

June 2018 Quarterly Report

HIGHLIGHTS

Operations

- Rock Sampling at Shamva revealed a large area of high-grade lithium mineralisation

Post Period

- During July, the Due Diligence Period was extended to accommodate drilling and de-risk project
- Due diligence drilling of 5 holes undertaken in July at Shamva revealed:
 - **All holes intersected pegmatite dykes**
 - Lithium minerals including **Spodumene and Lepidolite** identified in all pegmatite drill intersections
 - Down-hole pegmatite **drill intersections** of up to **9m, 14m and 36m** (down dip intersection)
 - Pegmatite dykes intersected down to **60m vertically below** surface outcrops

Corporate

- Entered Option Agreement to acquire Shamva Lithium and Chuatsa Vanadium-Titanium Projects in Zimbabwe

The Board of Six Sigma Metals Limited (“S16” or “the Company”) is pleased to provide shareholders with its quarterly report for the three-month period ending June 30, 2018. This quarter has seen the Company announce its move into Zimbabwe with the execution of an option agreement to acquire up to 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium Projects from Mirrorplex Pty Ltd (“Mirrorplex”).

S16’s renewed strategy is specifically targeting projects containing “battery or new world” metals to capitalise on the rising interest in the sector due to recent global technology advances and increasing demand for these commodities. The Company’s move to acquire an interest in the Chuatsa and Shamva Projects is the culmination of a number of years focus on the battery metals sector and leverages the S16’s significant skills and experience in exploring and operating in Southern Africa.

Option Agreement on Shamva Lithium and Chuatsa Vanadium Projects

During May, the Company entered into an option agreement with Mirrorplex Pty Ltd (“Mirrorplex”) to acquire up to 80% interest in the Chuatsa Vanadium-Titanium and Shamva Lithium Projects in Zimbabwe. The proposed acquisition is planned as a three-phase staged option agreement whereby the Company can acquire up to an 80% interest in the Projects by acquiring an interest in the share capital of Mirrorplex. The key terms of the Option Earn in Agreement are outlined in ASX Announcement on 17/05/2018 and include an initial 60 Due Diligence period followed by 3 Earn-in phases. A reduction in the consideration shares for the option agreement for phase 1 were subsequently announced on 4 July 2018.

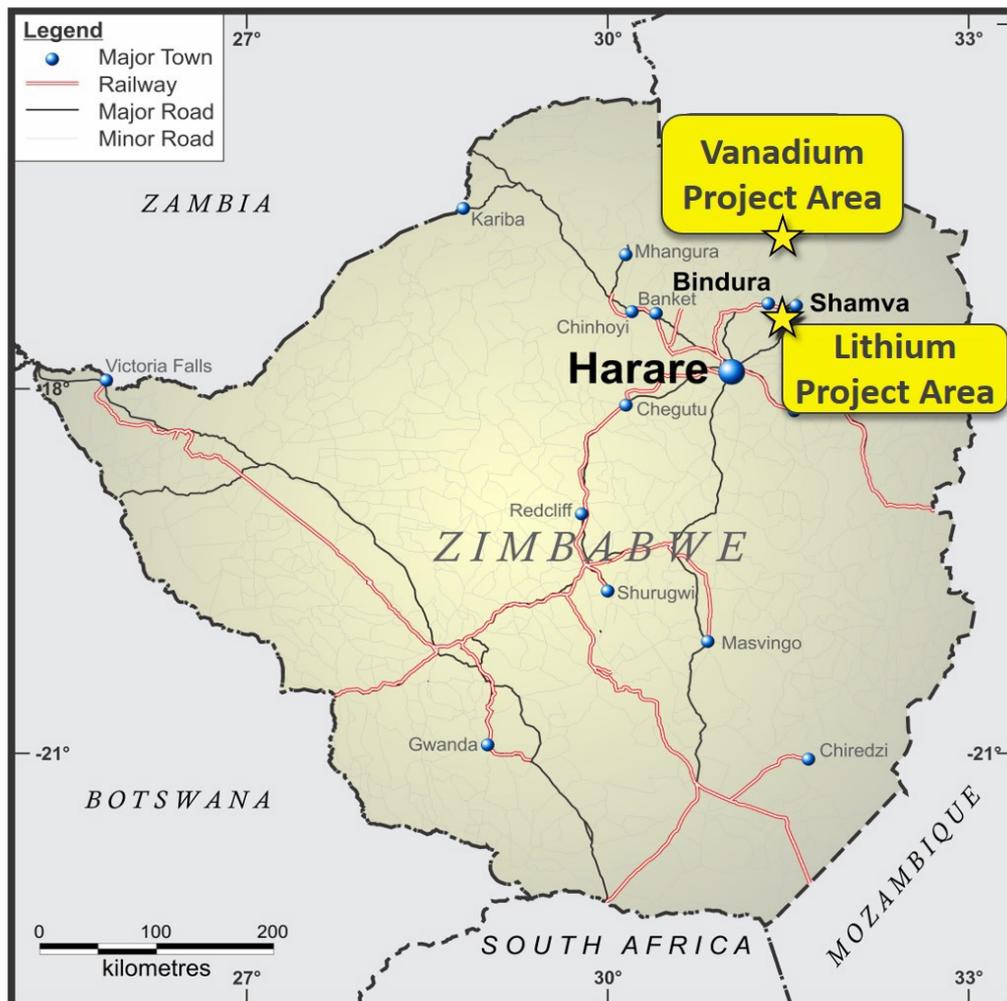


Figure 1: Map of Zimbabwe showing location of the Shamva Lithium Project and Chuatsa Vanadium-Copper-Titanium Project. Both projects are a short drive from Harare along sealed roads.

Exploration by SI6 at Shamva

During June, following commencement of the Due Diligence period, SI6 undertook rock sampling at both the Bonnyvale and Loch Ness pegmatite prospects.

Rock Sampling

The Company announced in June that it had received results from 240 rock samples taken from exposed pegmatite bodies at Shamva (see ASX announcement 06 June 2018). High-grade lithium

mineralisation was revealed, with assay results from samples over the large Bonnyvale pegmatite body returning over 60% with results greater than 1 % Li₂O. The area shows a significant high-grade component, with **61 samples returning values above 2% Li₂O**.

A further 58 samples were collected from the Loch Ness pegmatites with the results from this work pending.

Exploration by SI6 at Chuatsa

The Chuatsa Vanadium-Titanium project also forms part of the option agreement with Mirrorplex. The historic Chuatsa project, located approximately 140km northeast of Harare in Northern Zimbabwe was subject to historical exploration in the 1960s by Anglo America Prospecting (Rhodesia) Ltd who discovered mineralisation including titanium as ilmenite, vanadium as vanadiferous magnetite and copper as chalcopyrite and bornite. Historical samples produced results up to 7.8% TiO₂, 0.38% Cu and 0.8% V₂O₅ from trenching and borehole sampling*.

Soil and Rock Sampling

As part of the Due Diligence assessment, SI6 geologists undertook a reconnaissance visit to the Chuatsa Vanadium project to locate old exploration sites and to take a limited collection of soil and rock samples of available material to verify the mineralisation levels reported by Anglo American in the 1960s. A total of 70 samples were collected and will be submitted to an independent laboratory in South Africa for analysis.

Assay results are pending and are expected during the September 2018 Quarter.

**Analytical results are historical in nature and taken from an un-referenced document referencing Anglo America Prospecting's work obtained from the Harare Geological Survey Office. Analytical method, quality controls, detection limits and representative nature of the samples are not known at this time.*

Botswana Assets

SI6 is the holder of exploration licences covering approximately 1,500km² of terrain prospective for Ni-Cu-Co-PGE-Au-Ag and lithium and tantalum in eastern Botswana.

Lithium and Tantalum Exploration

SI6 continues to assess the Lithium and Tantalum exploration potential of the Company's portfolio in Botswana. A number of reconnaissance soil samples were collected in the first half of 2018 and are currently being processed.

BCL Joint Venture

Three of SI6's licences (PL 110/94, PL 111/94 and PL 54/98), covering 185km², have been in Joint Venture with BCL Limited (a major Ni-Cu miner in Botswana) since 2014. In 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 for the licenses.

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

Corporate

The Company announced the appointment of Mr Eddie King as a director of SI6 on 12 June.

Mr Edwin Bulseco has provided notice that he intends to step down from the SI6 Board at the end of July to pursue and focus on other business interests.

Activities Post Period to 31 July 2018

Post period the Company announced an amendment to the three phased staged Mirrorplex option agreement whereby the consideration for Phase 1 has been modified and the Due Diligence period has been extended to 116 days to allow for targeted exploration drilling to commence in July prior to SI6 electing to exercise the Option.

The new deal structure results in less dilution for shareholders of SI6 to earn-in to Phase 1 whilst maintaining the same exposure. In addition, the extension to the due diligence period allows SI6 to have a more-informed decision prior to exercising the Option under the Option Agreement. Full details of the amendment are outlined in an ASX Announcement released on 04/07/2018.

Reverse Circulation Drilling Program

During July, following the announcement of the variation to the Due Diligence conditions, the Company embarked on a program of 5 Reverse Circulation (“RC”) drill holes for a total of 287m at the Bonnyvale Prospect to test the morphology, thickness and depth extent of the Bonnyvale pegmatite dykes (see ASX Announcement 12/07/2018).

Key findings of the program include:

- All holes hit pegmatite of varying thickness. The thickest single dyke has an interpreted true thickness of between 10 – 12m (from holes 4 and 5)
- All pegmatite intersections have contained identifiable spodumene and lepidolite mineralisation within the RC chips.
- Pegmatites occur as either thick dykes (holes 4 & 5) or narrow, sheeted dykes (Holes 1 – 3).
- Pegmatites extend to at least 60m depth vertically below the surface (Holes 1, 2 & 5)

Full details of the completion of the drilling program and observations are outlined in an Announcement by the Company to the ASX on 25/07/2018.

This drilling program de-risks the project by allowing SI6 to further assess the lithium potential of the Projects before exercising the Option and committing to Phase 1 of the Option Agreement.

Assay results are pending and are expected during the September 2018 Quarter.

The Company is not aware of any new information or data that materially affects the information included in the quarterly report and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the quarterly report continue to apply and have not materially changed.

Edwin Bulseco

Chairman