right to continue exploring these licences. SI6, via its African subsidiary AML, will apply for renewals for all three licences as stipulated in the Mines and Minerals Act when advised by the Ministry of the new renewal dates.

The liquidation process is ongoing as of the date of this report.

## Exploration areas held in Botswana

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd
Mokoswane PL 111/94	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd.
Takane PL 54/98	31/03/2018	60	African Metals (Pty) Ltd	Farm-in agreement with BCL Ltd
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal application submitted 30/06/16
PL 193/2016	30/09/2019	100	African Metals (Pty) Ltd	
PL 194/2016	30/09/2019	100	African Metals (Pty) Ltd	
PL 195/2016	30/09/2019	100	African Metals (Pty) Ltd	

There were no changes in the tenements held during the Quarter.

**The mining tenement interests relinquished during the quarter and their location**

Nil.

**The mining tenement interests acquired during the quarter and their location**



Nil

**Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**

SIG, via its wholly-owned subsidiary African Metals Limited, holds a 60% interest in Prospecting Licences PL110/94, PL111/94 and PL54/2008. The remaining 40% is held by BCL Investments Limited who are currently in liquidation. These licences have been suspended (put on hold) until the liquidation process is complete but are confirmed in Good Standing by the Department of Mines in Botswana.

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**

Not applicable.

**Additional Tenement Information:**

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 and PL 54/98.