



ACN 072 692 365

High Purity Alumina Project brief progress report

22 November 2017

ASX Code: HEG, HEGOC

Highlights

- The production of a 99.99% or better HPA product at Nagrom laboratory, from a small Yendon deposit composite, has shown an exceptionally rapid aluminium extraction using conventional HPA purification processes; indicating a simple HPA facility design.
- Assaying of the Yendon air core resource drilling samples is now complete by LabWest Mineral Analysis laboratory with excellent results of consistent high grade kaolinite and high yields at -63 micron sizing with low contaminant levels.
- Yendon resource estimate completion is delayed owing to late Victorian rains and drill availability.
- HPA purification test work has commenced on a 330kg composite at ALS Metallurgy laboratory.
- The ALS HPA purification composite is derived from all air core samples within an initial open pit design of 230 x 350m and average depth of ~15m in the Yendon deposit Dam area.
- Engineering contractor Primero Group has been selected as lead engineer for the HPA Project design and Preliminary Feasibility Study (PFS).
- The PFS metallurgical test work is expected to be completed in Q1 2018 with the PFS report to follow soon after.
- HPA is an important material used in the rapidly expanding battery and LED lighting industry and preliminary metallurgical test work indicates HEG can produce a high purity, low cost HPA product.
- A placement to raise \$3.75M in two tranches is underway to fund the next phase of the PFS.

Subsequent ASX releases detailing the above matters will be made separately after all data has been finalised and reviewed.

Philip Bruce
Managing Director / Executive Chairman

HEG Limited (HEG) is an ASX-listed exploration and resource investment company with projects and investments that are in late exploration / early development phase with high value potential.

HEG has extensive experience in exploration, development and operation of resource and technology projects and in acquiring and enhancing project and corporate opportunities.

HEG's HPA Project proposal is to mine kaolin from tenements near Ballarat, Victoria and produce +99.99% high purity alumina products for the battery and LED lighting sectors which are experiencing exceptional demand growth with the pressure for reduced power consumption, improved power storage and increasing electric vehicle production.

HEG's gold projects of Hargraves and Hill End in central New South Wales, Australia have gold resources totalling 571,000 ounces (20.9.2016) and pre-development activities continue for two potential low cost open pit development projects.

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