August 25, 2016

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:
ASX Code: KDR

Issued capital:
310.9 * ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:
Capri Holdings (10.7%*)
Acorn Capital (8.4%*)
*Subject to completion of the placement announced on 17 August 2016.

Directors:
Non-Executive Chairman:
Peter Lester
Managing Director:
Martin Donohue
Non-Executive Director:
Brad Evans

Chief Financial Officer (CFO):
Jason Eveleigh

Company Secretaries:
Justin Mouchacca
Melanie Leydin

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Thickness of Earl Grey Pegmatite
Doubled to ~100m by First Drill Holes

Highlights

- First two holes drilled by Kidman at the high-grade Earl Grey lithium-project have doubled its known pegmatite thickness to ~100m
- Abundant coarse and fine grained spodumene observed in core from the first two diamond drill holes
- Drilling up-dip of historical holes has extended the pegmatite by a further 200m, intersecting a continuous pegmatite zone of 70m thickness within an overall 100m thick zone
- Two rigs are now drilling at Earl Grey, targeting a maiden resource in December quarter 2016
- Approvals submitted to drill additional holes up-dip
- First assays expected in early September

Kidman Resources (ASX: KDR) is pleased to advise that the first two holes of its drilling program at the high-grade Earl Grey lithium-bearing pegmatite within the Mt Holland project have returned highly encouraging results, upgrading our prior understanding of the potential scale of the Earl Grey Lithium Project.

The holes have demonstrated that the pegmatite is up to ~100m true width, doubling the previous known width. Drilling has also extended the known strike of the pegmatite by a further 200m up-dip, intersecting a continuous 70 metre thick pegmatite zone from 110m metres below surface, within an overall 100m thick zone that starts at 74m below surface. The pegmatite remains open up dip to the south towards surface.

Significant coarse and fine spodumene has been observed in two diamond holes completed along the 759,200mE section. The core from both holes is currently being processed and assay results confirming the lithium content are expected in early September.
The drilling campaign is aimed at defining the lateral and vertical extent of the mineralised pegmatite to allow for estimation of a maiden JORC Resource later this year. Results to date indicate that the pegmatite becomes more flat lying near surface, implying the surface expression will be further to the south than previously interpreted.

Further drilling is planned to delineate the surface expression currently obscured by regional shallow regolith cover, and Kidman has submitted approvals to enable drilling of the up-dip extension of the pegmatite to surface.

**Figure 1:** Cross section of the Earl Grey pegmatite with intercepts from resampled RC drill holes and the current drilling programme undertaken by Kidman drilling. The thickness of the pegmatite has been shown to be ~100m thick.

**Figure 2:** The Earl Grey pegmatite intersected in KEGR001, coarse Spodumene abundant through the interval, which indicates a true width of ~94m.
Figure 3a/b: The Earl Grey pegmatite intersected in KEGR001, coarse and fine Spodumene abundant through the interval and reflective of thick zones seen on both the footwall and hangingwall contacts.
Kidman is a diversified resource company currently in production at the Burbanks Gold Mine near Coolgardie in WA. Production commenced in the September quarter of 2015.

Kidman also owns the Mt Holland gold field near Southern Cross in WA (see ASX Announcement 18th December for further details of the project). The company intends to revise the existing gold resource at Mt Holland with a significant RC and Diamond drilling program, followed by an update to the feasibility study undertaken by previous operators. The company is now also drilling to further test the highly prospective Lithium targets within the Mt Holland tenement package and has entered into an MOU to potentially process Lithium ores at the Lake Johnston 1.5Mtpa concentrator owned by Poseidon Nickel.

Kidman also owns advanced exploration projects in the Northern Territory (Home of Bullion – Cu, Au, Pb, Zn, Ag/Prospect D - Ni, Cu) and New South Wales.

In New South Wales the company has the Crowl Creek Project which is host to numerous projects such as Murrays (Au) Blind Calf (Cu, Au) and Three Peaks (Cu, Pb, Ag).

The company also owns the Brown’s Reef project in the southern part of the Cobar Basin (Zn, Pb, Ag, and Cu)

For further information on the Company’s portfolio of projects please refer to the website at: www.kidmanresources.com.au

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Competent Persons Statement
Exploration:
The information in this release that relates to sampling techniques and data, Exploration Results, geological interpretation and Exploration Targets has been compiled by Mr. Michael Green BSc (Hons), MAusIMM, an employee of the Company. Mr. Green is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 Edition of the “Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Green consents to the inclusion in this report of the contained technical information in the form and context in which it appears.

Cautionary Statement:
Readers should use caution when reviewing the exploration and historical information results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision. Potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Information in this report may also reflect past exploration results, and Kidman’s assessment of exploration completed by past explorers, which has not been updated to comply with the JORC 2012 Code. The company confirms it is not aware of any new information or data which materially affects the information included in this announcement.
Appendix 1

**TABLE 1: DRILL HOLE DETAILS**

<table>
<thead>
<tr>
<th>Drill Hole</th>
<th>Easting GDA94 (m)</th>
<th>Northing GDA94 (m)</th>
<th>AHD RL (m)</th>
<th>Inclination (°)</th>
<th>Azimuth (°)</th>
<th>Total length (m)</th>
<th>Location / Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEGR001</td>
<td>759200</td>
<td>6447159</td>
<td>447</td>
<td>-65</td>
<td>180</td>
<td>325.6</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>KEGR002</td>
<td>759200</td>
<td>6446760</td>
<td>448</td>
<td>-65</td>
<td>180</td>
<td>91*</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>KEGR003</td>
<td>759200</td>
<td>6446664</td>
<td>449</td>
<td>-65</td>
<td>180</td>
<td>229</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>KEGR004</td>
<td>759089</td>
<td>6446958</td>
<td>450</td>
<td>-61</td>
<td>150</td>
<td>180.8*</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>KEGR005</td>
<td>759200</td>
<td>6446560</td>
<td>448</td>
<td>-65</td>
<td>180</td>
<td>35*</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>CEG002</td>
<td>759123</td>
<td>6447106</td>
<td>449</td>
<td>-60</td>
<td>88.5</td>
<td>276</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>CEG003</td>
<td>759118</td>
<td>6447006</td>
<td>453</td>
<td>55</td>
<td>88.5</td>
<td>258</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>CEG004</td>
<td>759032</td>
<td>6446881</td>
<td>457</td>
<td>-55</td>
<td>88.5</td>
<td>228</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>CEG006</td>
<td>759355</td>
<td>6446815</td>
<td>452</td>
<td>-55</td>
<td>268.5</td>
<td>180</td>
<td>Earl Grey</td>
</tr>
<tr>
<td>CEG007</td>
<td>759401</td>
<td>6446963</td>
<td>452</td>
<td>-55</td>
<td>268.5</td>
<td>246</td>
<td>Earl Grey</td>
</tr>
</tbody>
</table>

*Hole currently underway or pre-collar/incomplete hole prior to intersection with pegmatite*

Mt Holland, Western Australia
### JORC Code, 2012, Table 1

#### SECTION 1 SAMPLING TECHNIQUES AND DATA

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sampling techniques</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nature and quality of sampling (eg 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.</td>
<td>This table relates to current drilling campaign undertaken by Kidman Resources using both RC and Diamond drilling methods at the Earl Grey Deposit, 3km north-northwest of the Bounty Gold Mine at the Mt Holland project.</td>
</tr>
<tr>
<td></td>
<td>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</td>
<td>A total of 5 drill holes (Table 1) have been completed to date and sample intervals have been selected by KDR and will be processed in the near future.</td>
</tr>
<tr>
<td></td>
<td>Aspects of the determination of mineralisation that are Material to the Public Report.</td>
<td>Samples were forwarded to certified laboratory for analysis were they will be weighed, crushed, reweighed, pulverised and split to produce a ~200g pulp subsample to use in the assay process.</td>
</tr>
<tr>
<td></td>
<td>In cases where ‘industry standard’ work has been done this would be relatively simple (eg reverse circulation drilling was used to obtain 1 m 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 (eg submarine nodules) may warrant disclosure of detailed information.</td>
<td>Field duplicates will be collected as standard practice.</td>
</tr>
<tr>
<td><strong>Drilling techniques</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</td>
<td>All sampled drill holes to date are Diamond holes, however the majority of future drilling will be RC.</td>
</tr>
<tr>
<td></td>
<td>All sampled drill holes to date are Diamond holes, however the majority of future drilling will be RC.</td>
<td>5½ diameter gear is used for the RC drilling, with a cone splitter used to sample the RC chips. Diamond holes are standard NQ2 diameter core.</td>
</tr>
<tr>
<td></td>
<td>Reverse circulation (RC) and Diamond drill holes have been geologically logged and recorded within a database.</td>
<td>The selected drill holes total lengths ranged from 229m to 325.6m, for a total meterage to date of 765.7m. Pre-collars have been drilled that have been paused before intersecting the pegmatite so diamond drilling can be undertaken in the coming weeks.</td>
</tr>
<tr>
<td><strong>Drill sample recovery</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Method of recording and assessing core and chip sample recoveries and results assessed.</td>
<td>All information captured by previous explorers has been imported into the Kidman database and verified before reporting. Kidman Resources undertakes industry best practice for any exploration programmes it undertakes. Steps taken are detailed below:</td>
</tr>
<tr>
<td></td>
<td>Measures taken to maximise sample recovery and ensure representative nature of the samples.</td>
<td>Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. Photography of core has not been regularly completed by previous companies, this is standard practice by Kidman Resources.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>Diamond core is logged over varying intervals, dependent on observed changes for the variable under investigation (eg. lithology, alteration etc.). The geological logs are carefully compiled with appropriate attention to detail.</td>
</tr>
<tr>
<td><strong>Logging</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>Kidman Resources utilises a spreadsheet as its logging interface, with data recorded on multiple table files, these include geology, alteration, mineralisation, structure, orientation, fracture frequency, veining and recovery. Data is validated on entry using a library of standardised codes.</td>
</tr>
<tr>
<td></td>
<td>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</td>
<td>For pre- Kidman Resources (KDR) activities, best practice is assumed.</td>
</tr>
<tr>
<td></td>
<td>The total length and percentage of the relevant intersections logged.</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-sampling techniques and sample preparation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If core, whether cut or sawn and whether quarter, half or all core taken.</td>
<td>Core is half cut with a diamond core saw. Sample intervals were defined by a qualified geologist to honour geological boundaries. All mineralised zones are sampled plus associated barren material in contact with NZs. samples were collected using Diamond Drilling - Half core sample sampling methods.</td>
</tr>
<tr>
<td></td>
<td>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</td>
<td>The select reverse circulation (RC) 1m intervals are sampled by standard industry core splitter.</td>
</tr>
<tr>
<td></td>
<td>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</td>
<td>The remainder of the sample has been retained.</td>
</tr>
<tr>
<td></td>
<td>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</td>
<td>The NATA accredited laboratory is registered to ISO 9001:2008 standards. They use industry best practice.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>The laboratory procedure used includes the following:</td>
</tr>
<tr>
<td></td>
<td>Whether sample sizes are appropriate to the grain size of the material being sampled.</td>
<td>o Sort all samples and note any discrepancies to the submittal form</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Record a received weight (WEI-21) for each sample,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Crush samples to 6mm nominal (CRU-21),</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Record a crushed samples weight,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Split any samples &gt;3.2Kg using a riffle splitter (SPL-21),</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Generate internal laboratory duplicates for nominated samples, assigning a ‘D’ suffix to the sample number,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o Pulverise samples in LMS pulveriser until grind size passes 90% passing 75μm (PUL-23).</td>
</tr>
</tbody>
</table>
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.
- 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 new results are being reported.
- No geophysical results are reported.
- No field QAQC has been supplied by KDR.
- It is recommended that future sampling programmes incorporate field QAQC best practice as used by KDR on other projects.

Verification of sampling and assaying
- The verification of significant intersections by either independent or alternative company personnel.
- The use of twinned holes.
- Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
- Discuss any adjustment to assay data.
- Historical drill holes have not been twinned by KDR to date.
- Industry standard practice is assumed for activities which occurred prior to KDR.
- Primary historical data and any re-logging / new sampling data have been compiled into the database. This database is in process of ongoing re-evaluation and consolidation by KDR.
- No adjustments or calibrations to the assay data have been made.
- Values for Li in the report text have also been calculated by atomic weight proportion percentile from the assay Li2O5 value.

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.
- Specification of the grid system used.
- Quality and adequacy of topographic control.
- All horizontal co-ordinates are assumed to be MGA94 zone 50 grid datum.
- Vertical regional level (RL) is assumed to be Australian height datum level as the surface drill holes have an RL of 449 to 457m whilst a local topographic peak at Mount Holland is 473 m above sea level.
- Best practice is assumed for activities which occurred prior to KDR.
- No resurvey of the hole collar co-ordinates has been undertaken by KDR.

Data spacing and distribution
- Data spacing for reporting of Exploration Results.
- 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.
- Whether sample compositing has been applied.
- Samples were selected on a basis of intersected pegmatite occurrence all of the pegmatite is sampled weather highly visual spodumene occurs or not.
- The recently assay sample spacing is not yet sufficient to establish a high degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve reporting.
- No samples are reported and compositing has not been applied to the samples being reported.
- Historical drill hole data and surface mapping indicates a high number of pegmatite intersections in the Mt Holland Project leases (refer to Figure 1 in text) and occurrences in application E77/224 to the north. It is not known if all these intersections are spodumene bearing.

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.
- If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.
- The orientation of the targeted drill holes for selective sampling is given in Appendix 1, Table 1 in the document.
- The orientation of the drill holes in relation to the pegmatites sampled as interpreted by KDR are shown on the sections Figures 1 and 2; initial modelling indicates the drill holes intersect pegmatite at between 45° and 70°.
- KDR personnel have identified that in the main the pegmatite has a gentle north westerly dip (Figure 1 and Figure 2 in text). However elsewhere in the Mount Holland Project there are other pegmatite occurrences which appear to be southeast dipping and others which are near vertical. The pegmatites can be truncated by east – northeast trending fracture zones.
- Relationship of the pegmatites and local or regional structures has not been fully established by KDR at this early stage. Pegmatites intrude along fracture zones.

Sample security
- The measures taken to ensure sample security.
- Sample chain of custody is managed by KDR.
- Samples were collected and stored on site prior to delivery to the laboratory in Perth by KDR personnel.
- Whilst in storage samples are kept in a locked yard.
- Tracking sheets are used to track the progress of batches of samples.

Audits or reviews
- The results of any audits or reviews of sampling techniques and data.
- Internal review of sampling techniques as well as data handling and validation is conducted by KDR as part of due diligence and continual review of protocols.
- Recording of LOI from sample analyses is also recommended to be included in all sample results in future programmes, as is analysis for Na2O or Na.
- Industry best practice is assumed for activities prior to KDR.
## SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| 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 security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | • KDR has signed a binding agreement to acquire the Mt Holland gold project package of tenements.  
• The author is not aware of issues which may impede KDR tenure position and understands the tenements are in good standing.  
• Application E77/2244 is pending grant.  
• No cultural heritage issues have been reported. |
| Exploration done by other parties             | • Acknowledgment and appraisal of exploration by other parties.                         | • Potential first recognised in 1980 by Harmark – Au and Ni.  
• In 1985 Aztec conducted soil sampling of the tenement which highlighted a number of discrete zones with values ranging from 100ppb-1000ppb Au within a broad anomalous trend and significant anomalous around the future Bounty pit. The anomalies were then tested with RAB drilling.  
• During 1986 further RAB and follow-up RC intersected the main body of gold (Au) mineralisation which was eventually drilled out on 20x12m. The Au mineralisation was recognised as being associated with the pyrite and pyrrhotite.  
• Transient Electromagnetic surveys (TEM) were conducted over and along strike of the Bounty ore body further delineating the resource. This found that the data was dominated by a westerly dipping, near vertical semi-continuous conductive zone, which thickens to the south and extends over the length of the survey. This is associated with sulphides within and peripheral to the contacts of the Bounty horizon.  
• In 1989 mining of the Bounty pit started.  
• The total ore mined from the Bounty, West and North Bounty pits was 640,000t @ 5.55g/t Au or 114,000oz Au.  
• Minor RAB and occasional RC drilling was undertaken north and south testing for strike extension. This effectively closed off the Au resource to the north but left it open to the south.  
• In 1997 Forrestania drilled a number of holes to the east of the pit to test for potential nickel mineralisation.  
• No known previous exploration focussed on lithium. |
| Geology                                        | • Deposit type, geological setting and style of mineralisation.                        | • Regional Geology  
• N-S trending linear greenstone stratigraphy  
• E-W cross-cutting Proterozoic dykes  
• Alternating peridotitic and basaltic komatites to the east, overlain by sheared and brecciated mafic sediment, which in turn has a sheared upper contact with the overlying dolerite.  
• Intrude by granite to the east and west.  
• Local Bounty Mine Geology  
• Bounty Horizon BIF (a variably deformed Fe-Am-chert formation) is the western most and youngest horizon of an ultramafic sequence of basaltic and peridotitic komatite and associated sediments known as the Bounty sequence; strike N-S.  
• Hanging wall dolerite has a mylonitised chloritic sheared contact.  
• Sequence is a near-vertical, westerly dipping (75° – 85°) semi-continuous horizon with discontinuities due to cross cutting fracture zones.  
• Fracture zones are intruded by pegmatites and younger north-northeast trending dykes i.e. the 250m wide Proterozoic Binneringie dyke.  
• Spodumene (lithium containing mineral) bearing pegmatite zonation within larger pegmatite body; typical LIT pegmatite association.  
• Zonation of pegmatites within the Mt Holland project is not fully understood or has not been fully investigated at this stage. |
| Drillhole 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.  
• 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. | • All horizontal co-ordinates are assumed to be GDA94 zone 50 grid datum.  
• Vertical regional level (RL) is assumed to be Australian height datum level as the surface drill holes have an RL of 449 to 457m whilst a local topographic peak at Mount Holland is 473 m above sea level  
• Industry standard practice is assumed for activities which occurred prior to KDR.  
• No resurvey of the hole collar co-ordinates has been undertaken by KDR. |
| Data aggregation methods                       | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually | • Oxides of Cs, Rb, and Ta in text have been calculated by atomic weight proportion percentile from the assay.  
• Values for Li in the report text have been calculated by atomic weight proportion percentile from the assay Li2O% value. |
Material and should be stated.

- 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.
- The assumptions used for any reporting of metal equivalent values should be clearly stated.

- Core sample intervals selected are 1m lengths (Table 2) based on RC drilling sampling.
- For assay results greater than 1% Li₂O a weighted average result has been reported.
- The assay results are weighted averaged to the individual sample lengths and the average of those used for the combined interval.
- No metal equivalent has been used.
- No top cut has been applied.

Relationship between mineralisation widths and intercept lengths

- These relationships are particularly important in the reporting of Exploration Results.
- If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.
- If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).

- The relationship between sample interval lengths to the pegmatite orientation and drill core orientation has not been fully noted at this early stage.
- Initial modelling indicates the drill holes intersect pegmatite at between 45° and 90°.
- Interpretation shown in Figure 3 indicates drill holes intersect the pegmatite at close to perpendicular thus giving a true thickness.
- Two drill holes have penetrated the lower pegmatite contact.
- Pegmatite intersections range from 1 m to 94m down hole length.
- Preliminary modelling indicate the thickness of pegmatite to be at least 94m true thickness in parts of the body.
- Further work needs to be done to define the trend of the pegmatites and define the true thickness of the pegmatites over broader areas.

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.

- These preliminary results are sufficient in numbers to only enable a preliminary interpretation of the pegmatite in section to be made. Any detailed interpretation at this stage may bias the future work.
- As further work progresses more detailed interpretation plans and sections will be added.

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.

- The current results reported constitute all known results for lithium mineralisation within pegmatites at Earl Grey Deposit.
- All results to date have been reported in previous ASX announcement of 15th July 2016.

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...

- Systematic sampling and multi element assaying of the pegmatites has not historically been conducted.
- This and any further work is aimed at improving this situation.

Further work

- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).
- Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

- Any further sampling of spodumene pegmatite intersection from historic drill holes from within the Mount Holland Project undertaken by KDR will be reported in accordance with reporting standards. Results of analyses of samples outstanding, pending or future will be reported in accordance to the 2012 JORC Code.
- The geology, mineralogy and geochemistry of these pegmatites has not been fully determined at this early stage, ongoing work is building a preliminary model and further planned work is intended to assist in addressing this matter.
- NO bulk density samples have been conducted on material (core or RC chips) to date; provision is being made to conduct some core bulk density testing of pegmatite material in the future.
- Continued project-wide geological review and database consolidation may assist in locating further historically mapped pegmatites and or others not previously identified.