Delecta Limited
ASX ANNOUNCEMENT
22 July 2020

ASX:DLC

INITIAL RESULTS FROM REX PROJECT HIGHLIGHTS HIGH-GRADE URANIUM-VANADIUM POTENTIAL

Delecta Limited ("Delecta" or "Company") is pleased to announce receipt of initial assay results from sampling programs across its REX Uranium-Vanadium Project, located in Colorado.

SUMMARY

- Delecta recently announced it had acquired 60% of the REX Project. The project consists of 256 contiguous BLM claims covering 2,072ha in the Uravan Mineral Belt, Colorado, USA[1].
- The Company raised $1.2 million through an oversubscribed strategic placement, with funds to be used for the acquisition, initial exploration and working capital.

HIGHLIGHTS

- Assays from rock-chip sampling of outcrop and mine dumps have returned extremely encouraging uranium values up to 5,280ppm U_3O_8 and vanadium to 13,600ppm V_2O_5.
- 12 of the 17 samples returned an average grade of **2,246ppm U_3O_8 (0.22%)** with a peak value of **5,280ppm U_3O_8 (0.53%)** recorded. Historical grades from the Uravan Mineral Belt average 0.24% U_3O_8.
- All 17 samples contained vanadium, ranging from **1,950ppm V_2O_5 (0.195%)** with a peak value of **13,600ppm V_2O_5 (1.36%)** recorded, with an averaging sample recording 6,429ppm V_2O_5 (0.64%).
- The REX claims lie within the Uravan Mineral Belt with reported production, totalling 86 mlbs at 0.24% uranium and 441 mlbs at 1.25% vanadium[2].
- The project is located within trucking distance of the White Mesa mill, the only operating conventional uranium-vanadium mill in the US that has 90% spare capacity available to toll treat mined ore.
- Geological mapping and sampling is ongoing, targeting the host Salt Wash sandstones with a scintillometer and portable XRF analyser to allow rapid determinations for both uranium and vanadium and the definition of potential drill targets.
- The Company continues to complete due diligence on strategic uranium, gold and copper projects through its partnership with Sunrise Minerals INC, a US-based project generator with a dedicated

[1] ASX Announcement - INVESTMENT IN US URANIUM-VANADIUM PROJECT AND $1.25M STRATEGIC PLACEMENT https://www.asx.com.au/asxpdf/20200624/pdf/44jx27njg40gxq.pdf
[2] ASX Announcement - INVESTMENT IN US URANIUM-VANADIUM PROJECT AND $1.25M STRATEGIC PLACEMENT https://www.asx.com.au/asxpdf/20200624/pdf/44jx27njg40gxq.pdf

team of local geologists and consultants specialising in resource projects across the south and mid-west of the United States.

- Uranium demand to be super-charged through the US Government's 2021 Federal Budget with a proposal to purchase US$150mp.a. (circa 3.75mlbs p.a.) of domestic U_3O_8 production, creating a US$1.5 billion U_3O_8 reserve.

Delecta Managing Director Malcolm Day commented:

"We're excited about the initial results of preliminary grab sampling from the project given that it was untargeted and without the aid of a scintillometer. The project's history of uranium mining, its proximity to operating infrastructure and the prevailing supportive government regime, bodes well for the development of the project. We look forward to commencing the next phase of exploration over the coming weeks."

ROCK-CHIP SAMPLING (DETAILED)

Rock chip sampling at the REX Uranium-Vanadium Project was completed during due diligence and relied upon the visual identification of mineralisation, without the aid of a scintillometer, to determine the presence of uranium-vanadium mineralisation in the Salt Wash sandstones from both outcrop and mine dumps.

A total of 17 samples were collected and dispatched to ALS Laboratories for analysis (see Figure 1 for sample locations) with a full list of sampling details found in Table 1.

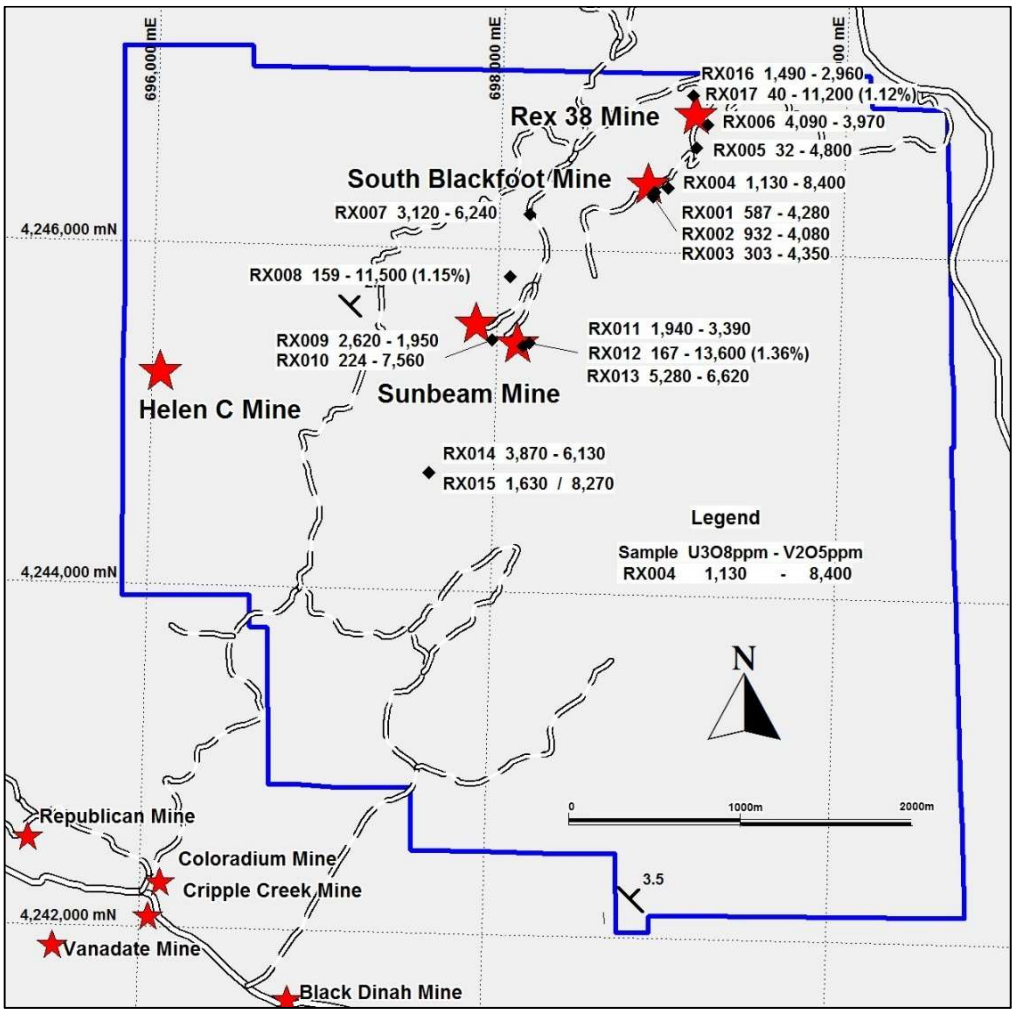

Figure 1 – REX Project overlain with rock-chip sampling locations

The results are extremely encouraging and demonstrate a regionally elevated level of both U_3O_8 (uranium) and V_2O_5 (vanadium), including:

URANIUM - exceeded 587ppm in 12 of the 17 samples up to a maximum of 5,280ppm U_3O_8 (0.53% or 5.3kg/tonne), averaging 2,246ppm U_3O_8 (0.22%) (Photo 1). This compares well with the historical average grade of the uranium mined from the Salt Wash sandstones in the Uravan Mineral Belt of 0.24% U_3O_8[3].

VANADIUM - All 17 samples contained vanadium, ranging from 1,950ppm V_2O_5 (0.195% or 1.95kg/tonne) or up to a maximum of 13,600ppm V_2O_5 (1.36% or 13.6kg/tonne) averaging 6,429ppm V_2O_5 (0.643% or 6.43kg/tonne). This clearly demonstrates the preferred sampling of the highly visual vanadium mineralisation (Photo 2).

Photo 1 – Uranium Mineralisation RX013 (yellow specs)

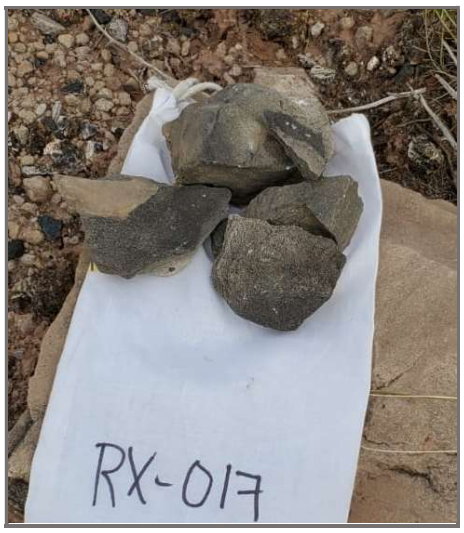

Photo 2 – Vanadium Mineralisation

NEXT STEPS

The Company has an aggressive exploration strategy for the REX Project, including:

- Mapping and sampling along the sandstone mesa rims on the Project, utilising a scintillometer and handheld XRF analyser.
- Geo-reference the existing underground mine plans and where accessible complete mapping and sampling to establish the presence of mineralisation and provide a guide for surface drilling.
- Locate previous surface drill holes and probe where open.
- Engage Bureau of Land Management (BLM) in relation to entering old workings and drilling program.
- Drill target definition.

[3] Portergeo, Colorado Plateau Uranium, Uravan, Henry Mountains, Slick Rock, Rifle, Grants District, USA
http://www.portergeo.com.au/database/mineinfo.asp?mineid=mn507

Table 1 – REX Project rock-chip sampling results

Sample	Northing	Easting	RL	Type	U ppm	V ppm
RX001	4,246,325	698,888	1687	outcrop grab	587	4,280
RX002	4,246,338	698,887	1684	outcrop grab	932	4,080
RX003	4,246,354	698,893	1680	outcrop grab	303	4,350
RX004	4,246,378	698,974	1673	dump grab	1,130	8,400
RX005	4,246,619	699,132	1643	dump grab	32	4,800
RX006	4,246,751	699,195	1629	dump grab	4,090	3,970
RX007	4,246,207	698,172	1655	dump grab	3,120	6,240
RX008	4,245,840	698,070	1675	dump grab	159	11,500
RX009	4,245,469	697,970	1719	dump grab	2,620	1,950
RX010	4,245,469	697,970	1719	dump grab	224	7,560
RX011	4,245,436	698,151	1708	dump grab	1,940	3,390
RX012	4,245,436	698,151	1708	dump grab	168	13,600
RX013	4,245,454	698,186	1713	dump grab	5,280	6,620
RX014	4,244,686	697,626	1793	dump grab	3,870	6,130
RX015	4,244,686	697,626	1793	dump grab	1,630	8,270
RX016	4,246,921	699,107	1631	dump grab	1,490	2,960
RX017	4,246,921	699,107	1631	dump grab	40	11,200

Note : Easting and Northing NAD82 Zone 12

-END-

This release has been authorised for release to ASX by the Board of Directors of the Company.
For further information visit our website delecta.com.au or contact:

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ABOUT THE REX URANIUM-VANADIUM PROJECT COLORADO, USA

On 24 June 2020, the Company announced it had acquired 60% of the shares in Sunrise Minerals Inc, a Colorado, US based company that holds the REX Uranium-Vanadium Project (Project). The Project consists of 256 contiguous BLM claims covering 2,072ha in Colorado, USA. Uranium mineralisation is confirmed, with four historic uranium mines within the Project area. The Project has not been subject to any recent exploration. The Project is located in Montrose County, Colorado (Figure 2). The claims are readily accessible via surfaced and county-maintained gravel roads from either Moab or Monticello, a distance of approximately 145 kms.

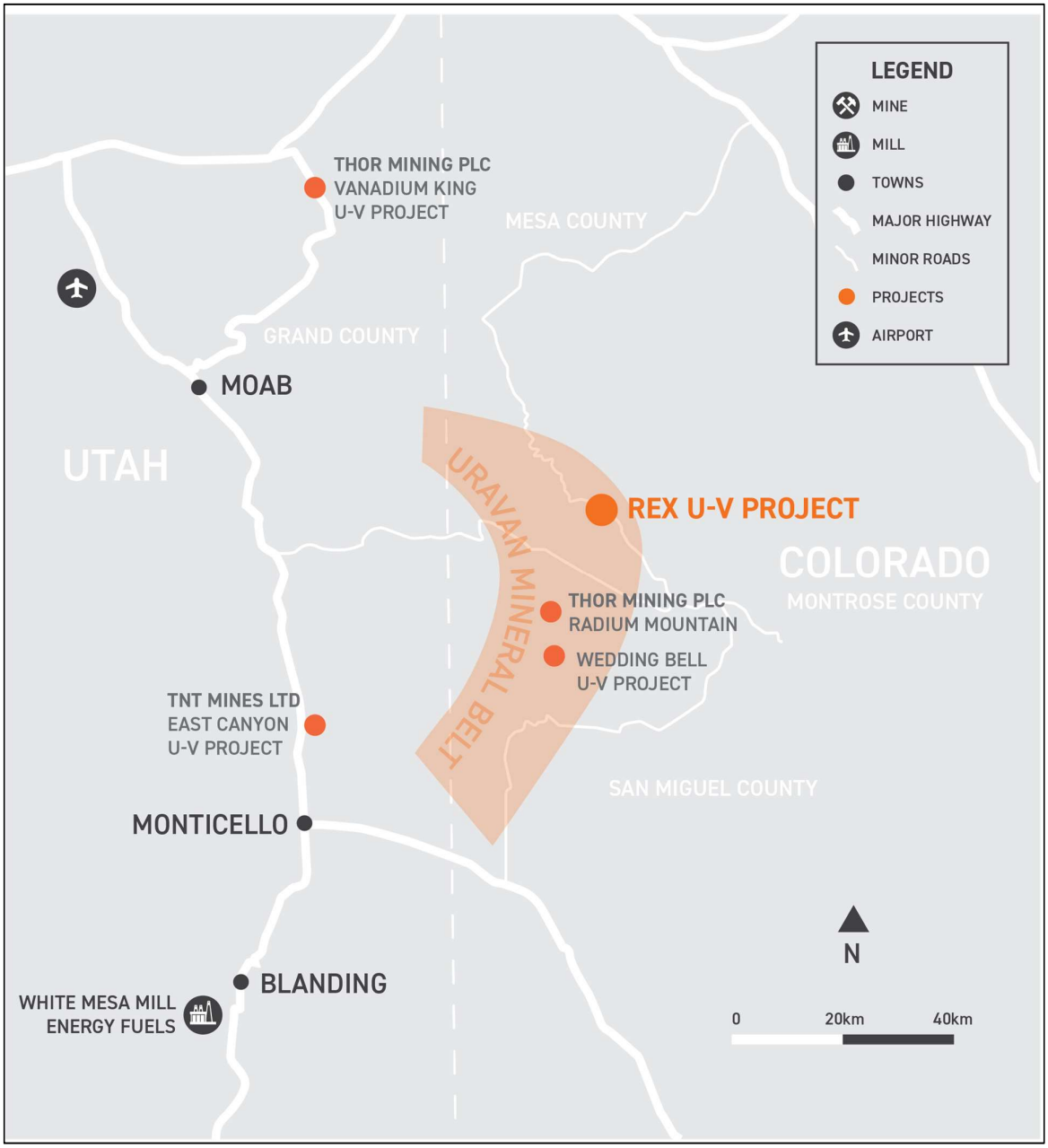

Figure 2 – Location REX Project

Competent Person Statement

The information in this announcement that relates to Exploration is based on information compiled by Greg Smith, who is a Member of The AusIMM and who has more than five years' experience in the field of activity being reported on. Mr. Smith is a consultant of the Company. The information in the market announcement is an accurate representation of the available data and studies for the material mining project.

Mr. Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	**JORC Code Explanation**	**Commentary**
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	The rock sampling completed by Sunrise Minerals Inc (SMI) consisted of outcrop rock chip grab sampling and grab samples from mine dumps. Equipment used for outcrop sampling was a hammer with the collection of selected rock fragments over an area of 1m x 1m. Dump samples were taken of visibly mineralised material.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Rock chip grab samples by the vendors were taken of visibly mineralised material from areas of outcrop and mine dumps.

	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	In all cases samples by the vendor (SMI) were dispatched to ALS laboratories for analysis. The samples were analysed by method ME-MS41, reporting 51 elements with ore grade material (V >10,000ppm) reported in percentage.
Drilling techniques	Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube,	Not applicable
	depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Not applicable

Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Not applicable
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Not applicable
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not applicable

Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Not applicable
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	Not applicable
	The total length and percentage of the relevant intersections logged.	Not applicable
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All rock chip samples were approximately 1kg in weight and are representative of the material sampled. They were placed in individually numbered calico bags and packaged for shipping to ALS.

	Quality control procedures adopted for all subsampling stages to maximise representivity of samples.	No sub sampling was completed.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	No field or duplicate sampling was undertaken.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes were appropriate for the material sampled.

Quality of assay data and laboratory tests	The nature, quality and appropriateness of the Assaying and laboratory procedures used and whether the technique is considered partial or total.	The assay technique used by SMI is method ME-MS41 an aqua regia digest with an ICP-MS analysis. It reports 51 elements. Any "ore grade" samples (>10,000ppm) are subject to further analysis with results reported in %. Average sample weight is 1kg.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No geophysical instruments are used in assessing the mineralization at the Project. No blanks or standards were added to the sample stream for the 17 grab samples by the vendors.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	All grab sample results were examined by GL Smith a consultant geologist whom is contracted to the company.
	The use of twinned holes.	Not applicable
	Documentation of primary data, data entry procedures, data	The data on the 6 grab samples are currently stored in hardcopy and digital format in the Company's office.

	verification, data storage (physical and electronic) protocols.	A hard drive copy of this is stored with GL Smith and in the cloud.
	Discuss any adjustment to assay data.	No adjustment was made to assay data.

Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All samples were located using a hand held GPS units, having an accuracy of ± 3m in open ground.
	Specification of the grid system used.	UTM NAD83 Zone 12
	Quality and adequacy of topographic control.	No survey has been undertaken. Hand held GPS coordinates have been utilized to locate sample sites.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The samples reported are grab samples taken at locations of old mine sites or on obviously mineralised outcrop.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The results will not be used in the determination of any Mineral Resource estimation.
	Whether sample compositing has been applied.	No sample compositing has reportedly been applied.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Not applicable
	If the relationship between the drilling orientation and the orientation of key mineralised structures are considered to have introduced a sampling bias, this should be assessed and reported if material.	Not applicable
Sample security	The measures taken to ensure sample security.	The grab samples were delivered directly to ALS sample preparation facility.

Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No reviews have yet been completed.

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The REX Ridge project consists of 256 mining claims of approximately 20 acres each (8.09 ha), physically staked on Bureau of Land Management, Federally administered land. All indigenous title is cleared and there are no other known historical or environmentally sensitive areas.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The claims have been granted and are subject to an annual payment. Other than the payment there is no requirement for minimum exploration or reporting. There is no expiry date on the claims.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The Project has been the subject of prior mining and exploration in front of development. No production or exploration records are available.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Not applicable

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded.

Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No data aggregation methods have been used.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are stated.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.	Not applicable
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable

Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate maps are present in the announcement.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	This release includes results from theck chip grab sampling and includes all results.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data is available.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Exploration consisting of geological mapping in conjunction with scintillometer and XRF sample analysis is planned.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Drill targets will be generated as exploration is completed.